



Legislation Text

File #: 15-464, **Version:** 1

RESOLUTION Awarding the Medical Cannabis Dispensary Annual Permit to Harborside San Leandro

WHEREAS, in December, 2013, the City Council, to advance public health and welfare in the community by making access to medical cannabis available to City residents in a more convenient, safe, and legally compliant manner, approved a medical cannabis regulatory ordinance to facilitate the approval, regulation, and operation of one medical cannabis dispensary in San Leandro; and

WHEREAS, the City Manager subsequently appointed an inter-departmental stakeholder group consisting of City staff from a range of City departments who will be responsible for regulating the dispensary, in order to assist in the implementation of the adopted medical cannabis ordinance; and

WHEREAS, on September 15, 2014, the City Council adopted the evaluation criteria that were to be used by City staff in order to screen applications from parties interested in operating the dispensary; and

WHEREAS, on December 15, 2014, City staff released a Request for Applications, in response to which 15 applicant teams submitted proposals; and

WHEREAS, following a methodical and objective screening of the applications that was guided by the Council-adopted screening criteria using industry best practices, City staff found that Harborside San Leandro demonstrated the superior combination of knowledge, experience and expertise, and offered the best fit and benefits for the community.

NOW, THEREFORE, the City Council of the City of San Leandro does hereby RESOLVE as follows:

1. That said medical cannabis dispensary annual permit is hereby awarded to Harborside San Leandro, and
2. That said permittee shall be subject to all of the requirements outlined within Ordinance No. 2013-20, codified as Chapter 4-33 within Title 4 of the San Leandro Municipal Code; and
3. That said permittee shall be subject to the following additional conditions of approval:
 - a. Permittee voluntarily commits to contribute 1% of its annual gross receipts to the City of San Leandro. The contribution shall be net of any income tax liability or payment should it be found that such contribution is not deductible to permittee for income tax purposes;
 - b. Permittee voluntarily commits to contribute 4% of its annual gross receipts to a

Community Benefits Fund, at least 80% of which will be distributed to local San Leandro-based non-profit organizations through a community grants program. Permittee voluntarily agrees to appoint an oversight board, the membership of which shall be composed of a majority of San Leandro residents, who shall recommend to HSL which local San Leandro-based non-profit organizations should receive such funds;

- c. Permittee voluntarily commits to contribute 10% of its annual net income to the City of San Leandro. The contribution shall be net of any income tax liability or payment should it be found that such contribution is not deductible to permittee for income tax purposes.
- d. If a tax on the gross receipts of medical cannabis dispensaries is authorized by San Leandro voters at a future election, conditions 3a., 3b., and 3c. above shall be automatically nullified or terminated as of the effective date of such a tax;
- e. No free samples of medicine shall be offered to patients or members of the dispensary collective, with the exception of patients who can demonstrate a financial hardship. Free medicine shall not be provided in exchange for goods, services or advocacy work on the part of patients for or on behalf of the collective or cooperative;
- f. Permittee shall comply with, effect, or further all of the commitments, statements of intent, and promises contained in the Phase II and Phase III sections of its application to operate a medical cannabis dispensary, which are incorporated herein and made a part hereof as an attachment to this resolution.
- g. Permittee understands and agrees that non-compliance with these conditions is a violation of Chapter 4-33 of the San Leandro Municipal Code.

IT IS FURTHER RESOLVED, that should the City Council amend Chapter 4-33 of the San Leandro Municipal Code to award more than one medical cannabis dispensary permit, all subsequent medical cannabis dispensary permits awarded or approved by the City shall include no less than that which is required or conditioned by this resolution, including but not limited to conditions of approval 3a., 3b., and 3c.