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OAKLAND

# OAKLAND CITY COUNCIL

84680

K Jain  
City Attorney

2013 OCT 10 PM 5: ~~R~~ESOLUTION No. \_\_\_\_\_ C.M.S.

Introduced by Councilmember \_\_\_\_\_

**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR OR HER DESIGNEE TO (1) APPROPRIATE THREE HUNDRED FIFTY-SIX THOUSAND SIX HUNDRED AND NINETY-THREE DOLLARS (\$356,693) ONE-TIME EXPENDITURES FOR ONE-TIME COSTS, (2) CREATE ONE TAX AUDITOR II AND ONE ASSISTANT TO CITY ADMINISTRATOR POSITIONS, (3) APPROPRIATE THREE HUNDRED SIXTY THOUSAND DOLLAR (\$360,000) FOR ON-GOING STAFF AND OPERATING COSTS FROM GENERAL PURPOSE FUND (FUND# 1010), CITY ADMINISTRATOR'S OFFICE AND REVENUE DIVISION ON POSITIONS AND OPERATING AND MAINTENANCE NECESSARY TO ADEQUATELY REGULATE MEDICAL CANNABIS DISPENSARIES, AND (4) APPROPRIATE ON-GOING REVENUE TO EXPENDITURE ON AN ON-GOING BASIS**

**WHEREAS**, on February 17, 2004, the City of Oakland adopted Ordinance No. 12585, amending Title 5 of the Oakland Municipal Code, Entitled **Business Licenses and Regulations to Add Chapter 5.80**, pertaining to **Medical Cannabis Dispensaries** permitting the distribution of medical cannabis to authorized patients through four licensed dispensaries.

**WHEREAS**, on July 26, 2011 The City council adopted fee modifications and additions justified by required staff expenditures as identified in a report to the Council, entitled "An Ordinance Amending The Master Fee Schedule (Ordinance Number 9336, As Amended) To Establish A Medical Cannabis Dispensary Permit Application Fee And An Annual Regulatory Fee For Permitted Medical Dispensaries"; and

**WHEREAS**, on July 26, 2011 it was the City Council's intention to ensure that the city has the capacity and resources to permit, regulate and monitor **Medical Cannabis Dispensaries** permitted under the above referenced ordinance; and

**WHEREAS**, the City has collected three hundred fifty-six thousand and six hundred and ninety three dollars (\$356,693) in FY 2012-13, and

**WHEREAS**, three hundred sixty thousand on-going revenue will be collected in FY 2013-14, and

**WHEREAS**, the City Administrator Office determined that additional staffing is needed to administer and regulate permitted medical cannabis dispensaries, to include Tax Enforcement Officer II, Tax Auditor II, Special Combination Code Enforcement Inspectors, City Attorney, related administrative support and such resources including third party security services total \$60,000 on an annual basis, therefore the City intends to charge an annual permit fee of \$60,000 to cover the costs of this program; and

**WHEREAS**, the City Council found and determined that establishing a medical Cannabis Dispensary Permit application fee of \$5,000 and an annual regulatory fee of \$60,000 for permitted medical cannabis dispensaries were necessary to reimburse the City for the costs of performing the various municipal and regulatory functions associated with Chapter 5.8; and

**WHEREAS**, Whereas, the City Administrator has determined that the collection of fees has reached a level sufficient enough to fund two additional positions to assist with the regulation of Medical Cannabis Dispensaries; and

**WHEREAS**, the fees collected by the City of Oakland must be used to provide services and or regulatory oversight as identified in the in the legislation that enabled the fees; and

**WHEREAS**, the appropriation of General Purpose Fund (Fund# 1010), City Administrator's Office (Org. # 02111) and Revenue Division (Org. #08421), Special Permit Fee (Account #42411), Cannabis Application Project (Proj. # A252610/20), And Administration Program (Prog. # IP03) is required in order to recruit and fill positions and operating & maintenance expenditures necessary to adequately regulate Medical Cannabis Dispensaries; now, therefore be it

**RESOLVED**, That the City Council hereby authorizes the City Administrator or her designee to appropriate one-time revenue in FY 2013-14 in an amount of \$356,693 to the General Purpose Fund (Fund# 1010), City Administrator's Office (Org. #02111), various accounts to cover one-time expenditures, Cannabis Application Projects (Project #A252610/20) and Administration Program (Program #IP03); and be it

**FURTHER RESOLVE**, That the City Council hereby authorizes the City Administrator or her designee to appropriate on-going revenue in FY 2013-14 in an amount of \$360,000 and up to \$480,000 once all eight (8) dispensaries are operating, to the General Purpose Fund (Fund# 1010), City Administrator's Office (Org. #02111) and Revenue Division (Org.# 08421), various accounts to cover on-going expenditures, Cannabis Application Projects (Project #A252610/20) and Administration Program (Program #IP03) ; and be it

**FURTHER RESOLVE**, That one Tax Auditor position is created in the Revenue Division to perform necessary audit function; and be it

**FURTHER RESOLVE**, That one Assistant to City Administrator position is created in the City Administrator's Office to regulate and manage the program; and be it

**FURTHER RESOLVED**, That City Administrator is authorized to appropriate revenue to expenditure accounts within the same fund, projects and program in an on-going basis as revenue is collected; and be it

**FURTHER RESOLVED**, That the City Administrator is authorized to take any other action necessary consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, NOV - 5 2013

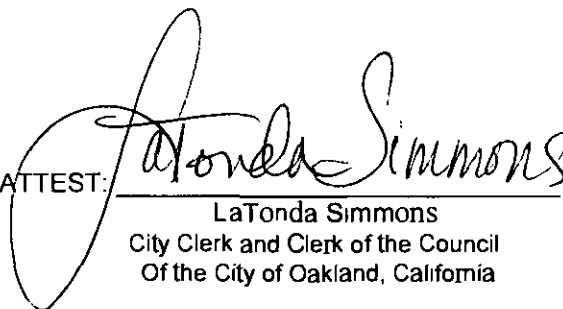
PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF and PRESIDENT KERNIGHAN - 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST:   
LaTonda Simmons  
City Clerk and Clerk of the Council  
Of the City of Oakland, California