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**CITY OF OAKLAND**  
**AGENDA REPORT**

TO: Oakland City Council Public Safety Committee  
ATTN: Larry Reid, Chair  
FROM: Council Member Rebecca Kaplan and Council Member Larry Reid  
DATE: September 15, 2010

RE: AN ORDINANCE AMENDING AMENDING THE MASTER FEE SCHEDULE (ORDINANCE NUMBER 9336, AS AMENDED) TO ESTABLISH A MEDICAL CANNABIS CULTIVATION PERMIT APPLICATION FEE OF \$5,000 AND AN ANNUAL MEDICAL CANNABIS CULTIVATION REGULATORY FEE FOR PERMITTED MEDICAL CANNABIS CULTIVATION FACILITIES OF \$211,000

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**SUMMARY**

Ordinance establishes a new category "Medical Cannabis Cultivation" in the Master Fee Schedule which will include a permit application fee of \$5,000, and an annual regulatory fee of \$211,000.

**BACKGROUND**

On July 27<sup>th</sup> 2010, the Oakland City Council adopted Ordinance No. 13330, an ordinance authorizing four (4) medical cannabis cultivation, manufacturing and processing facilities as a business permit through the city administrator's office. The ordinance established an application fee of \$5,000 and an annual regulatory fee of \$211,000 which this master fee schedule amendment seeks to address.

**FISCAL IMPACT**

Four (4) permits at \$211,000 would total \$844,000, this is expected to be cost recovering, based on the report that was provided as part of the establishing ordinance.

**DISCUSSION**

The regulatory fee covers staff time for monitoring, regulation, documenting breach, and nullifying permits. The proposed regulatory fee will be cost recovering, (The proposed fees are presented in Exhibit A of the attached legislation)

The new category will be inserted under Medical Cannabis Dispensaries and changing the order of the labels for the other items (G-I) but not fees assessed.

**RECOMMENDATION**

City Council pass the attached ordinance amending the master fee schedule.

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**DRAFT**

INTRODUCED BY COUNCILMEMBER REID AND KAPLAN  
FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2010 SEP 16 PM 4:29

**Ordinance No. \_\_\_\_\_ C.M.S.**

AN ORDINANCE AMENDING THE MASTER FEE SCHEDULE (ORDINANCE NUMBER 9336, AS AMENDED) TO ESTABLISH A MEDICAL CANNABIS CULTIVATION PERMIT APPLICATION FEE OF \$5,000 AND AN ANNUAL REGULATORY FEE OF \$211,000 FOR PERMITTED MEDICAL CANNABIS CULTIVATION FACILITIES.

WHEREAS, on July 27<sup>th</sup>, 2010 the City Council passed an ordinance amending Title 5 of the Oakland Municipal Code, Entitled Business Licenses and Regulations, To Add Chapter 5.81, Pertaining to Medical Cannabis Cultivation Facility Permitting; and

WHEREAS, the fee additions proposed herein have been justified in a report to the City Council dated July 27<sup>th</sup> 2010 entitled in part "... [A]n ordinance permitting four (4) medical cannabis cultivation, manufacturing and processing facilities as a business permit through the City Administrator's Office; and

WHEREAS, it is the City Council's intention to ensure that the city has the capacity and resources to permit, regulate and monitor Medical Cannabis Cultivation, Manufacturing and Processing facilities permitted under the above referenced ordinance

WHEREAS, the City council finds and determines that establishing a medical cannabis cultivation permit application fee of \$5,000 and an annual regulatory fee of \$211,000 for permitted medical cannabis cultivation facilities are necessary to reimburse the City for the costs of performing the various municipal and regulatory functions associated with Chapter 5.81; and

WHEREAS, a Public Hearing was held on October 19<sup>th</sup>, 2010, to review the proposed fees; now therefore

**THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:**

Section 1. The Master Fee Schedule as set forth in Ordinance Number \_\_\_\_\_ CMS, as amended is hereby amended to modify and establish a medical cannabis cultivation permit application fee of \$5,000 and an annual regulatory fee of \$211,000 for permitted medical cannabis cultivation facilities

Section 2. This ordinance shall be effective upon approval by the Council of the City of Oakland, November 1, 2010.

In Council, Oakland, California, \_\_\_\_\_, 2010

**PASSED BY THE FOLLOWING VOTE:**

AYES-

NOES-

ABSENT-  
ABSTENTION-

Attest: \_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council  
of the City of Oakland, California

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**City of Oakland**  
**Master Fee Schedule**  
*Effective On City Council Adoption*

**CITY ADMINISTRATOR**

FEE DESCRIPTION	CURRENT FEE (FY 2010-11)		PROPOSED FEE (FY 2010-11)		% CHANGE
	FEE	UNIT	FEE	UNIT	
<b>SPECIAL ACTIVITIES</b>					
<b>G. MEDICAL CANNABIS CULTIVATION, MANUFACTURING AND PROCESSING FACILITY</b>					
1 Application Fee	NEW	NEW	5,000.00	Application	N/A
2 Cultivation, Manufacturing and Processing Facility	NEW	NEW	60,000.00	Non-refundable annual regulatory fee	N/A
<b>G. H. REHEARING FILING FEE</b>	150.00	Application	N/A	N/A	
<b>H. I. HEARING NOTIFICATION FEE</b>	600.00	Permit	N/A	N/A	
<b>I. J. TAXICAB PERMIT FEES</b>					
1 Driver's Permit					
a. Initial Permit	75.00	Permit	N/A	N/A	
b. Annual Renewal	75.00	Year	N/A	N/A	
c. Replacement Permit	20.00	Permit	N/A	N/A	
d. Add / Transfer Permit	20.00	Permit	N/A	N/A	
e. Lapsed Permit (31-60 days)	117.00	Permit	N/A	N/A	
2 Operating					
a. Initial Permit and One (1) Inspection	350.00	Permit	N/A	N/A	
b. Annual Renewal of Operating Permit or Spare Vehicle Operating Permit and One Inspection	350.00	Permit	N/A	N/A	
c. Transfer Vehicle Operating Permit	100.00	Permit	N/A	N/A	
d. Replace Vehicle or Spare Vehicle	100.00	Permit	N/A	N/A	
3 Vehicle Permit					
a. Original Issuance of Medallion	45.00	Medallion	N/A	N/A	
b. Replacement Medallion	45.00	Medallion	N/A	N/A	
c. Transfer of Permit	2500.00	Permit	N/A	N/A	
4 Fleet Management Company Permit					
a. Initial, Change Manager, Annual Renewal	150.00	Permit	N/A	N/A	
	(\$25 / Vehicle Permit)				
5 Amendment to Permit Record					
a. 1-10 Permits	25.00	Each	N/A	N/A	
b. 11+ Permits	250.00	Flat Rate	N/A	N/A	