



**CALIFORNIA
GROWERS**
ASSOCIATION



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November 1, 2016

Alameda City Council
City of Alameda
2263 Santa Clara Avenue
Alameda, CA 94501

Re: November 1 Hearing - Consider Updated Regulation and Potential Taxation of Commercial Cannabis Activities

Honorable Mayor and Members of the City Council:

On behalf of the California Growers Association, we applaud your decision to schedule “a more robust discussion” on the matter of regulation of cannabis businesses in the City.

After decades of failed policies, we strongly feel that regulation is in the best interest of Alameda and its residents. While you are undoubtedly familiar with many of the benefits that a regulated market would bring, we would like to emphasize a few for your consideration. A regulated market would:

- Protect Public Health, Safety and Welfare - Mandatory compliance with state and local regulations, by virtue of licensing requirements, would ensure that the most public policy impacts are corrected, including environmental degradation, safety issues, and diversion of cannabis. After decades of failed policies intended to eliminate black market cannabis operations, it is broadly acknowledged that regulation is the only solution to ensure the effective protection of public health, safety, and the environment.
- Ensure Efficient Use of City Resources – Regulation enables City code enforcement and law enforcement staff to identify and isolate those individuals that continue to operate in a manner that is detrimental to the public’s health, safety, and welfare. By isolating those operators that are not taking steps to bring their operations into compliance with the regulations, City staff can significantly narrow and target the scope of its enforcement activities.
- Address Incompatible Land Uses – Regulation would allow the City to proactively address issues stemming from incompatible land use – such as those conflicts that naturally exist among commercial cannabis operations and residential communities.



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- Facilitate Compliance with Federal Direction – Regulation would support direction provided by the federal government by facilitating the requirements set forth in the Cole memo. Cities throughout California and in other parts of the United States are successfully navigating the priorities set forth in the memo. We, too, are fully supportive of those aims. However, we need to acknowledge that many of the goals of the memo cannot be accomplished without regulation. A hands off approach means that the status quo of the black market will continue to thrive.
- Provide Direct Fiscal Benefits – Regulation would allow the City to avoid and offset the exorbitant cost of enforcing a ban on cannabis businesses. It would also avoid placing a strain on the City's financial and human resources and placing the City in the untenable position of making budgetary tradeoffs that could compromise public welfare in your communities.
- Bring Significant Economic Development - The regulation of cannabis could result in a significant boost to the local economy by supporting small and independent, homegrown businesses and diversifying your economy. A recent study found that, with only minor growth of the current medical marijuana economy, the Sacramento region could produce more than 700 marijuana industry jobs, 1,100 related jobs and \$386 million in total economic impact. A more aggressive scenario estimated 20,000 direct and indirect jobs as a result of marijuana legalization and up to \$4B in economic return. It is not unreasonable to anticipate that Alameda could realize a proportional economic development benefit through regulation of cannabis businesses.

The California Growers Association would like to offer our assistance to the Council as needed in moving towards a regulated cannabis industry. Many jurisdictions have found that a task force is useful in weighing the complex issues surrounding regulation. In the event that we can provide information regarding best practices in this area, please feel free to contact me at your convenience.

Best Regards,

Hezekiah D Allen
Executive Director