

CITY OF ALAMEDA RESOLUTION NO. _____

AMENDING MASTER FEE RESOLUTION NO. 12191 TO ADD NEW CANNABIS
BUSINESS OPERATOR AND REGULATORY FEES

WHEREAS, the Alameda Municipal Code and the California Government Code provide that the City Council shall set fees reasonable to recover the cost of providing various services by resolution; and

WHEREAS, the City Council, at the August 27, 1991 Special City Council meeting directed City staff to amend the Alameda Municipal Code to reflect that City fees shall be set by City Council Resolution; and

WHEREAS, State law authorizes local governments to charge fees for services based on the estimated reasonable cost of providing the service for which the fee is charged; and

WHEREAS, the City Council is authorized to increase fees annually by the percentage increase in consumer and/or construction price indices for the San Francisco Bay Area; and

WHEREAS, the City Council established a regulatory regime by adopting various ordinances regulating Cannabis Business Activities in the city of Alameda, effective January 18, 2018, as amended from time to time; and

WHEREAS, the purpose of the regulatory regime is to ensure that the Cannabis Businesses and their operations are conducted in a secure and safe manner consistent with all applicable local and state laws, rules and regulations governing the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, labeling, transportation, research and development, delivery, sale, or provision of Cannabis or Cannabis Products for commercial purposes, whether for profit or not, including Proposition 64, known as the "Control, Regulate and Tax Adult Use of Marijuana Act" ("AUMA") and Senate Bill 94 (Medicinal and Adult-Use Cannabis Regulation and Safety Act, or "MAUCRSA");

WHEREAS, the City is estimated to incur certain costs associated with accepting, processing, reviewing, investigating, and formally considering the merits of each submittal for all the requisite permits, approvals, and entitlements, including applications for an operator's permit, use permit, and other approvals associated with the operation of each type of Cannabis Business pursuant to any and all ordinances containing the rules, regulations and procedures duly adopted by the City Council and the Implementing Regulations adopted by the Planning, Building and Transportation Department, the successor to the Community Development Department for implementation of cannabis

business ordinances adopted by Council, and thereafter amended from time to time, effective January 18, 2018; and

WHEREAS, a study was commissioned and has been completed to determine the reasonable cost for issuing and regulating various cannabis permits; and

WHEREAS, the City Council desires to recover the costs that the City will incur with accepting, processing, reviewing, investigating, and formally considering the merits of each submittal by each Cannabis Business applicant for all the requisite permits, approvals, and entitlements, including applications for an operator's permit, use permit, and other approvals associated with the operation of each type of Cannabis Business and in performing certain regulatory activities associated with the operation of each type of Cannabis Business facility in a manner permitted by applicable law; accordingly, the City Council mandated that the cost of cannabis business activities shall be borne solely by cannabis businesses.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Alameda as follows:

Section 1. FINDINGS.

(a) That the foregoing recitals are true and correct statements of fact and are incorporated into this Resolution by this reference.

(b) That the regulatory fees adopted by this resolution pursuant to the City's adopted cannabis business regulatory regime, as evidenced by the adoption of various ordinances regulating Cannabis Business Activities in the city of Alameda, effective January 18, 2018, as amended from time to time, are fair, reasonable and equal to, or less than, the reasonable costs the City will incur with accepting, processing, reviewing, investigating, and formally considering the merits of each submittal by each Cannabis Business applicant for all the requisite permits, approvals, and entitlements, including applications for an operator's permit, use permit, and other approvals associated with the operation of each type of Cannabis Business and in performing certain regulatory activities associated with the operation of each type of Cannabis Business facility in a manner permitted by applicable law, as evidenced by the "Cannabis Business Operator Permit and Regulatory Fee Study," dated October 2018," which forms the basis of the City Council's findings.

Section 2. ADOPTION OF FEE; AMENDMENT OF MASTER FEE SCHEDULE.

(a) Based on the foregoing, that Master Fee Resolution No. 12191 as to fees for services provided by City Departments are adjusted as set forth in Exhibit A, which is attached hereto, and are to be included in the Master Fee Schedule, which shall be imposed on any Cannabis Business applicant for the reasonable estimated costs the City will incur with respect to accepting, processing, reviewing, investigating, and formally

considering the merits of each submittal for all the requisite permits, approvals, and entitlements, including applications for an operator's permit, use permit, and other approvals associated with the operation of each type of Cannabis Business pursuant to any and all ordinances containing the rules, regulations and procedures duly adopted by the City Council and the Implementing Regulations adopted by the Planning, Building and Transportation Department. These fees may be adjusted annually by the Bay Area Consumer Price Index (CPI).

(b) That the payment of any fees set forth in Exhibit A shall be due and payable at the time of an application or request, including submittal of a proposal in response to a RFP, is submitted to the City.

(c) That the City will not begin any review or investigation of any permits, approvals, and entitlements, including applications for an operator's permit, use permit, and other approvals associated with the operation of each type of Cannabis Business until and unless the applicable fee has been paid in full.

(d) That the payment of any fees set forth in Exhibit A does not guarantee approval of any permits, approvals, and entitlements, including applications for an operator's permit, use permit, and other approvals associated with the operation of each type of Cannabis Business.

(e) That the fees set forth in Exhibit A are solely for costs that will be incurred, for activities described herein, and do not include any other fees due for, without limitation, other permits, licenses, inspections, document preparation that may be required by the City, including, building permits, environmental review, business licensing, certificates of occupancy, or mandatory inspections (e.g., fire).

(f) That the fees set forth in Exhibit A shall be evaluated and updated from time to time to ensure that they reflect the reasonable costs to administer the cannabis regulatory regime, including without limitation, in the following instances: (i) when the regulatory regime has been implemented for a period of time sufficient for the City to have had an opportunity to review the actual costs incurred in administering the program; (ii) if the ordinances, comprising the regulatory regime, have been substantially amended such that the time and/or processes involved are substantially changed; or (iii) at the expiration of 10 years, which is the period over which the Fee Study proposes recovery of the implementation costs.

(g) That The City Manager and the Director of the Planning, Building, and Transportation Department, their successors or designees, are authorized to implement this Resolution.

(h) This Resolution is effective immediately upon its adoption.

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EXHIBIT A
SUMMARY OF PROPOSED CANNABIS BUSINESS OPERATOR APPLICATION AND PERMIT FEES

Fee Description	Fee ¹	Unit	Figure
Cannabis Business Operator Permit: LOI Review Fee	\$900	flat fee	3
Cannabis Business Operator Permit: RFP Proposal Fee	\$4,400	flat fee	4
Cannabis Business Operator Permit: RFP Decision Appeal Fee	\$6,600	deposit-based	5
Cannabis Business Operator Permit: Application Fee	\$7,600	deposit-based	6
Cannabis Business Operator Permit: Renewal Fee	\$2,300	deposit-based	7

Notes:

¹ Proposed fees are rounded down to the nearest hundred dollars.

SUMMARY OF CANNABIS BUSINESS REGULATORY PROGRAM FEES

Fee Description	Fee ¹	Unit	Figure
Retail Dispensary	\$7,400	per permit annually	9
Nusery Cultivation	\$4,500	per permit annually	10
Testing Laboratory	\$4,500	per permit annually	11
Manufacturing: Volatile	\$8,500	per permit annually	12
Manufacturing: Non-Volatile	\$7,700	per permit annually	13
Delivery-Only Dispensary	\$6,000	per permit annually	14
Distribution (in conjunction with Cultivation or Manufacturing only)	\$4,400	per permit annually	15
Delivery (in conjunction with Retail only)	\$3,700	per permit annually	16

Notes:

¹ Proposed fees are rounded down to the nearest hundred dollars.

CANNABIS BUSINESS OPERATOR PERMIT LOI REVIEW FEE

Department / Office	Position	Fully Burdened Hourly Rate	Billable Hours	Estimated Labor Costs
		<i>Calc</i>	<i>a</i>	<i>b</i>
			<i>a*b=c</i>	
Base Reuse and Economic Development, and Planning and Building	Director	\$145	0.50	\$72.50
Base Reuse and Economic Development, and Planning and Building	Economic Development Manager/ Planning Services Manager	\$106	5.50	\$583.00
Planning and Building	Planner II	\$71	1.50	\$106.50
City Attorney's Office	Assistant City Attorney	\$121	1.50	\$181.50
Finance	Accounting Technician	\$50	0.25	\$12.50
Total Labor Costs				\$956.00
Contracted Services, Supplies, and Other Expenses				\$0.00
Cost Recovery %:				100%
Proposed Flat Fee per application¹				\$900.00

Notes:

¹Proposed fees are rounded down to the nearest hundred dollars.

CANNABIS BUSINESS OPERATOR PERMIT RFP PROPOSAL REVIEW

Department / Office	Position	Fully Burdened Hourly Rate	Billable Hours	Estimated Labor Costs	
		Calc	a	b	a*b=c
Base Reuse and Economic Development, and Planning and Building	Director	\$145	1.00	\$145.00	
Base Reuse and Economic Development, and Planning and Building	Economic Development Manager/ Planning Services Manager	\$106	14.00	\$1,484.00	
City Attorney's Office	Assistant City Attorney	\$121	2.00	\$242.00	
Finance	Accounting Technician	\$50	1.00	\$50.00	
Selection Panel					
Real Estate/Property Management	Base Reuse and Economic Development	\$129	4.00	\$516.00	
Finance	Financial Services Manager	\$123	4.00	\$492.00	
Recreation and Park	Manager, Mastic Senior Center	\$150	4.00	\$600.00	
Planning Division	Alameda Contract/PT Planner	\$111	4.00	\$444.00	
Public Works	Public Works Director	\$102	4.00	\$408.00	
Total Labor Costs				\$4,381.00	
Contracted Services, Supplies, and Other Expenses				\$100.00	
Cost Recovery %:				100%	
Proposed Flat Fee per application ¹				\$4,400.00	

CANNABIS BUSINESS OPERATOR PERMIT RFP DECISION APPEAL FEE

Department / Office	Position	Fully Burdened Hourly Rate	Billable Hours	Estimated Labor Costs
		<i>Calc</i>	<i>a</i>	<i>b</i>
			<i>a*b=c</i>	
Base Reuse and Economic Development, and Planning and Building	Director	\$145	1.00	\$145.00
Base Reuse and Economic Development, and Planning and Building	Economic Development Manager/ Planning Services Manager	\$106	10.00	\$1,060.00
City Attorney's Office	Assistant City Attorney	\$121	15.00	\$1,815.00
City Attorney's Office	Paralegal	\$66	5.00	\$330.00
Contracted Services	Hearing Officer	\$300	10.00	\$3,000.00
Total Labor Costs				\$6,350.00
Contracted Services, Supplies, and Other Expenses				\$300.00
Cost Recovery %:				100%
Proposed Deposit-based Fee per application¹				\$6,600.00

Notes:

¹Proposed fees are rounded down to the nearest hundred dollars.

BUSINESS OPERATOR PERMIT APPLICATION FEE

Department / Office	Position	Fully Burdened Hourly Rate	Billable Hours	Estimated Labor Costs	
		<i>Calc</i>	<i>a</i>	<i>b</i>	<i>a*b=c</i>
Base Reuse and Economic Development, and Planning and Building	Director	\$145	2.00	\$290.00	
Base Reuse and Economic Development, and Planning and Building	Economic Development Manager/ Planning Services Manager	\$106	24.00	\$2,544.00	
Police Department	Police Chief	\$223	1.00	\$223.00	
Police Department	Police Captain	\$226	4.00	\$904.00	
Police Department	Police Sergeant	\$166	10.00	\$1,660.00	
City Attorney's Office	Assistant City Attorney	\$121	3.00	\$363.00	
City Attorney's Office	Paralegal	\$66	1.00	\$66.00	
Finance	Accounting Technician	\$50	2.00	\$100.00	
Total Labor Costs				\$6,150.00	
Contracted Services, Supplies, and Other Expenses				\$1,500.00	
Cost Recovery %:				100%	
Proposed Deposit-based Fee per application ¹				\$7,600.00	

Notes:

¹Proposed fees are rounded down to the nearest hundred dollars.

CANNABIS BUSINESS OPERATOR PERMIT RENEWAL FEE

Department / Office	Position	Fully Burdened Hourly Rate	Billable Hours	Estimated Labor Costs	
		<i>Calc</i>	<i>a</i>	<i>b</i>	<i>a*b=c</i>
Base Reuse and Economic Development, and Planning and Building	Director	\$145	1.00	\$145.00	
Base Reuse and Economic Development, and Planning and Building	Economic Development Manager/ Planning Services Manager	\$106	4.00	\$424.00	
Police Department	Police Chief	\$223	1.00	\$223.00	
Police Department	Police Captain	\$226	2.00	\$452.00	
Police Department	Police Sergeant	\$166	4.00	\$664.00	
City Attorney's Office	Assistant City Attorney	\$121	2.00	\$242.00	
Finance	Accounting Technician	\$50	1.00	\$50.00	
Total Labor Costs				\$2,200.00	
Contracted Services, Supplies, and Other Expenses				\$100.00	
Cost Recovery %:				100%	
Proposed Fee per application ¹				\$2,300.00	

Notes:

¹Proposed fees are rounded down to the nearest hundred dollars.

ALLOCATION OF CANNABIS BUSINESS DEVELOPMENT AND IMPLEMENTATION COSTS

Department / Office	Total Cost
Base Reuse and Economic Development, and Planning and Building Departments	\$73,421.00
City Attorney's Office	\$25,205.00
City Clerk's Office	\$630.00
City Manager's Office	\$3,627.00
Finance Department	\$1,772.00
Police Department	\$34,856.00
Contracted Services, Supplies, and Other Expenses	\$82,900.00
Total Cost	\$222,411.00
Total Cost Recovery Per Year (10 Years)	\$22,241.10
Number of Permits	11
Annual Cost Recovery per Permit	\$2,021.92
Typical Cost Recovery per Inspection (based on 2 per	\$1,011.00

Notes:

¹Proposed fees are rounded down to the nearest hundred dollars.

ANNUAL REGULATORY PROGRAM FEE: RETAIL

General Tasks/Activities	Director	Economic Development Manager/ Planning Services Manager	Police Sergeant	Labor Hours	Labor Costs	Contract Services, Supplies and Other Expenses	Total Cost
<i>Fully Burdened Hourly Rate</i>	\$145	\$106	\$166				
Inspection, Monitoring, Compliance	0.00	0.00	0.00	0.00	\$0.00	\$1,957.50	\$1,957.50
Oversight and Reporting	2.00	3.00	1.00	6.00	\$774.00	\$0.00	\$774.00
Proportional Implentation Costs	-	-	-	-	-	-	\$1,011.00
Total per Inspection	2.00	3.00	1.00	6.00	\$774.00	\$1,957.50	\$3,742.50
Cost Recovery %:					100%		
Proposed Annual Inspections:					2		
Proposed Annual Fee: ¹					\$7,400	per permit annually	
Permits Allowed:					2	permits	
Estimated Annual Cost Recovery to City:					\$14,800		

Notes:

¹Proposed fees are rounded down to the nearest hundred dollars.

ANNUAL REGULATORY PROGRAM FEE: NURSERY CULTIVATION

General Tasks/Activities	Director	Economic Development Manager/ Planning Services Manager	Police Sergeant	Labor Hours	Labor Cost	Contract Services, Supplies and Other Expenses	Total Cost
<i>Fully Burdened Hourly Rate</i>	\$145	\$106	\$166				
Inspection, Monitoring, Compliance	0.00	0.00	0.00	0.00	\$0.00	\$806.00	\$806.00
Oversight and Reporting	0.75	1.50	1.00	3.25	\$433.75	\$0.00	\$433.75
Proportional Implementation Costs	-	-	-	-	-	-	\$1,011.00
Total per Inspection	0.75	1.50	1.00	3.25	\$433.75	\$806.00	\$2,250.75
Cost Recovery %:					100%		
Proposed Annual Inspections:					2		
Proposed Annual Fee: ¹					\$4,500	per permit annually	
Permits Allowed:					1	permits	
Estimated Annual Cost Recovery to City:					\$4,500		

Notes:

¹Proposed fees are rounded down to the nearest hundred dollars.

ANNUAL REGULATORY PROGRAM FEE: TESTING

General Tasks/Activities	Director	Economic Development Manager/ Planning Services Manager	Police Sergeant	Labor Hours	Labor Costs	Contract Services, Supplies and Other Expenses	Total Cost
<i>Fully Burdened Hourly Rate</i>	\$145	\$106	\$166				
Inspection, Monitoring, Compliance	0.00	0.00	0.00	0.00	\$0.00	\$846.00	\$846.00
Oversight and Reporting	0.75	1.50	1.00	3.25	\$433.75	\$0.00	\$433.75
Proportional Implentation Costs	-	-	-	-	-	-	\$1,011.00
Total per Inspection	0.75	1.50	1.00	3.25	\$433.75	\$846.00	\$2,290.75
Cost Recovery %:					100%		
Proposed Annual Inspections:					2		
Proposed Annual Fee: ¹					\$4,500	per permit annually	
Permits Allowed:					2	permits	
Estimated Annual Cost Recovery to City:					\$9,000		

Notes:

¹Proposed fees are rounded down to the nearest hundred dollars.

ANNUAL REGULATORY PROGRAM FEE: MANUFACTURING – VOLATILE

General Tasks/Activities	Director	Economic Development Manager/ Planning Services Manager	Police Sergeant	Labor Hours	Labor Costs	Contract Services, Supplies and Other Expenses	Total Cost
Fully Burdened Hourly Rate	\$145	\$106	\$166				
Inspection, Monitoring, Compliance	0.00	0.00	0.00	0.00	\$0.00	\$2,492.00	\$2,492.00
Oversight and Reporting	2.00	3.00	1.00	6.00	\$774.00	\$0.00	\$774.00
Proportional Implentation Costs	-	-	-	-	-	-	\$1,011.00
Total per Inspection	2.00	3.00	1.00	6.00	\$774.00	\$2,492.00	\$4,277.00
Cost Recovery %:					100%		
Proposed Annual Inspections:					2		
Proposed Annual Fee: ¹					\$8,500	per permit annually	
Permits Allowed:					2	permits	
Estimated Annual Cost Recovery to City:					\$17,000		

Notes:

¹Proposed fees are rounded down to the nearest hundred dollars.

ANNUAL REGULATORY PROGRAM FEE: MANUFACTURING – NON-VOLATILE

General Tasks/Activities	Director	Economic Development Manager/ Planning Services Manager	Police Sergeant	Labor Hours	Labor Costs	Contract Services, Supplies and Other Expenses	Total Cost
Fully Burdened Hourly Rate	\$145	\$106	\$166				
Inspection, Monitoring, Compliance	0.00	0.00	0.00	0.00	\$0.00	\$2,092.00	\$2,092.00
Oversight and Reporting	2.00	3.00	1.00	6.00	\$774.00	\$0.00	\$774.00
Proportional Implentation Costs	-	-	-	-	-	-	\$1,011.00
Total per Inspection	2.00	3.00	1.00	6.00	\$774.00	\$2,092.00	\$3,877.00
Cost Recovery %:					100%		
Proposed Annual Inspections:					2		
Proposed Annual Fee: ¹					\$7,700	per permit annually	
Permits Allowed:					2	permits	
Estimated Annual Cost Recovery to City:					\$15,400		

Notes:

¹Proposed fees are rounded down to the nearest hundred dollars.

ANNUAL REGULATORY PROGRAM FEE: DELIVERY-ONLY DISPENSARY

General Tasks/Activities	Director	Economic Development Manager/ Planning Services Manager	Police Sergeant	Labor Hours	Labor Costs	Contract Services, Supplies and Other Expenses	Total Cost
<i>Fully Burdened Hourly Rate</i>	\$145	\$106	\$166				
Inspection, Monitoring, Compliance	0.00	0.00	0.00	0.00	\$0.00	\$1,494.50	\$1,494.50
Oversight and Reporting	1.00	2.00	1.00	4.00	\$523.00	\$0.00	\$523.00
Proportional Implentation Costs	-	-	-	-	-	-	\$1,011.00
Total per Inspection	1.00	2.00	1.00	4.00	\$523.00	\$1,494.50	\$3,028.50
Cost Recovery %:					100%		
Proposed Annual Inspections:					2		
Proposed Annual Fee: ¹					\$6,000	per permit annually	
Permits Allowed:					2	permits	
Estimated Annual Cost Recovery to City:					\$12,000		

Notes:

¹Proposed fees are rounded down to the nearest hundred dollars.

ANNUAL REGULATORY PROGRAM FEE: DISTRIBUTION

General Tasks/Activities	Director	Economic Development Manager/ Planning Services Manager	Police Sergeant	Labor Hours	Labor Costs	Contract Services, Supplies and Other Expenses	Total Cost
<i>Fully Burdened Hourly Rate</i>	\$145	\$106	\$166				
Inspection, Monitoring, Compliance	0.00	0.00	0.00	0.00	\$0.00	\$903.00	\$903.00
Oversight and Reporting	0.25	1.00	1.00	2.25	\$308.25	\$0.00	\$308.25
Proportional Implentation Costs	-	-	-	-	-	-	\$1,011.00
Total per Inspection	0.25	1.00	1.00	2.25	\$308.25	\$903.00	\$2,222.25
Cost Recovery %:					100%		
Proposed Annual Inspections:					2		
Proposed Annual Fee: ¹					\$4,400	per permit annually	
Permits Allowed:					4	permits	
Estimated Annual Cost Recovery to City:					\$17,600		

Notes:

¹Proposed fees are rounded down to the nearest hundred dollars.

ANNUAL REGULATORY PROGRAM FEE: DELIVERY (w/RETAIL ONLY)

General Tasks/Activities	Director	Economic Development Manager/ Planning Services Manager	Police Sergeant	Labor Hours	Labor Costs	Contract Services, Supplies and Other Expenses	Total Cost
<i>Fully Burdened Hourly Rate</i>	\$145	\$106	\$166				
Inspection, Monitoring, Compliance	0.00	0.00	0.00	0.00	\$0.00	\$351.50	\$351.50
Oversight and Reporting	0.25	3.00	1.00	4.25	\$520.25	\$0.00	\$520.25
Proportional Implentation Costs	-	-	-	-	-	-	\$1,011.00
Total per Inspection	0.25	3.00	1.00	4.25	\$520.25	\$351.50	\$1,882.75
Cost Recovery %:					100%		
Proposed Annual Inspections:					2		
Proposed Annual Fee: ¹					\$3,700	per permit annually	
Permits Allowed:					2	permits	
Estimated Annual Cost Recovery to City:					\$7,400		

Notes:

¹Proposed fees are rounded down to the nearest hundred dollars.

I, the undersigned, hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the Council of the City of Alameda in a regular meeting assembled on 16th day of October, 2018 by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed the official seal of said City this 17th day of October, 2018.

Lara Weisiger, City Clerk
City of Alameda

Approved as to form:

Janet C. Kern, City Attorney
City of Alameda