CAMBRIDGE CITY COUNCIL

Craig A. Kelley
City Councillor

To: Donna Lopez, City Clerk

From: Craig A. Kelley, City Councillor

Date: 18 April 2019

Subject: Memorandum Submission

Please place the attached memorandum, "Cannabis Business Ordinance Follow Up Inquiry", on the City Council agenda as Communications and reports from Other City Officials for the 22 April 2019 City Council meeting.

Thank you.

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CAMBRIDGE CITY COUNCIL

Craig A. Kelley
City Councillor

MEMORANDUM

To: City Manager Louis DePasquale and Fellow City Councillors

From: Craig Kelley, *City Councillor*

Date: 13 April 2019

Subject: Cannabis Business Ordinance Follow Up Inquiry

At our Ordinance Committee meeting on 11 April to talk about the proposed Cannabis Business Ordinance, Committee members had a number of questions and concerns, some of which we asked City staff to address as quickly as possible, so we could reconvene equally quickly and try to solidify this Ordinance and create adult cannabis sales opportunity in Cambridge.

Given the Committee's overarching belief that our Cannabis Business Ordinance should, as much as possible, try to create a more equitable world, we wanted to know the legal limits the Council faces in:

1. Altering the proposed 2-year license limitation of .040(b) or even eliminating it completely.
2. Can we legally require non-equity retail stores to provide shelf or floor space for permitted equity/empowerment applicants?
3. Can we use any fees generated from cannabis sales in a targeted way to assist equity/empowerment applicants in areas such as:
    a. Subsidized loans
    b. Business training
    c. Legal assistance
4. Pertaining to Host Community Agreements, which were a choke point in the process noted during public comment:
    a. How much discretion does the Manager have in approving/denying them
    b. Can we/should we put specifics about how they are issued in this ordinance
5. If we do not allow all currently permitted RMDs to become adult use retail, how do we

pick which ones do
    a. Lottery?
    b. Only ones in operation as of a certain date (such as date of ordination)
    c. Other?
6. Should we redefine our "Group A" and "Group B" terminology to
    a. Set income limits for qualification
    b. Set residential requirements to Neighborhood Revitalization Strategy Areas.
    c. Set criteria for membership in these groups so that if the criteria are not met, the permit would not be granted (somewhat along the lines of setting out percentage requirements under .050)
7. Can we drop the number of illegal sales to 1 rather than three prior to allowing for revocation of a license?
8. Pertaining to the percentage requirements for employees and board members under .050(a)2 and 3:
    a. Is this legal in any way?
    b. If it is legal, can we phase in percentage changes over time to allow the makeup to morph from what exists now in some companies
    c. Are convicted felons excluded from participating and, if so, can we insert language that changes that constraint
9. Given that the state has set ownership limits, can we further limit how many establishments, and of what type, any one owner has in Cambridge?
10. Would the ordinance be the proper place to put in information about timelines, points of contact and so forth or would we have a separate guidance document for that?
11. Can we use this Ordinance to set up a process to keep equity/empowerment applicants from setting up shop virtually, or even literally, next door to each other? There was some concern expressed that, absent such a limitation, places like Central Square may only have one non-equity cannabis facility but may have a huge number of equity shops.
12. How can we make sure that Equity and Empowerment applicants are not pitted against each other? Is that something we should worry about?
13. How would we go about reviewing how successful our attempts at providing an equitable program actually turn out to be? Can we put relevant language in the Ordinance?

I appreciate the work everyone, including City staff, applicants, members of the public and Councilors is putting into trying to make this new law and related business opportunities reflect the drive for justice we all feel. Given the imperfections of the state law within which we must work, I imagine there are some things we cannot legally do, some things that may be less clear and some things that are obviously under our jurisdiction. Understanding all of that will help the Council get to the best possible place.

Thank you for your attention to this matter.