

CITY OF ARROYO GRANDE CALIFORNIA

September 4, 2012

Presiding Judge Barry T. LaBarbera
Superior Court of California
1050 Monterey Street
San Luis Obispo, California 93408

Re: Grand Jury Report entitled "Out of Sight, Out of Mind—Medical Marijuana in San Luis Obispo County"

Dear Judge LaBarbera:

Please find below the responses from the City of Arroyo Grande to the San Luis Obispo County Grand Jury report entitled "Out of Sight, Out of Mind—Medical Marijuana in San Luis Obispo County."

Finding #2: Each incorporated city in the county has an ordinance prohibiting brick and mortar medical marijuana collectives within its city limits.

Response: The City of Arroyo Grande has an ordinance set forth in Chapter 9.26 of its municipal code that prohibits medical marijuana dispensaries within the City. As defined in the City's ordinance, a medical marijuana dispensary is "any facility in a single fixed location where a primary caregiver makes available, sells, transmits, gives or otherwise provides medical marijuana, or cannabis, for medical purposes to two or more qualified patients or persons with an identification card in accordance with Health and Safety Code Section 11362.5."

Finding #3: The county and incorporated cities in the county have not adopted an ordinance regarding medical marijuana mobile collective delivery services operating within their jurisdictions, with the exception of Atascadero.

Response: Chapter 9.26 of the Arroyo Grande Municipal Code does not include within the definition of "medical marijuana dispensary" a mobile medical marijuana delivery service, but possession of, and distribution of marijuana, whether for medical or other purposes, is prohibited by federal law. Therefore it is not an allowed use within the City of Arroyo Grande.

Finding #4: Business licenses are required for all businesses operating in the incorporated and unincorporated areas of the county.

Response: Chapter 5.02 of the Arroyo Grande Municipal Code imposes business licenses for all businesses, professions, trades, vocations, enterprises, establishments, occupations, or calling conducting business in the City to which a business license may lawfully apply.

Finding #5: Many medical marijuana mobile collective delivery services operate in the incorporated and unincorporated areas of the county without a business license.

Response: The City of Arroyo Grande is unaware of such services operating within the City.

Finding #6: There is currently no way to determine the exact number of medical marijuana mobile collective delivery services operating in the incorporated and unincorporated areas of the county or on the Cal Poly Campus.

Response: The City of Arroyo Grande is currently unaware of any such data or ability to obtain such data.

Finding #7: There is no protocol for medical marijuana mobile collective delivery service recordkeeping.

Response: The City of Arroyo Grande does not have such recordkeeping protocols within the City.

Recommendations #2: The county and incorporated cities in the county should develop an ordinance regarding medical marijuana mobile collective delivery services within their respective jurisdictions.

Response: Possession of, and distribution of marijuana, whether for medical or other purposes, is prohibited by federal law. Therefore it is not an allowed use within the City of Arroyo Grande. However, in response to the Grand Jury's recommendation, the City is drafting an amendment to the current Municipal Code definition of medical marijuana dispensary to include mobile collective delivery services.

Recommendation #3. By code or ordinance, the county and each incorporated city in the county should require medical marijuana mobile collective delivery services operating within their jurisdiction to possess a business license and seller's permit.

Response: No such ordinance is proposed because possession of, and distribution of marijuana, whether for medical or other purposes, is prohibited by federal law. The City of Arroyo Grande will not issue business licenses to medical marijuana dispensaries since they would be operating in violation of federal law.

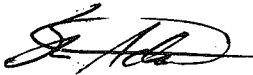
Recommendation #4: Using business records, seller's permits and sales taxes, the county and each incorporated city in the county should compile a list of medical marijuana mobile collective delivery services operating within their jurisdictions.

Response: Possession of, and distribution of marijuana, whether for medical or other purposes, is prohibited by federal law. Therefore, compiling a list of medical marijuana mobile collective delivery services is not proposed since they are not an allowed use and the City is unaware of any such businesses.

Recommendation #5: By code or ordinance, the county and each incorporated city in the county should require medical marijuana collectives and mobile collective delivery services to keep current records.

Response: No such ordinance is proposed because possession of, and distribution of marijuana, whether for medical or other purposes, is prohibited by federal law. Therefore, there is no need to require records from businesses that are not allowed to operate in the City.

Sincerely,



Steven Adams
City Manager

cc: San Luis Obispo County Grand Jury
P.O. Box 4910
San Luis Obispo, California 93402

City Council