



ORDINANCE COMMITTEE

COMMITTEE MEETING

~ MINUTES ~

Wednesday, October 4, 2023

12:30 PM

Sullivan Chamber
795 Massachusetts Avenue
Cambridge, MA 02139

The Ordinance Committee will hold a public hearing on October 4, 2023, from 12:30 p.m. to 2:30 p.m. to discuss proposed changes to the Municipal Code of the City of Cambridge relative to Chapter 5.50 CANNABIS BUSINESS PERMITTING.

Attendee Name	Present	Absent	Late	Arrived
Burhan Azeem	<input type="checkbox"/> Remote	<input type="checkbox"/>	<input type="checkbox"/>	
Dennis J. Carlone	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Alanna Mallon	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Marc C. McGovern	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Patricia Nolan	<input type="checkbox"/> Remote	<input type="checkbox"/>	<input type="checkbox"/>	
E. Denise Simmons	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1:20 PM
Paul F. Toner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Quinton Zondervan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sumbul Siddiqui	<input type="checkbox"/> Remote	<input type="checkbox"/>	<input type="checkbox"/>	

A public meeting of the Cambridge City Council's Ordinance Committee was held on Wednesday, October 4, 2023. The meeting was Called to Order at 12:42 p.m. by the Chair, Councillor Zondervan. Pursuant to Chapter 2 of the Acts of 2023 adopted by Massachusetts General Court and approved by the Governor, the City is authorized to use remote participation. This public meeting was hybrid, allowing participation in person, in the Sullivan Chamber, 2nd Floor, City Hall, 795 Massachusetts Avenue, Cambridge, MA and by remote participation via Zoom.

At the request of the Chair, City Clerk LeBlanc called the roll.

Councillor Azeem – Present/Remote

Councillor Carlone – Absent

Vice Mayor Mallon – Present/In Sullivan Chamber

Councillor McGovern – Absent

Councillor Nolan – Present/Remote

Councillor Simmons – Absent*

Councillor Toner – Present/In Sullivan Chamber

Councillor Zondervan – Present/In Sullivan Chamber

Mayor Siddiqui – Present/Remote

Present – 6, Absent – 3. Quorum established.

***Councillor Simmons joined at 1:20 p.m. and was remote.**

The Chair, Councillor Zondervan offered opening remarks and noted that the call of the meeting was to discuss the proposed changes to the Municipal Code of the City of Cambridge relative to Chapter 5.50, Cannabis Business Permitting. Councillor Zondervan shared that Megan Bayer,

Acting City Solicitor was present and joined by Christina DiLisio, Economic Development Specialist for the Community Development Department (CDD).

The Chair, Councillor Zondervan recognized Megan Bayer who reviewed in detail the recommended amendments to the Ordinance.

The Chair, Councillor Zondervan opened Public Comment.

Kimberly Napoli, 9 Spruce Lane, offered comments that were in favor of the proposed amendments.

Sieh Samura, 111 Wellington Street, urged the Council to look at the language in Section 8 of 5.50.050 to allow business owners the ability to sell merchandise that are not cannabis, tobacco, and alcohol products.

The Chair, Councillor Zondervan recognized Councillor Toner who had a clarifying question regarding Section 8 of 5.50.050 in the Ordinance related to a statement made during public comment. Councillor Toner asked if the language would need to be changed for business owners to sell promotional products in their stores. Megan Bayer shared that she does not see any issues with having some of the language removed. Christina DiLisio agreed and noted that business owners should be able to have as much opportunity as possible.

The Chair, Councillor Zondervan recognized Councillor Toner who made a motion for Section 8 of 5.50.050, Permitting Requirements, to read, "It will not sell tobacco products or alcoholic beverages of any kind".

City Clerk LeBlanc called the roll.

Councillor Azeem – Yes

Councillor Carlone – Absent

Vice Mayor Mallon – Yes

Councillor McGovern – Absent

Councillor Nolan – Yes

Councillor Simmons – Absent

Councillor Toner – Yes

Councillor Zondervan – Yes

Mayor Siddiqui – Yes

Yes – 6, No – 0, Absent – 3. Motion passed.

The Chair, Councillor Zondervan recognized Councillor Toner who asked for more information on the one-year versus two-year filing, and if it is a State or City requirement. Christina DiLisio was available to respond, noting that permits are renewed every year, and the City is asking for any updated changes to the business. She shared that all economic empowerment applicants are not charged a renewal fee.

The Chair, Councillor Zondervan recognized Councillor Azeem who asked what the renewal fee is for non-economic empowerment applicants. Christina DiLisio shared the fee is \$350.

Councillor Azeem asked if there is any value for keeping the renewal for every year and suggested that it could be renewed every 2-5 years. Christina DiLisio noted that one concern with changing the renewal date would be the change of business ownership and highlighted that the annual renewal is to help keep the City aware of any key changes to the businesses. Megan Bayer and Councillor Zondervan offered additional remarks that supported the comments made by Christina DiLisio.

The Chair, Councillor Zondervan recognized Richard Harding, who was joined via Zoom, who offered supportive comments on the clean up to the Ordinance language. He offered suggestions on how the City can move forward to positively affect those operating a cannabis site and agreed with comments regarding Section 8 of 5.50.050 and giving business owners the right to sell promotional merchandise. Richard Harding shared that he looks forward to continuing the conversation.

The Chair, Councillor Zondervan shared concerns about removing the requirement for a Group A Priority applicant to no longer be a Cambridge resident.

The Chair, Councillor Zondervan made a motion to remove the strike out to the proposed amendment to Section A of 5.50.020, Definitions.

City Clerk LeBlanc called the roll.

Councillor Azeem – Yes

Councillor Carlone – Absent

Vice Mayor Mallon – Yes

Councillor McGovern – Absent

Councillor Nolan – Yes

Councillor Simmons – Absent

Councillor Toner – Yes

Councillor Zondervan – Yes

Mayor Siddiqui – Yes

Yes – 6, No – 0, Absent – 3. Motion passed.

The Chair, Councillor Zondervan recognized Councillor Toner who made a motion to forward the proposed language as amended to the full City Council with a favorable recommendation to pass to a second reading. (Attached)

City Clerk LeBlanc called the roll.

Councillor Azeem – Yes

Councillor Carlone – Absent

Vice Mayor Mallon – Yes

Councillor McGovern – Absent

Councillor Nolan – Yes

Councillor Simmons – Absent

Councillor Toner – Yes

Councillor Zondervan – Yes

Mayor Siddiqui – Yes

Yes – 6, No – 0, Absent – 3. Motion passed.

The Chair, Councillor Zondervan recognized Richard Harding who shared the experience opening a cannabis retail store in Cambridge. Richard Harding noted that it is not an easy business to get into and it is even harder to complete the business set up as it relates to the regulatory process. Richard Harding shared concerns about the financial burden that is put into opening the business, applications, permitting, and many other factors that play a role in getting the business started, and noted that it is a hardship for many.

The Chair, Councillor Zondervan provided follow-up comments and asked the Law Department to provide information on the sales tax provision, and asked if there could be a way to give a

form of relief to these starting businesses. Councillor Zondervan offered the suggestion of being able to provide a refund to owners on some of the rent that has been paid while awaiting Special Permits. Additionally, the Chair suggested the possibility of limiting the number of stores that are allowed in the City to increase the value of current businesses that business owners have invested in to. Megan Bayer was available to respond and shared that these questions and suggestions would be something the Law Department would need to investigate further. The Chair recognized Councillor Nolan, Councillor Azeem, and Richard Harding for comments relative to limiting the amount of cannabis businesses in the City.

The Chair, Councillor Zondervan made a motion That the City Manager be and hereby is requested to work with the Law Department, the Finance Department, and any other relevant departments to investigate potential mechanisms to support Cannabis Business in Cambridge, including but not limited to: not collecting the local tax on Cannabis product sales, refunding some of the rent that was paid while awaiting a Special Permit, and limiting the number of stores that are allowed and report back to the City Council by November 20, 2023.

City Clerk LeBlanc called the roll.

Councillor Azeem – Yes

Councillor Carlone – Absent

Vice Mayor Mallon – Yes

Councillor McGovern – Absent

Councillor Nolan – Yes

Councillor Simmons – Yes

Councillor Toner – Yes

Councillor Zondervan – Yes

Mayor Siddiqui – Yes

Yes – 7, No – 0, Absent – 2. Motion passed.

ORDERED: That the City Manager be and hereby is requested to work with the Law Department, the Finance Department, and any other relevant departments to investigate potential mechanisms to support Cannabis Business in Cambridge, including but not limited to: not collecting the local tax on Cannabis product sales, refunding some of the rent that was paid while awaiting a Special Permit, and limiting the number of stores that are allowed, and report back to the City Council by November 20, 2023.

The Chair, Councillor Zondervan, recognized Councillor Toner who made a motion to adjourn the meeting.

City Clerk LeBlanc called the roll.

Councillor Azeem – Yes

Councillor Carlone – Absent

Vice Mayor Mallon – Yes

Councillor McGovern – Absent

Councillor Nolan – Yes

Councillor Simmons – Yes

Councillor Toner – Yes

Councillor Zondervan – Yes

Mayor Siddiqui – Yes

Yes – 7, No – 0, Absent – 2. The meeting was adjourned at approximately 1:38p.m.

Attachments:

Attachment A - Clean version of proposed amendments as amended in Committee.

Clerk's Note: The City of Cambridge/22 City View records every City Council meeting and every City Council Committee meeting. This is a permanent record. The video for this meeting can be viewed at:

https://cambridgema.granicus.com/player/clip/586?view_id=1&redirect=true&h=3180a109f899c4595a4fe0bddc3afd1b

An Ordinance has been received from City Clerk, relative to proposed changes to Cannabis Business Permitting Proposed Ordinance 2023-6. REFERRED TO ORDINANCE COMMITTEE IN COUNCIL AUGUST 7, 2023

Title 5 - BUSINESS LICENSES AND REGULATIONS
Chapter 5.50 CANNABIS BUSINESS PERMITTING

Chapter 5.50 CANNABIS BUSINESS PERMITTING

Sections:

5.50.010 Purpose.

This ordinance is intended to create a separate local permitting requirement for Cannabis Retail Store, Cannabis Cultivator, Cannabis Product Manufacturer, Cannabis Microbusiness, Cannabis Courier Establishment, Cannabis Delivery Operator Establishment, or any other Cannabis Business as defined herein (collectively "Cannabis Business") applicants to certify compliance with certain conditions in the public interest prior to being permitted to operate a Cannabis Business in the City. The City deems it to be in the public interest to give initial permitting preferences for Cannabis Businesses to Priority A Applicants, as defined herein.

(Ord. No. 2021-19 , 9-13-2021; Ord. No. 1409 , 9-23-19)

5.50.020. Definitions.

"Cannabis Business." A Cannabis Retail Store, Cannabis Cultivator, Cannabis Product Manufacturer, Cannabis Microbusiness, Cannabis Courier Establishment, Cannabis Delivery Operator Establishment, or any other entity licensed by the Massachusetts Cannabis Control Commission to produce, transport or sell marijuana in the Commonwealth of Massachusetts.

"Cannabis Cultivator." An entity licensed by the Massachusetts Cannabis Control Commission as a Marijuana Cultivator to cultivate, process and package cannabis or marijuana, and to transfer cannabis or marijuana to other cannabis or marijuana establishments, but not to consumers. A craft marijuana cooperative is a type of Marijuana Cultivator, pursuant to 935 CMR 500.000.

"Cannabis Product Manufacturer." An entity licensed by the Massachusetts Cannabis Control Commission as a Marijuana Product Manufacturer to obtain, manufacture, process and package cannabis or marijuana products and to transfer these products to other cannabis or marijuana establishments, but not to consumers.

"Cannabis Retail Store." An establishment authorized to sell or otherwise transfer cannabis or marijuana products to consumers for use off the premises, but not to cultivate, manufacture, process, or package cannabis or marijuana products, in accordance with applicable state laws and regulations. A Cannabis Retail Store may be licensed to operate as a Cannabis or Marijuana Retailer or registered as a Medical Marijuana Treatment Center, formerly known as a Registered Marijuana Dispensary (RMD) (hereafter "MTC"), or both, in accordance with applicable state laws and regulations.

"Cannabis Courier Establishment." An establishment licensed as a Marijuana Courier by the Massachusetts Cannabis Control Commission that is authorized to operate pursuant to that license, including to deliver cannabis or marijuana products, accessories and branded goods from a Cannabis Retail Store to consumers, in accordance with applicable state laws and regulations, but not authorized to sell cannabis or marijuana products directly to consumers.

"Cannabis Transporter." An entity, not otherwise licensed by the Cannabis Control Commission, that is licensed to purchase, obtain, and possess cannabis or marijuana, or cannabis or marijuana products, solely for the purpose of transporting, temporarily storing, selling and distributing them to cannabis establishments, not for selling to consumers. Local Sales Taxes. Taxes imposed by the City upon the sale or transfer of marijuana or marijuana products by a Cannabis Retail Store pursuant to Section 3 of M.G.L. Chapter 64N."

"Cannabis Delivery Operator Establishment." An establishment licensed as a Marijuana Delivery Operator by the Massachusetts Cannabis Control Commission and authorized to purchase at wholesale and warehouse on the site cannabis or marijuana products acquired from a Cannabis Cultivator, Cannabis Product Manufacturer, Cannabis Microbusiness or Craft Marijuana Cooperative, and to sell and deliver cannabis or marijuana products, accessories and branded goods directly to consumers in accordance with applicable state laws and regulations, but not authorized to repackage cannabis or marijuana products or to sell cannabis or marijuana products to consumers on-site.

"Cannabis Microbusiness." A co-located Cannabis or Marijuana Establishment that can be either a Tier 1 Marijuana Cultivator or a Product Manufacturer or both, pursuant to 935 CMR 500.00, in compliance with the operating procedures for each license and, if in receipt of a Delivery Endorsement issued by the Cannabis Control Commission, may deliver Cannabis or Cannabis Products produced at the licensed location directly to Consumers in compliance with established regulatory requirements for retail sale as it relates to delivery. A Microbusiness that is a Cannabis Marijuana Product Manufacturer may purchase no more than 2,000 pounds of marijuana per year from other Cannabis or Marijuana Establishments, pursuant to 935 CMR 500.000.

"Priority Applicant." A person, corporation, or other legal entity applying for a Cannabis Business permit pursuant to this Chapter to operate in the City who is:

- A. Group A Priority Applicant. An Economic Empowerment Applicant certified as such by the Commonwealth's Cannabis Control Commission; or a Social Equity Program Applicant certified as such by the Commonwealth's Cannabis Control Commission who is also a Cambridge resident and has been for at least the previous three years; or Women or Minority Owned business as certified by the Commonwealth and /or by the City; or a Cambridge resident for at least the three previous years prior to application earning less than fifty percent (50%) of Area Median Income (AMI) in the three previous tax years prior to application —to be known as Group A Priority Applicants.
- B. Group B Priority Applicant. A MTC within the City that was licensed or registered by the Massachusetts Department of Public Health not later than July 1, 2017 to sell cannabis products in a Cannabis Retail Store pursuant to the Commonwealth's medical use of marijuana laws, which seeks to operate as a licensed marijuana retailer pursuant to the Commonwealth's adult use of marijuana laws - to be known as Group B Priority Applicants. Those who qualify as Group B Priority Applicants cannot also qualify as a Group A Priority Applicant.

(Ord. No. 2021-19 , 9-13-2021; Ord. No. 1409 , 9-23-19)

5.50.030 Applicability.

This Chapter shall apply to any proposed Cannabis Business that is seeking licensure from the Cannabis Control Commission on or after the effective date of this Chapter. This Chapter shall not apply to MTCs that have already been permitted in the City and are not seeking licensure as a Cannabis Retail Store for retail cannabis sales prior to the effective date of this Chapter ("Existing MTC").

(Ord. No. 2021-19 , 9-13-2021; Ord. No. 1409 , 9-23-19)

5.50.040 Permitting Preferences for Priority Applicants.

The City shall issue a Cannabis Business Permit pursuant to this Chapter only to Priority Applicants. For the first five years after the Effective Date of this Chapter as stated in section 5.50.100 below, the City shall issue a Cannabis Business Permit to operate a Cannabis Retail Store only to Group A Priority Applicants. The effect of this provision is to extend the preference period for Economic Empowerment Applicants from three years to five years,

and to provide a three year preference period for all other Group A Priority Applicants to run concurrently with the third, fourth and fifth years of the preference period for Economic Empowerment Applicants.

For the first year after the expiration of the Massachusetts Cannabis Control Commission's exclusivity period for Marijuana Courier Licenses and Marijuana Delivery Operator Licenses, as set forth in 935 CMR 500.050(10) and (11), the City shall issue a Cannabis Business Permit for a Cannabis Courier Establishment or Cannabis Delivery Operator Establishment only to Group A Priority Applicants.

The Council shall review this provision of the ordinance again no later than September 1, 2022
(Ord. No. 2022-19 , 9-19-2022; Ord. No. 2021-19 , 9-13-2021; Ord. No. 1409 , 9-23-19)

5.50.050 Permitting Requirements.

- A. In order to obtain a Cannabis Business permit pursuant to this Chapter, an applicant must certify that:
1. It will comply with employee pay standards set out in the City's Living Wage Ordinance;
 2. It will hire at least 51% of minority, women and/or veterans as employees;
 3. If applicant has a Board of Directors, the board makeup will be at least 51% minority, women and/or veterans;
 4. It consents to unannounced, periodic compliance inspections by City officials of its Cannabis Business, including any Cannabis Business activities it conducts off-site;
 5. It will comply with all State and local laws and regulations regarding its Cannabis Business operations;
 6. No person under the minimum legal sales age shall be permitted to enter the Cannabis Business site unless such person possesses a state-issued registration card demonstrating that the person is a registered qualifying medical marijuana (cannabis) patient and the Cannabis Business site is, or is co-located with, a MTC;
 7. It will work with the Cambridge Public Health Department to create and distribute educational materials to its customers as directed by the Cambridge Public Health Department;
 8. It will not sell tobacco products or alcoholic beverages of any kind;
 9. It will comply with directives of the Police Commissioner and of the Director of Traffic Parking and Transportation, or their designees, regarding traffic measures to be taken at and near the Cannabis Business site;
 10. It has received a special permit from the Planning Board for its Cannabis Business if required pursuant to the Cambridge Zoning Ordinance, and has entered into a Host Community Agreement with the City through the City Manager's Office; and
 11. It is a business in good standing with no outstanding federal, state or local investigations or judgments pending against it.
- B. No discretionary permit conditions may be imposed by the permit issuing authority pursuant to this Chapter.
- C. A Cannabis Business permit shall be valid only for the applicant to which the Cannabis Business permit was issued, and only for the use and for the site approved in the permit. A proposed change of ownership or control that would require notification to the Cannabis Control Commission pursuant to the Adult Use of Marijuana Regulations 935 CMR 500.000, change of use, or change of site shall require a new Cannabis Business permit. As part of the Cannabis Business permit application process, the City shall require the applicant to disclose all individuals and legal entities who are a Person or Entity Having Direct Control or a Person or Entity Having Indirect Control pursuant to the Adult Use of Marijuana Regulations.

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- D. A Cannabis Business that is licensed to conduct cannabis delivery shall submit an Operations and Logistics Plan for approval by the Cambridge Traffic, Parking and Transportation Department and Cambridge Police Department annually prior to issuance and renewal pursuant to Section 5.50.070 below.

(Ord. No. 2021-19 , 9-13-2021; Ord. No. 1409 , 9-23-19)

5.50.060 Permitting Procedure.

This Chapter shall be administered by the City's Inspectional Services Department, except that Priority Applicant status shall be certified by the Director of the Economic Opportunity and Development Division of the Community Development Department, or their designee. Applications for Cannabis Business permits shall be obtained from and submitted to the Inspectional Services Department. If permit applications are properly completed and certified, and the conditions of this Chapter are met, the Commissioner of Inspectional Services (the "Commissioner") shall issue a Cannabis Business permit to the applicant. No public hearing process on individual applications shall be conducted. A Host Community Agreement shall be negotiated with the City Manager.

(Ord. No. 2021-19 , 9-13-2021; Ord. No. 1409 , 9-23-19)

5.50.070 Permit Expiration and Renewal.

The Cannabis Business permit issued pursuant to this Chapter shall be subject to renewal annually. If the applicant fails to timely renew or fails to meet the requirements of this Chapter at the time of each renewal, including the Permitting Requirements in section 5.50.050 above, the Cannabis Business permit issued hereunder shall expire. A Cannabis Business permit will not be renewed if the permit holder has failed to pay all fines issued pursuant to this Chapter.

(Ord. No. 2021-19 , 9-13-2021; Ord. No. 1409 , 9-23-19)

5.50.080 Enforcement.

- A. Failure to comply with this Chapter, including a failure to maintain the status of a Priority Applicant, failure to obtain or to comply with the provisions of a Planning Board special permit if required pursuant to the Cambridge Zoning Ordinance, or State license to operate a Cannabis Business, or failure to comply with any applicable laws, may result in revocation by the City, through the Commissioner, of the Cannabis Business permit granted pursuant to this Chapter. Failure to meet the annual Cannabis Business permit renewal requirements will result in the expiration of the Cannabis Business permit. If a permit holder's State license is revoked, then the Cannabis Business permit issued by the City shall be revoked. A Cannabis Business permit may be revoked or not renewed if the permit holder has sold a cannabis product to a person under the minimum legal sales age three times or more, or if the permit holder has failed to pay to the City all outstanding fines issued pursuant to this Chapter.
- B. An applicant must cease to operate if it does not hold and maintain a valid Cannabis Business permit pursuant to this Chapter. Prior to revoking a Cannabis Business permit issued hereunder, the Commissioner will notify the Cannabis Business permit holder in writing and allow the Cannabis Business permit holder at least fourteen (14) days to submit written information to the Commissioner establishing that the Cannabis Business permit holder is in compliance with the terms of this Chapter. The Commissioner shall make a final determination on the Cannabis Business permit expiration or revocation thereafter. If a permit holder requests, the Commissioner in his discretion may hold a hearing before deciding whether to revoke a Cannabis Business permit.

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- C. Any violation of this Chapter by a permit holder shall be subject to a fine of up to \$300 for each violation. Each day a violation exists shall constitute a separate violation.
 - D. Fines pursuant to this Chapter may be issued pursuant to the non-criminal ticketing procedure in G.L.c.40, § 21D. The Commissioner of Inspectional Services, the Police Commissioner, and the Commissioner of Public Health, or their designees shall be the enforcement officials for this Chapter.

(Ord. No. 2021-19 , 9-13-2021; Ord. No. 1409 , 9-23-19)

5.50.090 Regulations.

The Commissioner of Inspectional Services, as well as the Assistant City Manager for Community Development, with the approval of the City Manager, are authorized to promulgate regulations and to create the necessary application and permit forms, to implement this Chapter with respect to their respective responsibilities pursuant to this Chapter. Regulatory requirements implementing this ordinance may differ for Priority Applicants and non-Priority applicants, such that the regulatory burden for Priority Applicants is less burdensome.

(Ord. No. 2021-19 , 9-13-2021; Ord. No. 1409 , 9-23-19)

5.50.100 Effective Date.

This Chapter shall take effect on September 23, 2019.

(Ord. No. 2021-19 , 9-13-2021; Ord. No. 1409 , 9-23-19)

5.50.110 Severability.

The provisions of this Chapter are severable, and if any part of this Chapter should be held invalid by a court of competent jurisdiction, such invalidity shall not affect the remainder of the Chapter, and the remainder of the Chapter shall remain in full force and effect.

(Ord. No. 2021-19 , 9-13-2021; Ord. No. 1409 , 9-23-19)