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# Oakland's Push for Industrial Pot

Posted by **ALEX ALTMAN** Friday, July 23, 2010 at 12:45 pm  
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Go ahead and have a chuckle that the first city poised to permit industrial marijuana production is in the Bay Area--home to Haight-Ashbury, Berkeley moonbats and bongos aplenty. But **Oakland's unprecedented plan** is a creative proposal driven by economic and social need, not reefer-addled pols. It could help close the city's yawning budget gap, corporatize marijuana production and bring a booming industry out of the shadows.

On Tuesday, Oakland's City Council approved an ordinance would let companies compete for four licenses to operate large-scale grow operations, which would supply pot to medical marijuana dispensaries. (Medical marijuana has been legal in California since 1996, when voters passed Proposition 215. Last year Oakland's dispensaries had \$28 million in sales.) The initiative, which the city council passed by a 5-2 margin, aims to stem the surge of illegal grow operations and curtail pot-related crime. Others say it will position Oakland to capitalize if California voters approve Proposition 19, which would legalize recreational pot use, in November. "You want to be the Silicon Valley of cannabis?" one businessman who will vie for a license told **The Bay Citizen**. "If Oakland wants to do this, you've got to start, because other people are going to."

The ordinance, which is up for a final vote on Tuesday, could net millions of dollars in taxes and hundreds of new jobs for Oakland, which is grappling with a \$30 million budget shortfall. The licenses won't come cheap. For the right to operate massive plots—one proposed farm envisioned a 100,000 sq. ft. facility—businesses would have to fork \$211,000 for the annual permit and a \$5,000 administration fee to cover expenses like background checks.

Not surprisingly, stalwarts among the city's medical-marijuana community are opposed to the change. Smaller dispensaries would be supplanted by the equivalent of big-box retailers, and variety and quality could suffer. "It would be the difference between a fine wine from a Napa vineyard and a bottle of Mad Dog 20/20," Steve DeAngelo, who runs the city's largest dispensary, told a local news channel. A small-scale grower told **the Mercury News**: "Mega-growers will go for big, fast, cheap, so maybe it's not the best strain for people and their particular illness." It's also unclear how the controversial proposal would square with state law.

Pot is big business, and economists like Harvard's Jeffrey Miron have long touted **the economic benefits of legalizing weed**. Last year Oakland, home to a "university" that offers classes in cultivation, began charging a 1.8% tax on medical marijuana. Industrial grow operations would pay a tax that could climb as high as 12%. With **local and state governments struggling** mightily with sagging property values, anemic consumer spending and other economic woes, there's no question that finding new revenue streams is important. This path may not be for everybody, but Oakland may be ready to pin its hopes to pot.

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1

Wonder how much random drug testing CAL employees do?

*niffoghorn*

July 23, 2010

at 1:00 pm

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1.1

Many companies here in CA do drug testing. I hired people for a company that does testing. When a potential employee tested positive they usually said it was for medical reasons. We asked to see their perscriptions. One prospect smelled strongly of pitchouli. When she tested positive she thought we wouldn't mind. Another said she had driven to San Francisco with friends that were smoking pot. It caused her to test positive. Maybe it was just being in San Francisco.

I always thought it was stupid to test people and intrusive. As long as people showed up and did their job, their private entertainments were irrelevant to me. All pot ever did for me was make me laugh, eat, and sleep. Pretty mundane stuff.

*apr2563*

July 23, 2010

at 4:54 pm

1.2

apr2563, the world would be a better place if there more people like us. A few hits off a doober would do most people a great deal of good. It's hard to be confrontational when you're smiling and pointing out how nice the flowers look. People are just too damned tense and angry.

*sacredh*

July 23, 2010

at 5:03 pm

2

*"With local and state governments struggling mightily with sagging property values, anemic consumer spending and other economic woes, there's no question that finding new revenue streams is important."*

To put it another way, now that the "conservative" movement has made us batsh!t insane about raising income and property taxes and Republican politicians obstruct responsible government, we'll need to learn to run government by promoting gambling, drinking and smoking dope.

*shepherdwong*

July 23, 2010

at 1:09 pm

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2.1

more to the point id learning to run the government, not intrude into people's privacy. That is a fairly simple request.

A reality some folks are forgetting is that there are people in jail, some for years, for doing nothing more than enjoying a few moments pleausrably, harming nobody at all, and actually being able to keep their wits about them.

Change has been long overdue.

*maxwelldog*

July 25, 2010

at 10:50 am

3

Alex, is anyone on your swampteam an official historian (and no jokes about Joe being a living historian, literally), esp. about Prohibition? Big Brewers waited out *that* out making other things while organized crime was awash in liquor money. Good example: Stroh's Ice Cream. So was there a similar attitude (hesitation / anticipation) back then as is now with CA pot? We know TIME's archives literally go back to Henry Luce himself but they're really hard to search. What *did* your TIME ancestors write about the dying days of Prohibition, Alex (or Joe or Jay or Kate...)?

*deconstructiva*

July 23, 2010

at 1:09 pm

[Log in to Reply](#)

3.1

This 1933 piece is worth glancing at, if only for the classic all-knowing lede:  
<http://www.time.com/time/magazine/article/0,9171,929577,00.html>

**TIME**

*Alex Altman*

July 23, 2010

at 1:17 pm

3.2

That's an interesting link.

Funny to see how many of those rules still apply.

Thanks for providing it.

*Paul-no not th...*

July 23, 2010

at 1:24 pm

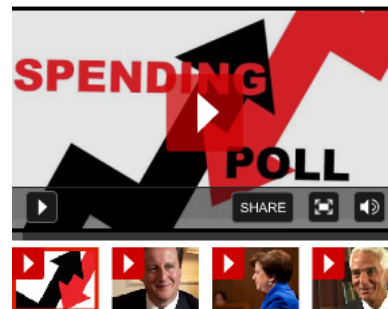
3.3

Thanks, Alex. Good read.

*deconstructiva*

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July 23, 2010  
at 1:35 pm

3.4

Interesting. Thanks, Alex

*ohiolbb*

July 23, 2010

at 1:43 pm

3.5

I live in PA. How true that lede is still.

*Ivy\_B*

July 23, 2010

at 4:03 pm

3.6

Thanks Alex. I read a biography of Luce recently. He wasn't as crazy right as I thought. He had hang ups about China, really disliked FDR, etc. but was pretty moderate on social issues. Interesting man.

*apr2563*

July 23, 2010

at 4:59 pm

4

Isn't this Joe Klein's beat?

*square1*

July 23, 2010

at 1:22 pm

Log in to Reply

4.1

Ha-JK is either acting like a hippy or bashing them.

*Paul-no not th...*

July 23, 2010

at 1:46 pm

4.2

*For the right to operate massive plots—one proposed farm envisioned a 100,000 sq. ft. facility—businesses would have to fork \$211,000 for the annual permit and a \$5,000 administration fee to cover expenses like background checks.*

Let's see, in return for guarantees of cooperation with regulators, the state offers the biggest industry players the only legal option to invest into a closed, innovation-squashing, price-fixing, uncompetitive market for a health care commodity meant to ease sick people's suffering?

Yes, that's Joe Klein's Third Way beat, alright.

*stuartzechman*

July 23, 2010

at 1:57 pm

4.3

Yeah, but stuart, this way the industrial food production corporations and the big pharmaceutical companies can compete against each other!

Win, win, right?

*mOmentomOri*

July 23, 2010

at 3:17 pm

5

Is CALPO only arresting big marijuana sellers/users?

*nflfoghorn*

July 23, 2010

at 2:08 pm

Log in to Reply

6

Ran across this in my deat-tree *Time*: Learning How to Grow Medical Marijuana

"The Med Grow campus sits across the street from a KFC in Southfield, a relatively prosperous suburb of Detroit. Nearly one-fifth of its 90 or so students are former auto-industry workers. These recent enrollees — and the more than 1,000 people who have completed courses at Med Grow since it opened in September — are betting that studying such topics as bloom cycles and advanced pruning techniques will help them succeed in what may be one of the few growth industries in Michigan, home of the nation's highest unemployment rate: 14%. With medical marijuana fetching as much as \$500 for 1 oz. (28 g), providing it to a mere five patients could generate \$10,000 a month in sales.

Six-week courses at Med Grow cost \$475, and the school is planning to open campuses in Colorado and New Jersey within roughly the next year. Meanwhile, the nation's first marijuana school, the three-year-old Oaksterdam University, has expanded from Oakland, Calif., to locations in Los Angeles and one in Flint, Mich., and may open more."

(insert joke about marijuana grow school across the street from a KFC here)

*grape\_crush*

July 23, 2010

at 2:15 pm

Log in to Reply

6.1

sadly, the attempt at the taxing of the product is a misguided effort.

What does it take to grow good pot? Put seeds in ground. Water if dry.

**This** very thing would be what would bring the border wars to an end, drug dealers to a screeching halt. Toss a few seeds in the ground, pull out the males, wait for flower. Doesn't get any easier.

What about profit to the state?

Tens of thousands of jobs nationwide from the peripheral industries...canvas, materials, oils, paper, clothing designers, manufacturers, retail stores, wholesale outlets, improved road and housing construction, soil rejuvenation, fiber composite materials, and a plethora of other items. JOBS! For crying out loud, there are JOBS to be had, here! Why so many balk at the reality of work for the neediest, I don't know, but, it strikes me as absolute madness to spend some \$12-\$15 BILLION to keep up the war against marijuana on one hand, cite that we need more employment positions, and meanwhile imprison those who are merely exercising their freedom to enjoy life in their own fashion.

(insert joke about a tyrannical government pretending to stand for life, liberty, and the pursuit of happiness as long as they're stumbling down drunk, killing their brain cells by the millions in a shot, eating away at their livers, and driving home in a mindless stupor -here)

*maxwelldog*

July 25, 2010

at 11:07 am

7

(insert joke about marijuana grow school across the street from a KFC here)

It's a win-win 😊

*nflfoghorn*

July 23, 2010

at 2:16 pm

Log in to Reply

8

The "Bay Area" reference to hippies, bongos, and reefers makes for a nice cliched picture in your opening paragraph, but it would be more credible to acknowledge that there are many different types of communities which make up "The Bay Area." San Francisco is not the only portion of the "Bay Area," Haight Ashbury isn't in Oakland; Oakland is considered "East Bay." Berkeley is also "East Bay," but it's definitely NOT Oakland. (Sort of like making a cultural reference to the State of New York and using the personality traits of Manhattanites as your reference.) If you want to use a cliché about Oakland, think Oakland Raiders (not the L.A. posers). However, your statements about Oakland's need for income are quite true and salient; but when I picture Oakland pot entrepreneurs, it's quite different than what you portray in your opening sentence.

*blossom38*

July 23, 2010

at 2:55 pm

Log in to Reply

8.1

Yup, my point was to tweak the cliché, not propagate it. Apparently that didn't come across.

**TIME**

*Alex Altman*

July 23, 2010

at 3:12 pm

8.2

Well, yeah, maybe not so much. Your article is very good and addresses the issues that more and more municipalities will face as the "man" gets into the pot business. However, if I were still working full-time in English composition classes, I probably would have graded down because of the stale and somewhat lazy opening sentence.

*blossom38*

July 25, 2010

at 5:02 pm

9

Thanks for the article, Alex. The Bay Citizen has another article on how Oakland's ordinance has sparked turf wars between small independent growers and large "pot-preneurs": [http://bit.ly/bay\\_cit\\_pot](http://bit.ly/bay_cit_pot).

*roserrll*

July 23, 2010

at 3:23 pm

Log in to Reply

10

Back in the 60's I thought legal marijuana was just around the corner. Over 40 years have passed (and a quarter of a century since I last inhaled) and the finish line does look a little closer. The country is divided, global warming may spell the end of us, jobs are scarce, terrorism threatens us all, medical bills are bankrupting us...so legalize the stuff already!

People are already crazy. Mellowing them out doesn't really seem like such a bad idea. Bring back bell bottoms and tie dyed t-shirts while we're at it. I'd much rather hear a politician say "What was I saying?" than listen to the nonsensical drivel that spews from their pie holes now. A good buzz might actually be an improvement.

If we need additional sources of tax revenue and jobs, why not go for it and put a stupid grin on people's faces in the bargain? Legalize prostitution too. Getting stoned and laid won't be the end of the world. Taking a woman (or a man) to dinner and a movie and then having sex is OK, but just skipping the preliminaries and forking over a few twenties is a crime? There's something wrong with that picture. You can screw anyone you want for free but including cash makes it illegal?

*sacredh*

July 23, 2010

at 4:54 pm

Log in to Reply

10.1

sacredh: You are so right. My ex loved his pot. I never enjoyed it that much. He is very hyper and pot caused him to mellow out and be almost sane and rational. He had access to locally grown pot and certainly made it profitable for his source.

*apr2563*

July 23, 2010

at 5:03 pm

10.2

apr2563, the people that yell the loudest about the dangers of pot are the ones that never tried it. If a person is upset they get told to step back, take a deep breath and calm down. If that deep breath involves a fatty, it's like flipping on a light switch. Instant calm. I still maintain that a lot of the drugs that people take legally today for hypertension, depression and other assorted maladies would take a severe drop if sales if people would just chill out and burn one. I get drug tested so I don't even think about it. I do take a blood pressure medication (MIL induced). If I could legally just fire one up I think I could kiss that sucker goodbye. I might even stop pulling haunted house tricks on her. Maybe not. I'd probably just think up some truly inventive new pranks.

*sacredh*

July 23, 2010

at 5:18 pm

10.3

@apr: Y'know, there are a lot of people I know that could benefit from a long drag (or a long #\$\$@& for that matter)...

@sacred: Two words: Need. More. MIL. Stories.

In a related note, Doritos is planning to open a massive factory in Oakland...

And, this just in from Athens, GA...

<http://www.theonion.com/articles/area-stoner-convicted-everyone-on-tv-also-stoned,548/>

*kbanginmstown*

July 24, 2010

at 7:51 pm

11

From the linked article:

[FDR] ordered his experts to draw up a schedule of taxes low enough so that legitimate liquor merchants could drive bootleggers out of business, taxes that would also yield as fat Federal revenue as possible to replace the gasoline, dividends, capital stock and excess profits taxes which Repeal automatically terminates.

> Yeah, those tax cuts lasted a long time.

*gettingstarted...*

July 23, 2010

at 5:03 pm  
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12

For the right to operate massive plots—one proposed farm envisioned a 100,000 sq. ft. facility—businesses would have to fork \$211,000 for the annual permit and a \$5,000 administration fee to cover expenses like background checks.

Let's see, in return for guarantees of cooperation with regulators, the state offers the biggest industry players the only legal option to invest into a closed, innovation-squashing, price-fixing, uncompetitive market for a health care commodity meant to ease sick people's suffering?

Teshimide  
<http://japonesparatodos.blogspot.com>

teshimide  
July 25, 2010  
at 8:18 pm  
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