



Distributed on:  
JAN 17 2013  
City Manager's Office

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Angelique Gaeta  
Assistant to City Manager

**SUBJECT:** MEDICAL MARIJUANA  
ENFORCEMENT UPDATE

**DATE:** January 17, 2013

Approved

Date

1/17/13

## INFORMATION

The purpose of this memorandum is to provide the City Council with a quarterly update on the City of San José's enforcement efforts as they pertain to medical marijuana establishments operating in San José.

Per Council direction, the Administration continues to take enforcement action against any medical marijuana establishments operating in San José according to the priorities set by the Council. Those priorities include focusing on Medical Marijuana Collectives, Cooperatives, Dispensaries and Delivery Service businesses (hereafter, Collective(s)) that create a public nuisance, fail to pay the Marijuana Business Tax (MBT)<sup>1</sup> and fail to comply with State law distance requirements.

### Public Nuisance Activities

#### *New Cases:*

Since the Administration last provided an update to Council on July 31, 2012, the City has received no new complaints regarding Collectives, which would meet the criteria for a public nuisance. Code Enforcement continues to receive complaints about the existence of the Collectives.

For a complete list of Medical Marijuana dispensaries that are currently operating, and/or possessing a Business License tax certificate, in the City of San José please refer to the Attachment.

<sup>1</sup> Regardless of their legal status, all Collectives operating in San José are required to pay the City's MBT pursuant to Chapter 4.66 of the San José Municipal Code. Payment of these taxes in no way legalizes business activities that are otherwise unlawful in the City.

*Ongoing Cases:*

On July 31, 2012, the Administration reported that three new public nuisance cases had been opened. The cases included complaints of building code violations, fire code violations, zoning code violations and public nuisance activities.

In two instances, the property owners and tenants were each served with a Warning Letter and Compliance Order warning that administrative action, including fines and penalties, would result if the property owners and tenants did not cease the illegal activity. In one of those two cases, the Collective advised the City it would be closing its doors by June 1, 2012. Since we last reported to the Council, the Collective has vacated the premises.

In the second case<sup>2</sup>, Code performed an inspection of the premises and discovered several violations of the Code. A compliance order was sent to both the property owner and the tenant detailing Building, Zoning and Sign Ordinance violations. Thereafter, the property owner took steps to evict the tenant Collective. Two months later, the Collective vacated the premises.

The third case<sup>3</sup> involved a Collective which had complaints lodged against it for public nuisance activities such as loitering, smell of smoke and illegal transactions. Code inspected the facility and did not find any violations. The complainants then chose to pursue legal action with the help of the building's Ownership Group and have filed a civil lawsuit against the Collective for public nuisance. As of today, the lawsuit is pending in Superior Court and the Collective has relocated its business.

**State Law – 600 Foot Distance From Schools**

Since July 31, 2012, there have been no complaints or discoveries of Collectives operating in violation of State law distance requirements by having their principal place of business too close to a public school.

**Marijuana Business Tax**

Pursuant to Council direction, the Finance Department (Finance) provides a comprehensive update regarding Marijuana Business Tax (MBT) collections in its quarterly financial reports. The next report is due to the Public Safety, Finance and Strategic Support (PSFSS) Committee in February 2013. For recently released information regarding MBT collections, please refer to Finance's Bi-monthly Financial Report presented to the PSFSS Committee on October 18, 2012.

A copy of the report can be found at:

[http://www3.sanjoseca.gov/clerk/CommitteeAgenda/PSFSS/20121018/psfss20121018\\_c1.pdf](http://www3.sanjoseca.gov/clerk/CommitteeAgenda/PSFSS/20121018/psfss20121018_c1.pdf).

Additionally, a more comprehensive analysis was included in Finance's First Quarter Financial Report presented to the PSFSS Committee on November 15, 2012. A copy of the report can be

---

<sup>2</sup> Dusty Wolf, Inc., dba: High Standards Medical Collective, 556 Vermont Avenue

<sup>3</sup> VMK Inc, dba: Purple Lotus Patient Center, formerly located at 125 North Jackson Avenue, now at 1885 Lundy Avenue #270.

found at:

[http://www3.sanjoseca.gov/clerk/CommitteeAgenda/PSFSS/20121115/psfss20121115\\_d5.pdf](http://www3.sanjoseca.gov/clerk/CommitteeAgenda/PSFSS/20121115/psfss20121115_d5.pdf).

**Modifications to Municipal Code, Other Enforcement Efforts:**

Per direction given at the Council Priority Setting session in October 2012, the City Attorney's Office is working on an amendment to Title 1 of the San José Municipal Code to specify nonpayment of City business taxes as a ground for declaring a public nuisance. This will assist the City in seeking injunctive relief from a court to close businesses that have failed to pay City taxes following the administrative tax assessment process conducted by the Director of Finance.

It has also come to the attention of the City that the Police Department has filed three cases with the Santa Clara District Attorney's Office against Delivery Service businesses that engage solely in the business of selling marijuana out of delivery trucks. The District Attorney has filed a complaint against each Delivery Service business.



ANGELIQUE GAETA  
Assistant to City Manager

For questions please contact Angelique Gaeta, Assistant to the City Manager, at (408) 535-8253.

Attachment

## San Jose Marijuana Business Tax List as of 1/15/13

Count	Business Name	Address On File	Council District	Business Status
1	408 Collective	2435 S. Bascom Avenue Campbell, CA 95008	9	Active
2	A Better Way (Collective)	3851 Charter Park Drive; Ste Q San José, CA 95136	10	Active
3	All American Cannabis Club [A2-C2]	1082 Stockton Avenue San José, CA 95110	3	Active
4	All American Cannabis Club [A2-C2]	3131 S. Bascom Avenue #220 Campbell, CA 95008	9	Active
5	All Bay Cooperative	351 Lincoln Avenue San José, CA 95111	6	Active
6	All Herbal Remedies	333 Phelan Avenue; Ste A San José, CA 95112	7	Active
7	Alternative Natural Remedies	5752 Country Club Parkway San José, CA 95138	7	Active
8	Amsterdam's Garden	2142 The Alameda San José, CA 95126	6	Active
9	ARC Healing Center Cooperative, Inc.	885 W. Julian Street San José, CA 95112	6	Active
10	Better Health Group of San Jose, Inc. dba: Revolution Health Center	1621 Almaden Road San Jose, CA 95125	7	Active
11	Bigalow's Comopassionate Care Delivery Service	1346 The Alameda #143 San Jose, CA 95126 (Mailing Address): 601 N. Carpenter Road Modesto, Ca 95351	6	Active
12	Blue Sky Care Center	3039 Monterey Road San Jose, CA 95111	7	Active
13	California Care Collective	551 Stockton Avenue San José, CA 95126	4	Active
14	Canna Culture Collective, Inc dba: Canna Culture Collective (Cannabis Culture Collective)	3591 Charter Park Drive San José, CA 95136	10	Active
15	Care Givers of San José	350 S. Winchester Boulevard San Jose, CA 95128 (Mailing Address): 5101 Condor Circle San Jose, CA 95118	6	Active
16	Cinnabar Health, LLC	910 Cinnabar Street San José, CA 95126	3	Active
17	Community Collectives, A Nonprofit Corporation	1641 Koch Lane. San José, CA 95125	9	Active
18	Compassionate Care Clinics	265 Meridian Avenue #9 San Jose, CA 95126	6	Active
19	D4L (Deals 4 Less) Collective	2050 Tully Road San Jose, CA 95122	8	Active

Count	Business Name	Address On File	Council District	Business Status
20	Delta Health Center	3114 Story Road San José , CA 95127	5	Active
21	Digital Pie dba: Holistic Pain Management Institute (HPMI)	1850 S. 10th Street #14 San José, CA 95112	7	Active
22	Dusty Wolf, Inc. dba: High Standards Medical Collective	556 Vermont Street San José, CA 95110	3	Active
23	Elemental Wellness	711 Charcot Avenue San José, CA 95131	4	Active
24	Emerald Crossings	560 E.Gish Road; Ste B San José, CA 95112	3	Active
25	Euphorabis dba: Coleman Rx Club	915 Colman Avenue San Jose, CA 95110	3	Active
26	Executive Choice, Inc. Dba: Platinum Clouds Collective	1425 W. San Carlos Street San Jose, CA 95126	6	Active
27	Frog Deliveries & Frog Collective	925 Ravenscourt Avenue #1 San Jose, CA 95128	6	Active
28	Fruit Of The Spirit	831 S. 5th Street San José, CA 95112 (Mailing Address) 59 Washington Street, Suite 103 Santa Clara, CA 95050	7	Active
29	Garden House Remedies dba: Haze	2348 Alum Rock Avenue San José , CA 95116	5	Active
30	Garden House Remedies dba: Haze	1814 Hillsdale Avenue; Ste A San José , CA 95124	9	Active
31	Gobias Collective dba: Fortune	2231 Fortune Drive; Ste A San José, CA 95131	4	Active
32	Golden State Care Collective	623 N.1st Street San José, CA 95110	3	Active
33	Green Frontiers dba: SJ Patients Group	824 The Alameda San José, CA 95126	6	Active
34	Greenlight Management, Inc. dba: SVCare	1711 Hamilton Avenue ; Ste B San Jose, CA 95125	6	Active
35	Greenlight Management, Inc. dba: SVCare	2591-1 S. Bascom Avenue San Jose, CA 95124	9	Active
36	Harborside of San José dba: Harborside Health Center of San José	2106 Ringwood Avenue San José, CA 95131	4	Active
37	Herbal Light Collective	64 W. Santa Clara Street San Jose CA 95118	6	Active
38	Herbs & Creams Delivery Service	(Mailing Address): 751 Ramona Way Gilroy, CA 95020	N/A	Active
39	Herbs and Spice Wellness Collective	176 Castillion Way San Jose, CA 95119	2	Active
40	Holistic Health Care Co-op (HHCC)	88 Tully Road; Unit 107SJ San José, CA 95111	7	Active

Count	Business Name	Address On File	Council District	Business Status
41	Holistic Herbal Healers	5406 Thornwood Drive San José, CA 95123	10	Active
42	Holistic Remedies Cooperative	1701 S. 7th Street; Ste 7 San José, CA 95112	7	Active
43	John Bartolero	(Mailing Address): PO Box 1133 Freedom, CA 95019	N/A	Active
44	La Vie MMX	945 S. Bascom Avenue San Jose, CA 95128	6	Active
45	Leaf Lab	855 Commercial Street San José, CA 95112	3	Active
46	Magic Health, Inc.	1999 Monterey Highway; Ste 100 San Jose, CA 95112	7	Active
47	Med Ex Collective & Deliveries	C/O Ali Bahraul 236 French Court San Jose, CA 95139	2	Active
48	MediMarts, Inc.	1851 Little Orchard Street San José, CA 95125	7	Active
49	MedMar Healing Center	170 S. Autumn Street San José, CA 95110	6	Active
50	Meridian Herbal Patients Co-op, Inc. (MHPC)	455 Meridian Avenue San José, CA 95126	6	Active
51	Modern Wellness Collective	156 S. Jackson Avenue San José, CA 95116	5	Active
52	Natural Herbal Pain Relief	519 Parrott Street San José, CA 95112	7	Active
53	Natures Helpers dba: Capitol Collective (Previously dba: Yerba Buena - Capitol)	459-461 S. Capitol Avenue; #11 San Jose, CA 95127	5	Active
54	NC3 Systems dba: NC3	2175 Stone Avenue; Suite 1 San José, CA 95125	6	Active
55	Nirvana Wellness Center	1926 O'Toole Avenue San José, CA 95131	4	Active
56	Non-Pro, Inc. dba: Medicinal Gardens	2559 S. Bascom Avenue Campbell, CA 95008	9	Active
57	NorCal Care	25 N. 14th Street; Ste 60 San José, CA 95112	3	Active
58	Northern California Natural Collective (DELIVERY ONLY)	949 Park Avenue San José, CA 95126	6	Active
59	Ocean View Organics (OVO)	2081 Bering Drive; Ste Y San Jose, CA 95131	4	Active
60	Palliative Health Center	1670 Zanker Road San José, CA 95112	3	Active
61	Patients to Patients Group	996 Saratoga Avenue San José, CA 95129	1	Active
62	Platinum Society	1174 Lincoln Avenue; #11 San José, CA 95125	6	Active

Count	Business Name	Address On File	Council District	Business Status
63	Purple Frost, Inc.	(Mailing Address): 1300 Clay Street #600 Oakland, CA 94612 (PMB): 171 Branham Lane; Ste 10; Box 113 San José , CA 95136	10	Active
64	Pyramid Medicinal	90 E. Gish Road San José , CA 95112 (Mailing Address): 476 S 7th Street San Jose, CA 95112	3	Active
65	Rehab420	P.O. Box 23834 San Jose, CA 95152	N/A	Active
66	San Jose Apex Group, Inc. dba: San Jose Health Center dba: Imedz	396 S. Bascom Avenue San Jose, CA 95128	6	Active
67	San Jose Bay Leaf	1692 Tully Road San Jose, CA 95122	7	Active
68	San José Medical Center	1114 N. 1st Street; Ste 1 San José, CA 95112	3	Active
69	San José Medicinal Group	52 S. 1st Street; Ste 220 San José, CA 95112	3	Active
70	San José Organic Relief	511 S. Bascom Avenue San José, CA 95128	6	Active
71	San José Patients Group	824 The Alameda San José, CA 95126	6	Active
72	San Jose Sanative Sanctuary dba: Urban Sunset Non-Profit Collective	581 E. Taylor Street San José, CA 95112	3	Active
73	Santa Cruz Naturally	93 N. 14th Street; Ste 4 San José, CA 95112	3	Active
74	SBCPA	334 Commercial Street San José, CA 95112	3	Active
75	SCVCS, Inc. INC dba: Papadon's 420 Collective - Dispensery	2051 O'Toole Avenue San José, CA 95131	4	Active
76	Sensi Herbal Care	21 Post Street San José, CA 95113	3	Active
77	Silicon Valley Collective	246 East Gish Road San José, CA 95112	3	Active
78	Simply Chronic Healing Coop, Inc.	970 Story Road San José, CA 95122	7	Active
79	SJCBC, LLC (San Jose Cannabis Buyers Club)	1082 Stockton Avenue San José, CA 95110	3	Active
80	SLM Collective Corp. dba: Elixir	2417 Stevens Creek Boulevard San José, CA 95128	6	Active

Count	Business Name	Address On File	Council District	Business Status
81	South Bay Apothecary Collective, Inc. (SBAC)	1907 Concourse Drive San José, CA 95131	4	Active
82	South Bay CRC (Compassionate Relief Collective)	90 Great Oaks Boulevard; Ste 202 San José, CA 95119	2	Active
83	South Bay Healing Center, Inc.	991 Saratoga Avenue; Ste 140 San José, CA 95129	1	Active
84	South Bay Natural Remedies	2943 Daylight Way San José, CA 95111	7	Active
85	South Bay Wellness Center dba: Mr Nice Guy	2842 S. Bascom Avenue San José, CA 95124	9	Active
86	South Valley Pharmacy	5591 Snell Avenue San José, CA 95123	10	Active
87	Statewide dba: Cal Med	973 Park Avenue San Jose, CA 95126 (Mailing Address) 2370 Queme Drive; Ste B San José, CA 95131	6	Active
88	The Bud Barber	1729 Galewood Court San José, CA 95133	3	Active
89	The PineApple Express	(Mailing Address): 15314 S. Harlan Road Lathrop, CA 95330	N/A	Active
90	The Portal Herbal Health Collective	1141 Ringwood Court; Unit 100 San José, CA 95131	4	Active
91	Theraleaf Careness Cooperative dba: San Jose Rehab Clinic	606 Saratoga Avenue; Ste D San José, CA 95129	1	Active
92	Therapeutic Holistic Care dba: Herbs SVVCC	282 San Jose Avenue San Jose, CA 95125	7	Active
93	Therapeutic Holistic Care dba: Herbs SVVCC	1641 W. San Carlos Street. San Jose, CA 95128	6	Active
94	Therapeutic Holistic Care dba: Herbs SVVCC	1420 S. Winchester Boulevard. San Jose, CA 95128	1	Active
95	Tree house Collective, Inc. dba: Tree house	190 Commercial Street San Jose, CA 95112	3	Active
96	TriValley Wellness San Jose	748 S. 1st Street San Jose, CA 95112	3	Active
97	Viktorya's Medical Supply, LLC dba: Buddys	4140 Stevens Creek Boulevard San José, CA 95051	1	Active
98	VMK, Inc. dba: Purple Lotus Patient Center	1885 Lundy Avenue #270 San José, CA 95131	5	Active
99	Yerba Buena (dba: YB Amber Pearl) YB Fire, Inc. dba: Yerba Buena - Amber Pearl	2129 S. 10th Street San José, CA 95112	7	Active
100	Yerba Buena (dba: YB Bascom) H5 Distribution dba: Yerba Buena - Bascom	2630 Union Avenue San Jose, CA 95124	9	Active



Count	Business Name	Address On File	Council District	Business Status
101	Yerba Buena (dba: YB Blossom Hills) S & K Care dba: Yerba Buena - Blossom Hill	4464 Pearl Avenue San Jose, CA 95136	9	Active
102	Yerba Buena (dba: YB Saratoga) H5 Distribution dba: Yerba Buena - Saratoga	4211 Barrymore Drive San José, CA 95117	1	Active
103	Yerba Buena (dba: YB Valley Fair) Celebuddy, Inc. dba: Yerba Buena - Valley Fair	325 S. Monroe Street San Jose, CA 95128	6	Active
104	Yerba Buena (dba: Yerba Buena Monterey) Lexan, Inc. dba:Yerba Buena - Monterey Road	3894 Monterey Highway San Jose, CA 95111	7	Active
105	Yerba Buena (dba: Pyramid) CalCan Corp	1324 N. 10th Street San José, CA 95112	3	Active
106	Yogajuana Studio	1854 Almaden Road; Unit 3 San Jose, CA 95125	6	Active

Place Holders				
Count	Business Name	Address On File	Council District	Business Status
1	Green State Collective	(Mailing Address): P.O. Box 7343 Santa Cruz, CA 95061	N/A	Place holder
2	Medical Alternative Concept, Inc.	(Mailing Address): 3183 Wilshire Boulevard; Ste 196: A35 Los Angeles, CA 90010	N/A	Place holder
3	Scoop Doc	(Mailing Address): 965 Northfield Drive Hayward, CA 94544	N/A	Place holder
4	Superior Herb Farmacy	(Mailing Address): 7960 Soquel Drive Aptos, CA 95003	N/A	Place holder