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SALWA IBRAHIM SEES OPPORTUNITIES—AND OBSTACLES—AS WEED GOES LEGIT

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Salwa Ibrahim stands in the cannabis grow house at her Oakland dispensary.

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EAST BAY'S
Cannabis Queen

As California prepares for a cannabis business boom, Oakland's Salwa Ibrahim shows off the industry's potential—and what obstacles lie ahead.

BY CARRIE KIRBY



PHOTOGRAPHY BY STEVE BABULJAK



Blüm founder Salwa Ibrahim with her husband, Martin Kaufman, at her Oakland dispensary.



When she began remodeling her business, one of the first things Salwa Ibrahim got rid of was the bulletproof glass.

It was a relic of a rougher era of the cannabis industry and this stretch of West Grand Avenue in Oakland; she's proud to have played a role in the progress of both.

The glass once separated the founder of Blüm Oakland—the medical marijuana dispensary that she started in 2012—from the customers waiting in line to purchase bar-coded packets of marijuana flowers. Ostensibly, the products are for medicinal purposes only, since selling cannabis for recreational use won't be legal in California until January 2018.

While one of the "bud tenders" asks a patient—they are never referred to as customers—if she'd like to apply rewards points to her purchase, Ibrahim takes out

a couple of packets from labeled drawers and opens them to compare their fragrances.

"This is where our industry parallels wine," she says, before sniffing deeply from a bag of Private Reserve OG, which has a lemon verbena scent, then Presidential Cheese, which emits an earthy funk. Aside from the 50 varieties of flowers available for purchase, the dispensary also stocks cannabis-infused gummies, cotton candy, lollipops, butter, chocolate, and an array of topical creams and even bath soaks.

Dressed in a sleek black top and jeans, with silver hoops in her ears, the fresh-faced Ibrahim could easily pass for a Napa tasting-room pourer. But as she strolls through the Blüm complex—made up of a retail store, an inventory room, grow rooms, offices, and laboratories—it's clear the 33-year-old Walnut Creek native and mother of one is much more than a ganja connoisseur: She is one of the rising leaders of the cannabis industry.

A BOOMING INDUSTRY

Every corner of Blüm hums with activity. In a processing room, employees sort and package a variety of smokable, "vapable," edible, and topical products. In the extraction lab, employee Patrick Jones—dressed in a T-shirt that shows off his heavily tattooed arms—monitors a wall of ovens cooking up a potent concentrate that looks like peanut brittle without the nuts. In another room, a UC Berkeley-trained chemist carefully uses a still to further refine concentrated resin into an oil.

It is a good time to get involved in the cannabis business. According to research firm New Frontier Data, the industry already brings in nearly \$3 billion in California and is expected to more than double that

East Bay's Cannabis Queen

amount to \$6.5 billion by 2020. One engine expected to push this explosive growth? Proposition 64, approved by voters last November, which legalized recreational use of marijuana.

For consumers, this means that you'll no longer have to consult a doctor and pay for a medical marijuana card to buy cannabis products. And it should mean a larger market for the dozens of dispensaries and delivery services scattered across the East Bay.

It also could mean rough sailing for resellers. Not only is marijuana still illegal under federal law, a host of logistical issues—including how to handle cash-only transactions, how to collect taxes, and how to navigate municipal zoning regulations—may complicate matters further.

As recent events in Nevada show, a simple oversight in state law can result in chaos for businesses and consumers. On July 1, the state started allowing recreational sales of marijuana. Customers descended like locusts on the dispensaries, including Blüm's four locations in Nevada, clearing shelves within days. Meanwhile, the new law restricted distributors from transporting cannabis products until they applied for a special license, preventing stores from quickly resupplying.

But Ibrahim doesn't believe California will face a similar crisis. In fact, she openly wonders if the state will see a boost in the cannabis market at all.

"I feel like California has always had a quasi-legal environment to begin with, it being so easy to get a medical card," she says. "There is a little debate over whether 2018 is going to be a huge spike in business or not."

Either way, Blüm will have to complete binders of paperwork—a familiar routine for Ibrahim, after a decade in the cannabis business—to apply for a new retail license to sell for recreational use. Meanwhile, Ibrahim is busy expanding the company: She plans to open a new dispensary in San Leandro this winter.

And if there is a bump in demand, the Oakland branch is ready. Once the lines at the main counter or the vape bar get too long, customers can head straight to a pair of tall vending machines that offer a huge variety of edibles and fresh buds, which are purchased from a touch screen. Payment, like at the counter, is cash only.

"We can't expand much more here, so this was a pretty good solution for us," says Ibrahim, tapping the screen to select a cannabis-infused chocolate bar.

NEW FACES

The burgeoning market has attracted many like Ibrahim, who were neophytes to the cannabis industry before the recent push to legalize.



It would be really nice to bring [a dispensary] to my hometown. I think if done properly, it could serve the needs of the East Bay in a way that Walnut Creek could be proud of."

—SALWA IBRAHIM

Burning Questions



WITH THE PASSAGE OF PROPOSITION 64 LAST NOVEMBER, RECREATIONAL USE OF MARIJUANA IN CALIFORNIA IS NOW LEGAL. BUT WHAT DOES THE LAW SAY EXACTLY? HERE'S A QUICK BREAKDOWN OF WHAT'S ALLOWED—AND WHAT ISN'T.

The basics: Adults over the age of 21 are allowed to obtain, possess, and gift to another adult up to one ounce of marijuana and eight grams of concentrated cannabis. But don't think you can start puffing away anywhere you like. Public use is prohibited, and property owners as well as employers can forbid tenants and employees, respectively, from possessing or consuming marijuana products.

Rules on growing: The law allows cultivation of up to six marijuana plants per household. However, cities have a lot of leeway under the law to regulate where you can grow your plants and how secure your residence must be.

Limits on selling: Cities can ban both medical and recreational dispensaries. So far, Danville and San Ramon have voted to prohibit dispensaries, while Walnut Creek has enacted a 22-month moratorium on the issue.

Delivering the goods: Medical marijuana delivery services are extremely popular, but it is unclear if Prop 64 will permit recreational deliveries. Before the election last year, a superior court judge in Sacramento ruled that the proposition would allow home deliveries only if a product was purchased at a brick-and-mortar store, but many in the industry dispute that interpretation.

Getting legal: California will begin issuing business licenses for recreational marijuana sellers in January. Until then, only medicinal marijuana can be sold and purchased. —Casey Cantrell



I tend to be more of a conservative person. [But] my personal feelings are somewhat irrelevant to what I need to do as a public servant at this point. The issue is ... how can we best provide for public safety?"

—RICH CARLSTON, MAYOR OF WALNUT CREEK

Ibrahim was introduced to the business while working on a project in 2008 to rebuild the Fox Theater in Oakland.

"I did a lot of fundraising that required us to go into the neighborhood. At the time, there were many rogue dispensaries around the theater," she says.

Rather than hamper the Fox Theater project, these illicit businesses became instrumental to its success, donating thousands of dollars to the cause. Shortly after the theater was rebuilt, Ibrahim was offered a job as an executive assistant at Oaksterdam University, the Oakland-based, cannabis-focused college founded by Richard Lee. Intrigued, she accepted the position.

Curiosity quickly turned into a passion for the business. She ventured out on her own a few years later, founding Blüm. Since 2012, her five dispensaries have grossed revenues totaling more than \$40 million, and they are on track this year to gross \$30 million.

Ibrahim's success has won her admiration from the industry. One of her fans is Bill Koziol, the executive director of two local dispensaries—Telegraph Health Center in Oakland and Green Remedy in Richmond.

"The industry has a reputation of having renegade, drug-dealer roots," says Koziol, who recently partnered with Ibrahim and her husband, Martin Kaufman, on an (ultimately unsuccessful) effort to open a dispensary in Marin County.

In contrast, he found Ibrahim's business savvy and integrity refreshing. She is an "all-star," says Koziol, helping provide the industry a sense of legitimacy.

A LINGERING STIGMA

Still, the cannabis industry hasn't completely shaken off its reputation as a criminal enterprise. Ibrahim is keenly aware of just how far the industry has come—and how much further it still has to go. She lent her support to the previous decriminalization push in 2010 (Proposition 19, which was rejected by the voters) as well as Prop 64. And she was reminded of marijuana's tenuous legal status in 2012, when federal authorities raided Oaksterdam University.

Though she doesn't consider the new law perfect, Ibrahim thinks it's a step in the right direction, and she is optimistic about the future, after watching the cannabis industry bloom with little push back from residents in Colorado and Washington, which both legalized recreational marijuana in 2012.

Others are more skeptical. City officials across the East Bay are scrambling to balance issues of public safety and zoning with the fact that a resounding majority of the region's population voted for Prop 64.

Even some cannabis users are worried about how it will all play out.

Karen, a medical marijuana patient and Walnut Creek resident who did not want her last name printed because she is currently looking for a new job, says that even though she voted for Prop 64, she wonders if wider legalization will make marijuana too freely available.

"My concern is with minors getting weed," says the 56-year-old former teacher, who sometimes uses cannabis-infused chocolate-covered coffee beans and other products to quell her anxiety.

Not all residents share her concern, however. Thelma Bronet, who also lives in Walnut Creek, believes it's a nonissue.

"I have [teenage] grandchildren. I said, 'When you grow up, you can make your own decisions,'" says Bronet, who uses medical marijuana for chronic pain. "I think it's much safer than some of the other things kids are doing."

Nevertheless, Walnut Creek Police Chief Tom Chaplin warned at a city council meeting before the election that increased usage among minors is one of

Got Bud?

||→ **WITH SEVERAL CANNABIS BUSINESSES IN THE EAST BAY AND MORE POPPING UP EVERY DAY, IT CAN BE DIFFICULT TO FIGURE OUT WHICH ONES ARE WORTH YOUR PATRONAGE. FOR EXAMPLE, WHICH MARIJUANA BRAND OFFERS BETTER PRODUCTS? ARE THE PRICES REASONABLE AT THAT DISPENSARY? IS THIS DELIVERY SERVICE RELIABLE?**



One solution: Weedmaps, a website and mobile app that serves as the Yelp for the marijuana industry. The free app compiles businesses and services based on your location, and includes information about menus, prices and deals, hours, photos, and other details. It also provides a score out of five stars based on user reviews.

Available on iTunes and Google Play, weedmaps.com. —C.C.

the potential consequences of Prop 64. Another one is the risk of increased road accidents. (Colorado reported an uptick in marijuana-related traffic deaths after legalization.) The council issued a symbolic vote formally opposing Prop 64 before the election.

But once the proposition passed—with the support of 61 percent of the city's voters—Walnut Creek officials moved forward, trying to figure out how to safely regulate it.

Currently, the new law lets local governments decide whether to allow retail outlets and outdoor cultivation. So far, San Ramon and Danville have banned dispensaries as well as delivery services within their city limits, while Walnut Creek recently placed a 22-month moratorium on dispensaries and outdoor cultivation. Meanwhile, Concord, Orinda, Martinez, and Pleasanton have restricted or banned outdoor cultivation.

In contrast, other cities have embraced legalization—or at least are warming up to it. As of July 21, more than 80 people have applied for cannabis business permits in Oakland; a little further inland, Livermore is considering opening its doors to a medical marijuana store—more than two years after the city raided and shuttered its only dispensary.

But even if cities are inclined to further regulate within their borders, it's nearly impossible to keep marijuana out. For example, on the other side of the Bay, cannabis businesses have clustered just outside the border of San Mateo County, which has banned dispensaries. A similar situation could happen in the East Bay.

And that's before addressing the wishes of the public, who may want fewer regulations and be willing to take their business to nearby communities that are more accepting of cannabis ventures.

THE COURT OF PUBLIC OPINION

That's the situation facing Walnut Creek, says Mayor Rich Carlston. A recent survey found that 60 percent of its residents believe businesses like Blüm should be allowed to operate within the city. While most agree that smoking pot should not be allowed in public (the city council voted in June to extend its existing smoking ban to include weed), 64 percent are fine with their neighbors growing weed outdoors.



Ibrahim rolls a blunt at her dispensary. Since 2012, Blüm's five locations have made more than \$40 million in gross revenue.

"I tend to be more of a conservative person," admits Carlston. "[But] my personal feelings are somewhat irrelevant to what I need to do as a public servant at this point. The issue is how do we implement Proposition 64 in Walnut Creek, and how can we best provide for public safety?"

Some of the loudest proponents for more lax regulations have been members of the Rossmoor Medical Marijuana Club in Walnut Creek, which counts more than 700 members in the gated senior community.

Renée Lee, cofounder and president of the club, opposes many of the restrictions being considered—and in some cases, enacted—by local governments, including limits on how many marijuana plants you can own and bans on outdoor cultivation. (Prop 64 permits Californians to grow up to six marijuana plants for personal use but allows cities to regulate further cultivation.)

"The thing about growing indoors is that it's dangerous, and you have to have lights, a ventilation system, and the room dedicated to it," says Lee. A number of Rossmoor residents have their own marijuana plants, she adds.

Carlston is wary, however, arguing that such steps may cause unanticipated problems. What if, for example, towering outdoor cannabis plants attract thieves to once-safe neighborhoods? And would the fact that the cannabis industry is largely a cash-only business lead to a rash of crime? (Ibrahim notes that Blüm's extensive use of security cameras and guards outside her Oakland shop has lowered the crime rate in the area. Since opening in 2012, she says managers have never had to call the police.)

In addition, while a majority of the city voted for legalization, surveys and public meetings show many are split on how marijuana should be regulated, setting up conflicts between 420-friendly homes and more conservative neighbors.

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