



Council File 14-0366-S

Dana Cisneros <dana@cannabiscorplaw.com>

Thu, Nov 16, 2017 at 9:43 AM

To: "richard.williams@lacity.org" <richard.williams@lacity.org>

Cc: "cpc@lacity.org" <cpc@lacity.org>, "niall.huffman@lacity.org" <niall.huffman@lacity.org>

Dear Mr. Williams,

Below, please find my comments regarding the proposed Cannabis Location Restriction Ordinance.

1. SEC. 105.02.1(B) and 2(B) should include a second exception to make it clear that the retailer or microbusiness may maintain 2 licenses for the same property if the retailer is engaging in adult use and medicinal sales without regard to the "800-foot radius of any other Retailer or Microbusiness Commercial Cannabis Activity" restriction.

2. I did not see specification on the restriction for the number of Retailers and other Commercial Cannabis Businesses. I understand that the City is considering 1 per 10,000 residents for Retail and 1 per 7,000 for other activity. I would suggest modifying that 1 per 10,000 for delivery only licenses. There is no foot traffic and the same nuisance and density issues are not present where the only activity is by employees.
 - a. On that same note, discussions regarding restricting the number of businesses on October 31, 2017 seemed to regard only LA City proper, in that Ms. Packer made reference to a population of 4,000,000. The districts under the purview of the Los Angeles City Council are home to well over 4,000,000 citizens. I believe this issue should be clarified. Many people are struggling to find suitable locations within the City and its surrounding townships. At a 4,000,000 population size, that essentially allows for 400 retailers, 135 of which are given priority as the Prop D/pre-ICO compliant retailers, leaving only 265 licenses available. Once Social Equity applicants enter the equation, which will essentially be eligible for half of the remaining licenses, only 132 or 133 licenses will be available Citywide. That is a very small number of licenses to allow for such a large population. Moreover, I am unclear if the City is considering temporary residents in its calculation, such as college students. Let's be honest, they are going to make up a large portion of the consumer base for retail establishments.
 - b. Many businesses are looking outside of Los Angeles to establish delivery services due to the restriction on the number of licenses and the zoning restrictions. The City will lose substantial revenue if delivery only retailers are located outside of the City who intend to deliver to residents of Los Angeles. Practically speaking, a delivery service could be based in another city, but deliver to Los Angeles residents exclusively and the City will be losing on all of that revenue. I strongly urge the City to reconsider its position on delivery-only retail establishments.

3. I suggest that the City allow for additional zoning availability for delivery only retail establishments. The overhead cost for renting a retail zoned property is extremely high in the City. Given that 280E prohibits deduction of rents from COGS (cost of goods sold), delivery services can serve to reduce financial barriers to entering the market. More importantly, delivery only services give patients in the medical cannabis community safe and convenient access to much needed medication. Many elderly persons suffer from Alzheimer's, arthritis, cancer and other physical ailments that make it difficult, if not impossible, to drive to retail establishments. Delivery services provide additional competition in the market as well as increased access to medicine.

Thank you for your consideration of my comments. I will try and be present at the hearing.

Sincerely,

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Richard Williams <richard.williams@lacity.org>

Council File 14-0366-S4, Commercial Cannabis Location Restriction Ordinance

Ram Director <ramdirectoreng@gmail.com>
To: Richard.Williams@lacity.org

Thu, Nov 16, 2017 at 10:37 AM

To City Council,

Regarding the proposed Commercial Cannabis Location Restriction Ordinance.

The proposal for cultivation canopy square footage capacity is based on population per Community Plan Area. The zone requirement for indoor cultivation is M1, M2 & M3 which is not residential, but Industrial. Indoor cultivation is not allowed in residential areas. Heavily concentrated industrial zones usually have very small residential population but are ideal for indoor cultivation. Therefore, the city should encourage indoor cultivation in industrial zones even if the population per Community Plan Area is small. It makes no sense to base indoor cultivation canopy on total residents. Highly dense industrial zones should not have a limit on cultivation canopy, but should be encouraged, just like the City of Long Beach has done.

The only business that does make sense to be based on Community Plan Area is the Retail License.

I hope you consider this idea in the upcoming Monday Committee meeting. Unfortunately I will not be able to attend the meeting.

Regards,

Ram Director