



Richard Williams <richard.williams@lacity.org>

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,

Dana Leigh Cisneros, Esq.
Cannabis Corporate Law Firm
8175 E. Kaiser Blvd., Suite 103

Anaheim Hills, CA 92808

Phone: (714) 660-9045

Cell: (949) 500-3240
eFax: (949) 258-9332
dana@cannabiscorplaw.com

www.cannabiscorplaw.com

WARNING/CONFIDENTIALITY NOTICE:

This e-mail and any attachments are intended solely for the use of the individual or entity to whom it is addressed. It may contain information that is privileged, confidential and exempt, or protected from disclosure under applicable law. If the reader of this message is not the intended recipient or the employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any review, use, disclosure, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately and destroy all copies and attachments.

The Cannabis Corporate Law Firm is a green company and uses every effort to engage and encourage paperless practices. Please use email whenever possible and consider the environment before printing this email. If you are not the intended recipient of this email please delete it. All confidentiality, rights and privileges are expressly preserved.