



Fwd: Council File No. 14-0366-S5, Proposition D / Medical Marijuana Dispensaries / Adult Use of Medical Marijuana Act

1 message

Wed, Nov 21, 2018 at 1:25 PM

Please attach to CF 14-0366-s5.
Thanks

----- Forwarded message -----

From: **Courtney Chu** <courtney@emergelawgroup.com>

Date: Wed, Nov 21, 2018 at 11:46 AM

Subject: Council File No. 14-0366-S5, Proposition D / Medical Marijuana Dispensaries / Adult Use of Medical Marijuana Act

To: clerk.cps@lacity.org <clerk.cps@lacity.org>

Cc: cat.packer@lacity.org <cat.packer@lacity.org>, alexander.freedman@lacity.org <alexander.freedman@lacity.org>, richard.williams@lacity.org <richard.williams@lacity.org>, dcrlicensing@lacity.org <dcrlicensing@lacity.org>, cannabis@lacity.org <cannabis@lacity.org>

To whom it may concern:

Please see the enclosed public comment letter regarding Council file number 14-0366-S5.

Best regards,

Courtney Chu | Of Counsel

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CouncilFileNo 14-0366-S5_PublicComment_GW.pdf

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November 21, 2018

The Honorable Herb J. Wesson, Jr.
President, Los Angeles City Council
200 North Spring Street, Room 430
Los Angeles, CA 90012

Re: Request for Revised Ordinance with Amendment to Chapter IV, Article 5.1, Section 45.19.7.2,
Subsection (C) of the LAMC Regarding EMD Re-location (Council File No. 14-0366-S5)

To the Honorable Herb Wesson and Members of the City Council:

This public comment is submitted on behalf of our client Groundworks Operations in response to Agenda Item No. 9 for the upcoming City Council meeting on November 21, 2018, concerning the request for a revised Ordinance to amend Subsection (C) of Chapter IV, Article 5.1, Section 45.19.7.2 of the Los Angeles Municipal Code ("LAMC") to authorize the Department of Cannabis Regulation ("DCR") to approve a relocation request submitted by an Existing Medical Marijuana Dispensary ("EMMD") on or after October 19, 2018, only if DCR receives a letter of acknowledgement from the impacted Council office by November 26, 2018 (the "Request").

The Request unduly impacts owners of EMDs and will have tremendous financial implications for owners of longstanding, lawful cannabis businesses. While we appreciate the responsiveness of the Rules, Elections, and Intergovernmental Relations ("REIR") Committee to the public comments heard at its meeting on November 16, 2018, the recommendation put forth does not sufficiently balance the interests of existing businesses and Social Equity Program ("SEP") applicants. Thus, we respectfully urge the City Council to vote against the Request unless it is revised to alleviate the concerns set forth in this letter.

The proposed timeframe for securing a letter of acknowledgement is, practically speaking, unachievable and therefore illusory for many EMDs and their business partners who have relied on the language of the current Ordinance as well as advice from DCR staff, and have expended (and continue to expend) significant time and resources to relocate. The deadline will prevent these businesses from taking the necessary actions to maintain compliance and remain competitive in the Los Angeles market. Both November 22 and 23, Thanksgiving Day and the Day after Thanksgiving, are holidays recognized by the City of Los Angeles; this leaves EMDs that notified DCR on or after October 19 of their intent to relocate with limited business days to request and process any relevant paperwork from the appropriate Council office. An EMD unable to meet the unrealistic deadline will be forced to delay relocation for several months, during which time unforeseeable circumstances may affect the ability of the business to operate at its current location. The proposed deadline for the letter of acknowledgement incapacitates EMDs by denying owners the flexibility needed to keep operations afloat.

From our understanding of the City Council's actions on this matter thus far and the discussion at the REIR Committee meeting, the primary motivation for the Request is to ensure viable locations are available for Phase 3 SEP applicants. The City Council has already received ample public comment that speaks to the disconnect

between limiting EMD relocation and maintaining eligible locations for SEP applicants. However, to the extent that SEP applicants are unable to find properties that meet the requirements of the City's Cannabis Location Restrictions Ordinance, this is also the reality for EMDs that will need to move to maintain compliance once the grace period for proximity to sensitive uses ends in 2023. Furthermore, it is still important to allow those EMDs that already otherwise comply with the current sensitive use requirements to relocate to allow for entrepreneurs to make the best business decisions for their company; as laws and regulations continue to be modified at both the state and local levels, licensed businesses must be able to adjust accordingly to maintain solvency.

Therefore, we respectfully recommend that the City Council revise the Request to accommodate existing compliant businesses while also supporting SEP applicants by eliminating the deadline for the DCR to receive a letter of acknowledgement from the impacted Council office for relocation requests submitted to DCR on or after October 19. Instead, we recommend the City Council allow Councilmembers to weigh in on the impact of each relocation request on the constituents of their district, and allow approval by DCR if no detrimental impact is observed. If further assistance to SEP applicants is needed, we would even support the establishment of a reasonable relocation fee, the revenue of which could be used to help SEP applicants in their searches for eligible locations and startup costs.

Preserving the ability of EMDs to relocate prior to obtaining a full City permit or license will ensure that the EMD owners who paved the way for legalization in the City have the flexibility necessary to survive in an ever-evolving market. Thank you for your consideration of this public comment. We appreciate the City's work on this issue and look forward to a resolution that is fair to all cannabis business operators.

Sincerely,

A handwritten signature in blue ink, appearing to be 'Courtney Chu', with a stylized, flowing script.

Courtney Chu, Esq.
Attorney at Law

CC: Cat Packer, Executive Director, Los Angeles Department of Cannabis Regulation
Alexander Freedman, Deputy City Attorney, Los Angeles City Attorney's Office
Richard Williams, Legislative Assistant, Los Angeles City Clerk's Office