

Item 11  
Written Communications

**Sheree Kansas**

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**From:** Kerry Bigelow  
**Sent:** Tuesday, February 27, 2018 8:10 PM  
**To:** Sheree Kansas  
**Subject:** FW: 2 of 2 Ordinance notes  
**Attachments:** CV Ordinance Suggestions LW Caligrown™ 2.26.2018.docx; ATT00001.htm.

Can you please add these to the item?

**Kerry Bigelow, MMC | City Clerk | Office of the City Clerk**  
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**From:** Leslie Wolf Branscomb  
**Sent:** Tuesday, February 27, 2018 8:09 PM  
**To:** Kerry Bigelow <[KBigelow@chulavistaca.gov](mailto:KBigelow@chulavistaca.gov)>  
**Subject:** FW: 2 of 2 Ordinance notes

*Leslie Wolf Branscomb*  
*Sr. Council Aide to Councilmember Pat Aguilar*  
*(619) 495-7230*

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**From:** Laura Wilkinson Sinton [REDACTED]  
**Sent:** Tuesday, February 27, 2018 10:37 AM  
**To:** Patricia Aguilar; Leslie Wolf Branscomb  
**Subject:** 2 of 2 Ordinance notes

Councilwoman Aguilar,

As promised, I am attaching my thoughts and suggestions surrounding the ordinance (I pulled the latest version - DFF98 - as Leslie sent it to me as an email attachment). While I am less than happy with the new requirement to secure property prior to applying I can live with it . It doesn't require a negotiated signed lease - burdensome prior to assurance of a license but sadly still allows land grab actors to flourish. The strongest objection I have is the process of including a lottery as "selection criteria". I will explain why I feel so strongly about that.

With only eight (8) storefront dispensaries, you have a "government enforced scarcity". When government entities regulate and reduce to scarce few outlets for a high demand product/service, it artificially suppresses supply. That suppression of supply is what allows for "leakage" - or demand to be met outside of government regulated and controlled channels. That leakage, in this case, is the black market that has plagued Chula Vista of late. Until dispensaries are up across the region, that may continue to on a smaller scale, i.e. they are not driving to San Diego to buy legally as we know.

Issuing storefront licenses will mitigate some (but likely not all) of that - until the city decides to let the supply and demand equation works itself out without the enforced scarcity ( libertarian-types are likely in favor of that

for other more established “trusted” business categories). While that is *at least* a few years away, you will have several applicants vying for these licenses. With a lottery you will get the luck (or bad luck) of the draw. You are not guaranteed a great operator, just someone who may appear great on paper meeting the *minimum qualifications* to hurdle over the Chief of Police and City Finance Director/City Manager. And gaming the lottery with multiple applications.

With enforced scarcity comes privilege and with privilege comes responsibility. **A merit based system** - point scoring like that done in other cities to glean the best of the best applicants, as Grover Beach and several other California cities have done - will **make sure that the privileged operators will be the most responsible, law abiding, community focused additions to the city of Chula Vista**. With something that has such perceived risk attached, why would you leave this to chance? Why wouldn't the council and city personnel have more of a say than pulling a name out of a hat like a raffle?

I know HdL has done dozens of these merit based award processes. They gain confidence in the community *knowing their elected officials are truly vetting each and every one to allow only the best for the community to operate there*. I urge you in the strongest terms to consider that course of action. You have time to make these changes.

The regulations as a whole are very thoughtful and written *right* and tight.

**Ordinance of The City of Chula Vista Adding Chapter 5.19 of The Chula Vista Municipal Code To Regulate Commercial Cannabis 2.26.2018 (suggestions by Laura Wilkinson/Caligrown™)**

Under "Definitions"

Owner means any of the following:

In "A." and "B." for both Business and Premise ownership, I would include language that would include all members of any Corporation or LLC regardless of shareholder/member aggregate ownership. Better to know "who" and every "who" upfront. This is not burdensome unless a publicly traded corporation.

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(C) f. Documentation showing \$250K in liquid assets. This is too much for a delivery business, and too little for storefront (was someone trying to split the difference?). Delivery can be \$150,000 and Dispensary \$400,000 which may be more realistic.

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7. "Phase Two Lottery System". I **strongly suggest you convert this to a merit based system**. Don't leave a decision like this to random chance. Choose the best for Chula Vista to gain public trust. There are consultants (HdL) with experience with merit based selection process who can assist you with this to select the best possible outcomes for Chula Vista. Please consider this.

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It is good that a felony disqualifies anyone from owning or renting to a cannabis business. Rewarding law breakers sets a bad precedent – I am sure these individuals have likely asked you to soften this qualification. Don't.

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5.19.080 D. This addresses the tracking systems for POS and inventory – California requires this same technology and access to it. Perhaps the city can help coordinate to prevent multiple systems tracking redundantly- this may be more for the regs than the ordinance. An API would accomplish this to the city's systems.

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H. I would add a great deal to these posting requirements. They should include the following for public safety:

"DO NOT operate a motor vehicle or heavy machinery under the influence of cannabis. Keep all cannabis products strictly out of the reach of children." Make sure in the regulations the font size of the warning (size of sign) and area of display is clearly defined so it doesn't get typed in too small type to see and posted somewhere less than visible to all.

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Posting requirements are clear here for resale, etc.

If you tie the lab requirements and security requirements specifically to state regulations, they will exceed what you have written in the ordinance. Those are suggestions for improvement. Thank you.