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City of Claremont
Cannabis Survey



Purpose of the Survey

- To gauge community interest and concerns regarding potential legalization and permitting of commercial cannabis businesses within the City.
- The survey included a total of 48 questions
- Posted online from March 21st through April 11th, 2022
- 478 responses were received
- Represents just over 1.3% of the population of Claremont



Controlling for Duplicates

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- We noted 62 responses from 29 duplicate IP addresses
- Analysis suggested that these were most likely multiple members of the household using the same computer
- The split between general support and general opposition suggests that these duplicate addresses did not significantly skew the results one way or another
- For these reasons, we chose to leave the duplicate responses



Controlling for Representative Sample ⁴

- Question 3; *“How did you vote on Proposition 64, the Adult Use of Marijuana Act in 2016?”*
- Support among Claremont voters in 2018: 59.20%.
- Support among survey respondents: 69.90%
- Over-representation by Proposition 64 supporters: +18.10%

Survey Question 3	Responses	Percentage	Prop. 64	Difference
Yes, Support	274	69.90%	59.20%	+18.10%
No, Oppose	118	30.10%	40.80%	
Did Not Vote/No Response	86	18%	4.70%	
Total Responses	478			



General Support for Legal Cannabis

Survey Percentage	Adjusted Percentage
In general, do you support or oppose legalized cannabis for medicinal use?	
79.87%	65.49%
In general, do you support or oppose legalized cannabis for adult recreational use?	
67.30%	55.18%
In general, do you support or oppose allowing commercial cannabis businesses in Claremont?	
59.49%	47.96%



Cannabis Cultivation

Respondents showed only borderline support for cannabis cultivation of any type.

Commercial Cultivation Type	Strongly or Somewhat Support	Strongly or Somewhat Oppose
Cultivation outdoors	47.17%	44.67%
Cultivation in a greenhouse with supplemental lighting	48.53%	44.44%
Cultivation in a greenhouse without supplemental lighting	46.94%	40.82%
Cultivation indoors	50.79%	40.14%



Cannabis Retailers

There is generally strong support for allowing cannabis retailers, though this support is marginally less strong for adult-use than for medicinal.

Cannabis Retailer Type	Strongly or Somewhat Support	Strongly or Somewhat Oppose
Storefront retailers for medicinal use	57.70%	39.31%
Storefront retailers for adult recreational use	54.97%	42.76%
Non-storefront (delivery) retailers for medicinal use	61.09%	32.13%
Non-storefront (delivery) retailers for adult recreational use	57.47%	36.43%
Commercial cannabis microbusinesses	53.74%	39.91%



Manufacturing, Distribution, Testing

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Cannabis Business Type	Strongly or Somewhat Support	Strongly or Somewhat Oppose
Cannabis manufacturing using non-volatile solvents	51.02%	38.55%
Cannabis manufacturing using volatile solvents	24.43%	64.03%
Cannabis manufacturing using non-solvent methods	47.51%	38.69%
Cannabis packaging, repackaging and labeling	51.36%	37.10%
Cannabis distribution	55.43%	38.91%
Cannabis testing laboratories	57.69%	34.62%



Taxing Cannabis Businesses

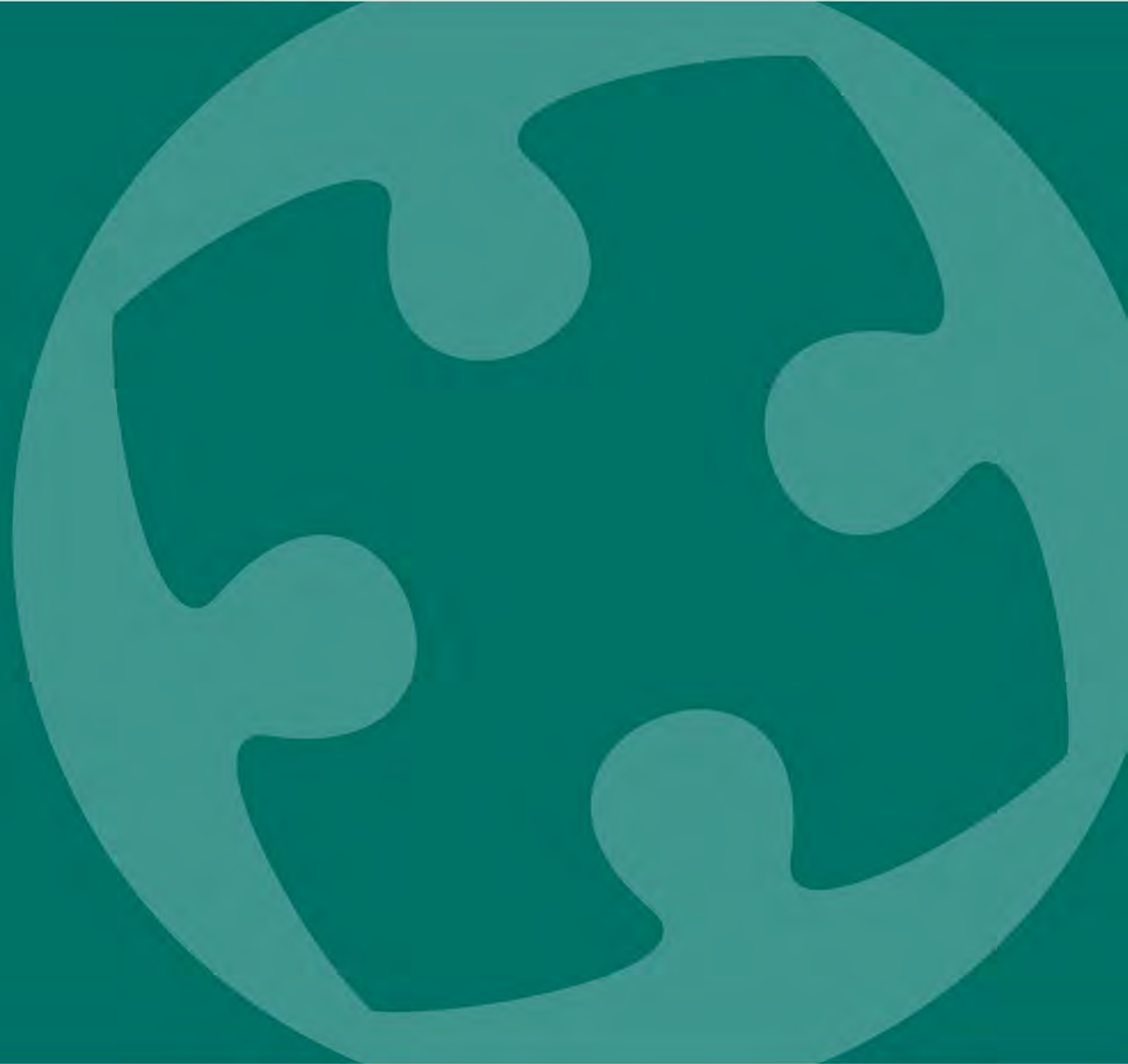
Cannabis Business Type	Strongly or Somewhat Support	Strongly or Somewhat Oppose
The City should tax cannabis cultivators	87.24%	9.18%
The City should tax cannabis retailers	90.31%	7.65%
The City should tax cannabis manufacturers	89.51%	7.93%
The City should tax cannabis distributors	87.98%	8.95%
The City should tax cannabis testing laboratories	82.61%	12.02%



Taxing Cannabis Businesses

Cannabis Business Type	Strongly or Somewhat Support	Strongly or Somewhat Oppose
Cannabis taxes should be set at levels that are consistent with statewide averages	80.00%	11.79%
Cannabis taxes should be set at levels that are lower with statewide averages	34.02%	49.87%
Cannabis taxes should be set at levels that are higher with statewide averages	36.22%	49.49%

Findings





Findings

- 1. Support for commercial cannabis businesses is neither overwhelming nor uniform**
 - Nearly 80% of respondents either strongly or somewhat support legalized cannabis for medicinal use
 - Over 67% of respondents support legalized cannabis for adult use
 - This level of support comes down significantly when considering specific types of cannabis business
 - Support for various retail types is generally from 55% to 61%
 - Support for cultivation and manufacturing hovers at or below 50%



Findings

2. The City should focus its efforts on cannabis retailers and distributors

- Cannabis retailers and distributors were the only business types which registered at or above 55% support
- Though microbusinesses and some types of manufacturing and cultivation exceeded 50% support, we believe that this minimum majority does not indicate clear direction from the community
- Cannabis retailers also provide the greatest opportunity for revenue
- There is also significant support for testing labs, but these businesses are uncommon and unlikely to materialize



Findings

- 3. The City should continue to engage the community as it moves forward**
- The results of the survey suggest that the City has an active and involved citizenry that desires to be actively involved in this issue.
 - The responses showed a level of engagement and a willingness to work through a lengthy and detailed survey to provide meaningful input.
 - Continued community discussion about these issues will help to build consensus and support for future direction.



Thank You!

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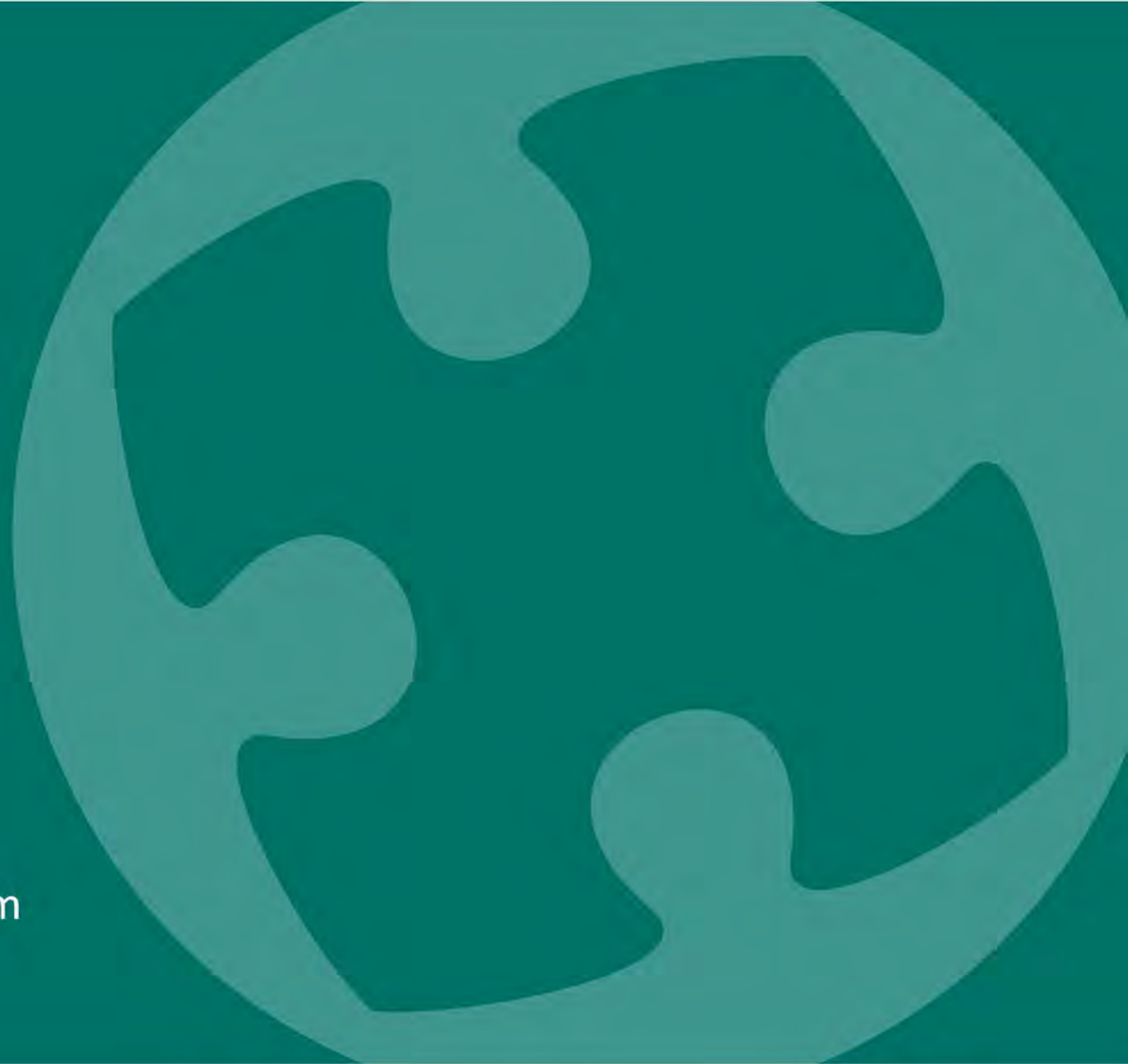
Thank you!

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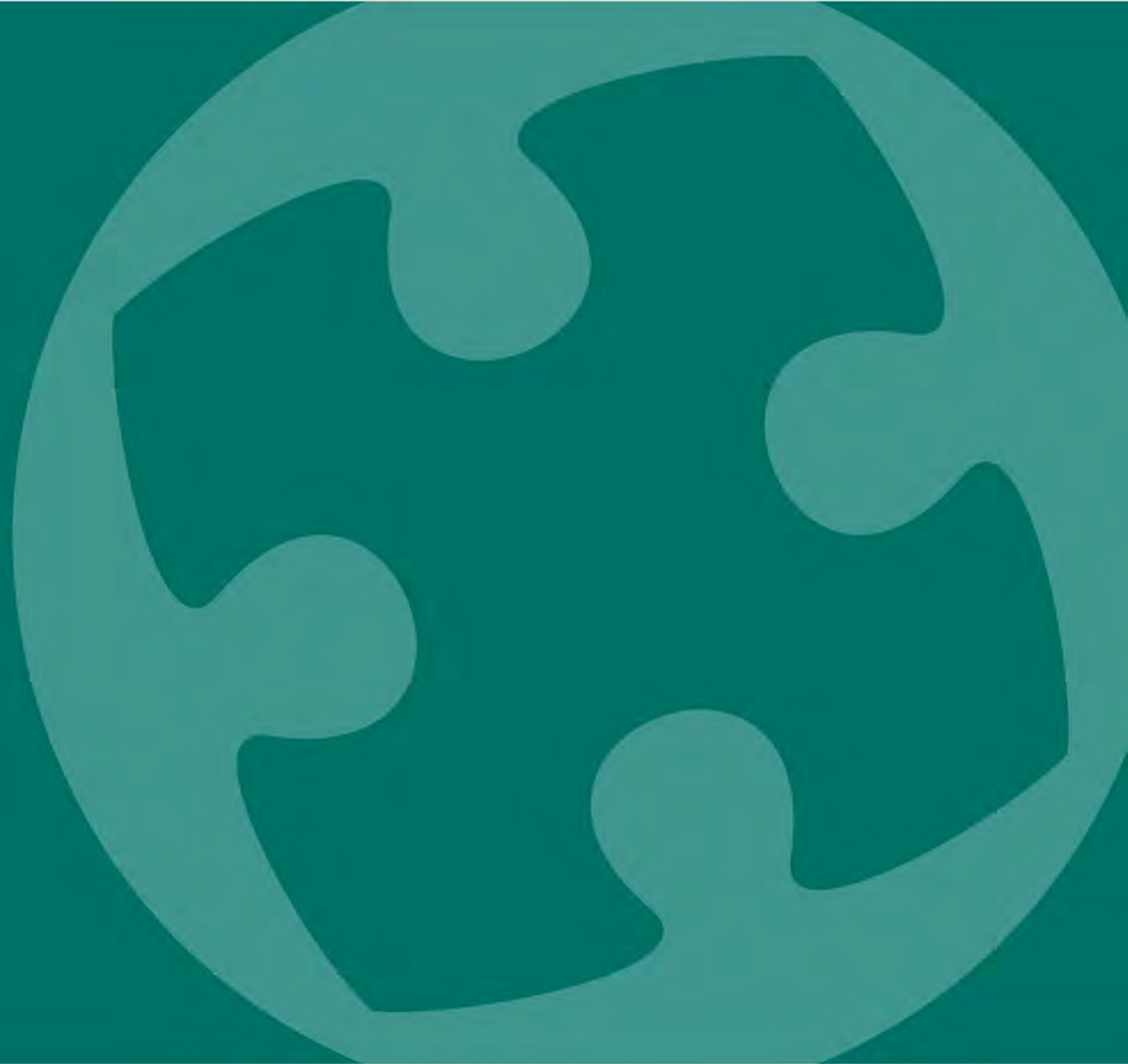
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Questions?





Commercial Cannabis Survey and Community Workshop Findings



Cannabis Regulation History

2006

City Council adopted ban on commercial cannabis

2016

City Council adopted ordinance to continue the prohibition on commercial cannabis operations within the City

2019

City Council reaffirmed the previous ban on commercial cannabis operations

2021

City Council requested staff engage the community on cannabis regulation

2022

Staff held two cannabis community workshops and issued an online survey



Option 1: Cannabis Tax Ballot Measure

- Survey respondents strongly supported taxing cannabis businesses if they are allowed within the City.
- Cannabis tax ordinance on the ballot for the General Municipal Election held in November 2022
- If a tax ordinance is approved by voters:
 - Would ensure the tax framework is in place while the City Council decides whether and how to allow commercial cannabis businesses in the city
 - Maintain local control
 - Allow the community to benefit from tax revenue generated by cannabis businesses, if permitted



Option 2: Develop Cannabis Business Regulatory Structure

- City Council can direct staff to develop cannabis regulatory zoning framework and business requirements first
- Have to wait until General Municipal Election in November 2024 for tax measure
- Risk a citizen-sponsored initiative without a commercial cannabis tax structure in place



Option 3: Continue to Enforce the Existing Prohibition on Commercial Cannabis

- City Council can maintain the city's existing prohibition on commercial cannabis operations
- Potential loss of local control through a costly citizen-sponsored commercial cannabis initiative petition



Citizen-Sponsored Initiatives in Southern California

- Ontario
- South El Monte
- El Monte
- El Segundo
- Huntington Beach
- Hermosa Beach
- Lake Forest
- Manhattan Beach
- Redondo Beach



Citizen-Sponsored Cannabis Initiative Issues

- Typically follow the minimum state requirements
- Not written for best practices within the City
- Potential land use compatibility issues
- Do not have a local tax attached
- Create very complex situations for implementation on the staff level, i.e. scoring systems
- Could be held as a costly special-election



Importance of Maintaining Commercial Cannabis Local Control

- Allows City to establish application guidelines and regulatory structure for commercial cannabis businesses
- Limit the location and number of cannabis businesses
 - Ex: Pomona citizen-sponsored initiative allowed for eight businesses with a buffer zone of 600 feet from sensitive areas. The City of Pomona's competing initiative allowed for six cannabis retail businesses and a buffer zone of 1,000 feet
- Additional controls:
 - Establish zoning provisions
 - Limit the hours of operations
 - Enforce stricter security
 - Establish selection process



Potential Commercial Cannabis Revenue

- Typical city cannabis retail tax rate is between 4% and 7% of gross receipts
 - City council can decide tax rate if ballot is approved by voters
- For each cannabis storefront retailer permitted, the City is estimated to generate between \$250,000 and \$350,000 in annual tax revenue
- City may use the tax revenue generated from the cannabis businesses for general City services



Staff Recommendation

- **That the City Council:**
 - Direct staff to prepare a draft cannabis tax ordinance, which would need to be approved by voters through a ballot measure. On its own, a cannabis tax ordinance would not allow any cannabis businesses to operate in Claremont. The cannabis tax ordinance would merely authorize the City to tax cannabis businesses if they are permitted in the future

