

Hdl

VERBAL BUILDING

PASTA-SALADS-SUBS

City of Claremont
CANNABIS OUTREACH

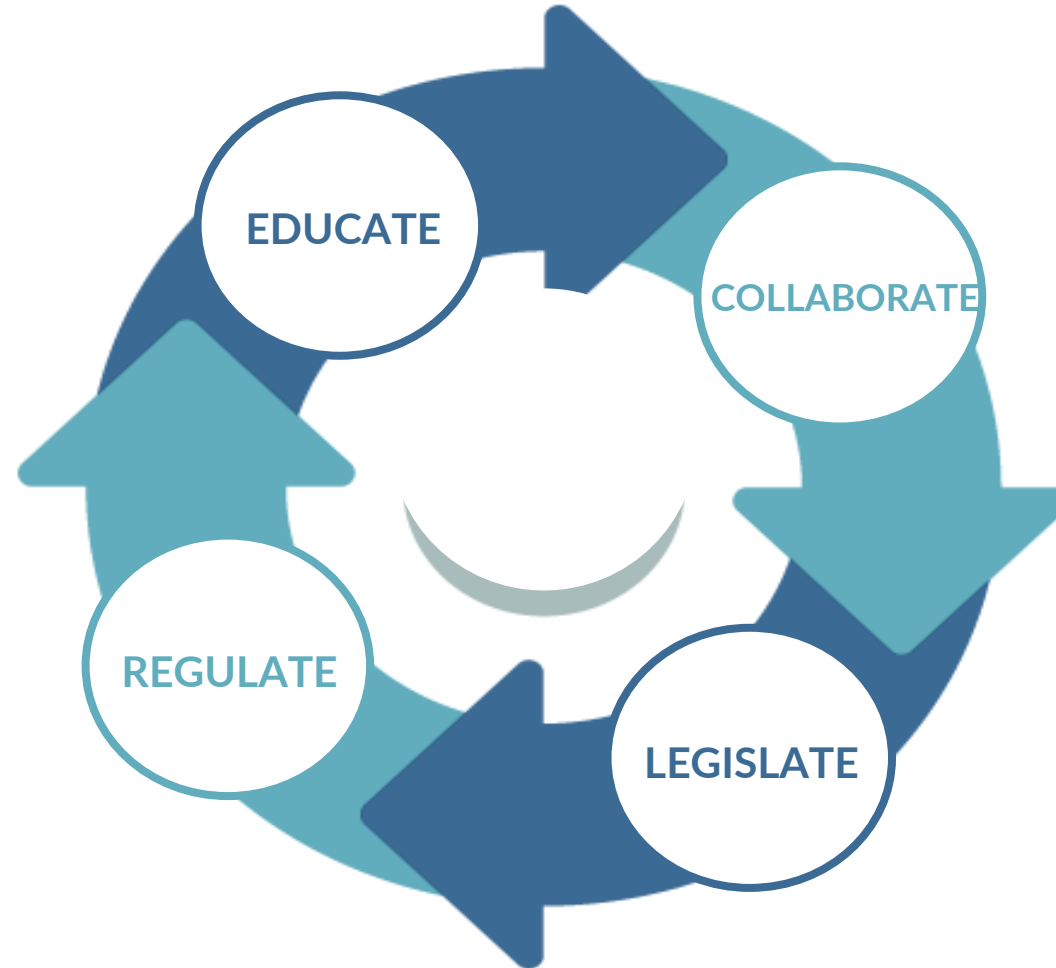


ABOUT HdL

- ✓ Serves:
 - 303 cities
 - 48 counties
 - 108 transaction districts
- ✓ Partnered with over 175 local agencies to develop cannabis policies
- ✓ Team consists of former policymakers, law enforcement and cannabis regulators with State, County and local level experience
- ✓ Reviewed and evaluated over 3,500 cannabis business applications for local agencies
- ✓ HdL staff has experience conducting over 17,000 cannabis compliance reviews in California, Colorado, and Nevada



PATH TO SUCCESS STARTS WITH EDUCATION



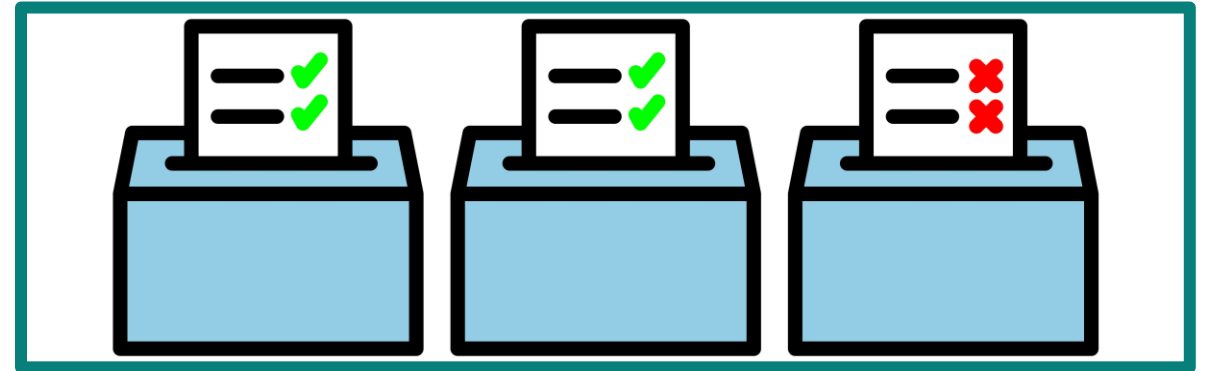


PROPOSITION 64 ELECTION RESULTS

Statewide
passed with 56% of the vote;
44% opposed

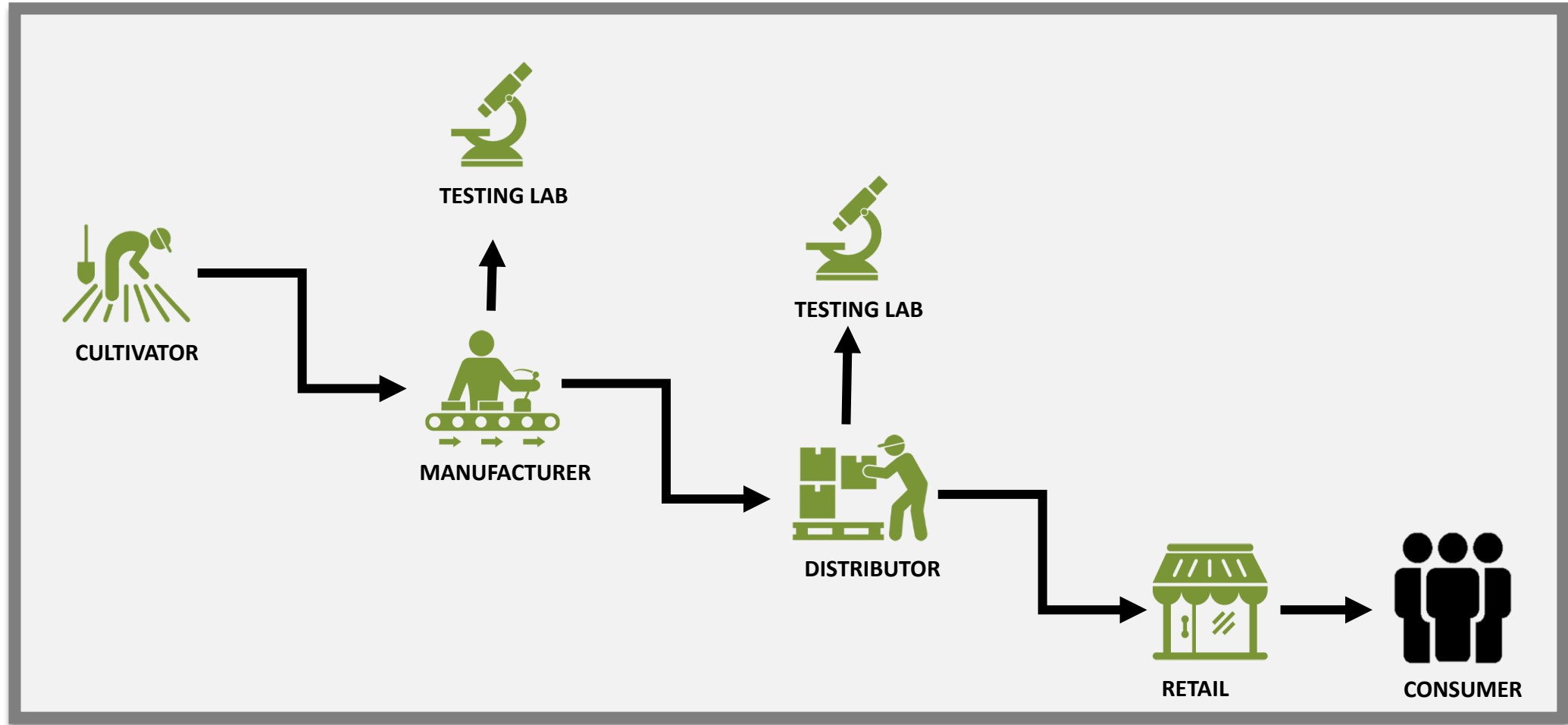
Los Angeles County
59.54% of voters supported;
40.46% opposed

City of Claremont
59.20% of voters supported;
40.80% opposed





CANNABIS BUSINESS CATEGORIES





CANNABIS STATE LICENSES BY TYPE AS OF 3/1/22

8,317	Cultivation
889	Manufacturer
849	Retailers
366	Retailers Non-Storefront
1,062	Distributors
151	Distributor Transport Only
311	Microbusinesses
44	Testing Labs
44	Cannabis Event Organizers
<hr/>	
12,033	Total





CALIFORNIA CANNABIS LAWS

2015-17

- Medical Cannabis
- Regulation and Safety Act (MCRSA)
- Prop 64 (AUMA)
- Trailer Bill SB 94
- Medicinal & Adult Use Cannabis Regulation and Safety Act

2018-19

- State Regulations finalized Jan 2019
- SB 1459 Established Provisional Licenses
- AB 97 and SB 97 provided additional revision to regulations

2020-22

- AB 1356 (Ting) Minimum Local Retail Requirement
- Farm Bill Act 2018-Hemp
- AB 1525 Banking
- AB 45-Hemp Law
- SB 59 CEQA Sunset
- Governor receives Cannabis Industry Urgency Letter



LOCAL CONTROL AUTHORITY

- ✓ State must notify the local jurisdiction when it receives a commercial cannabis application
- ✓ The law does not supersede or limit existing local authority for law enforcement activity, enforcement of local zoning requirements or local ordinances
- ✓ Health & Safety Code 11362.775 (Medical Marijuana Program) was repealed as of January 9, 2019





OTHER KEY CHANGES TO STATE REGULATIONS

- ✓ Local Regulatory Ordinances will not be subject to CEQA until July 1, 2021 B&P Section 26055 (h)
- ✓ County of Santa Cruz, et al court decision on deliveries
- ✓ Farmer vs BCC billboard court decision





STATUS OF OTHER AGENCIES IN THE REGION:

- Corona
- Los Angeles Co
- Pasadena
- Pomona
- Riverside
- Riverside Co
- San Bernardino





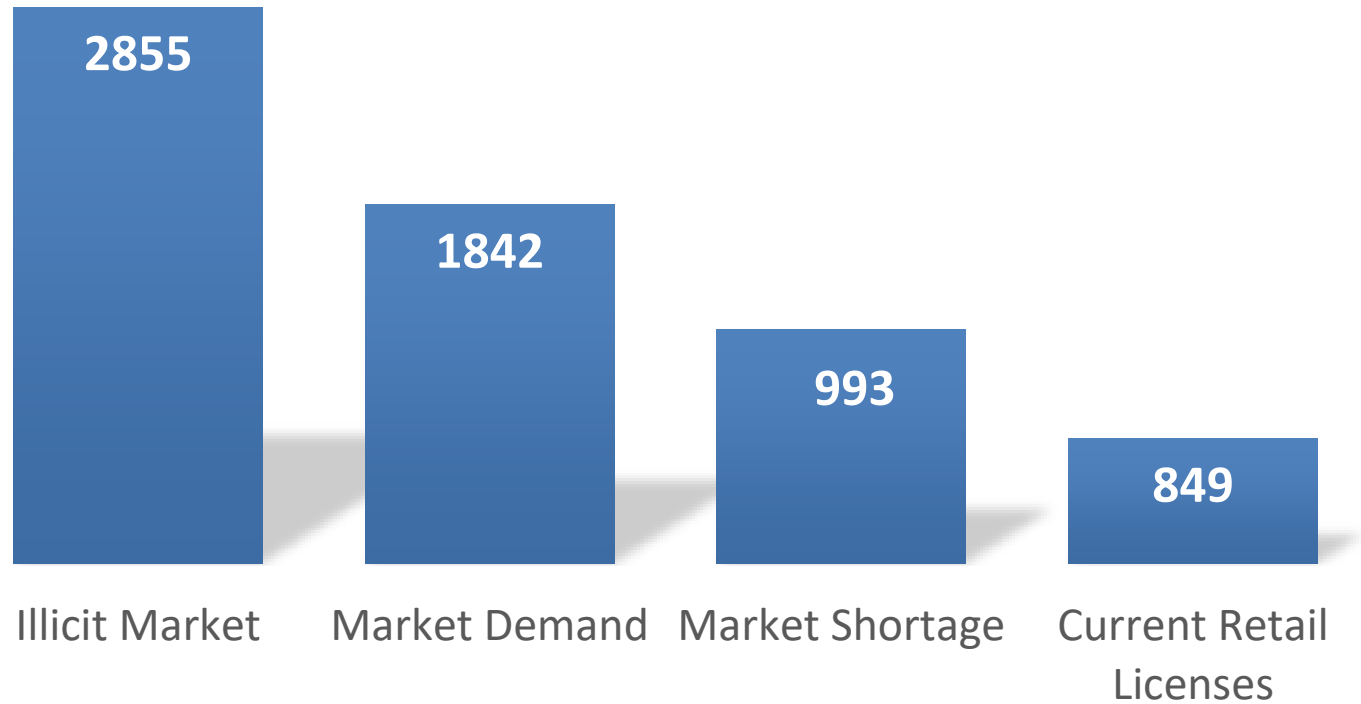
CITIZEN INITIATIVES IN SOUTHERN CALIFORNIA:

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



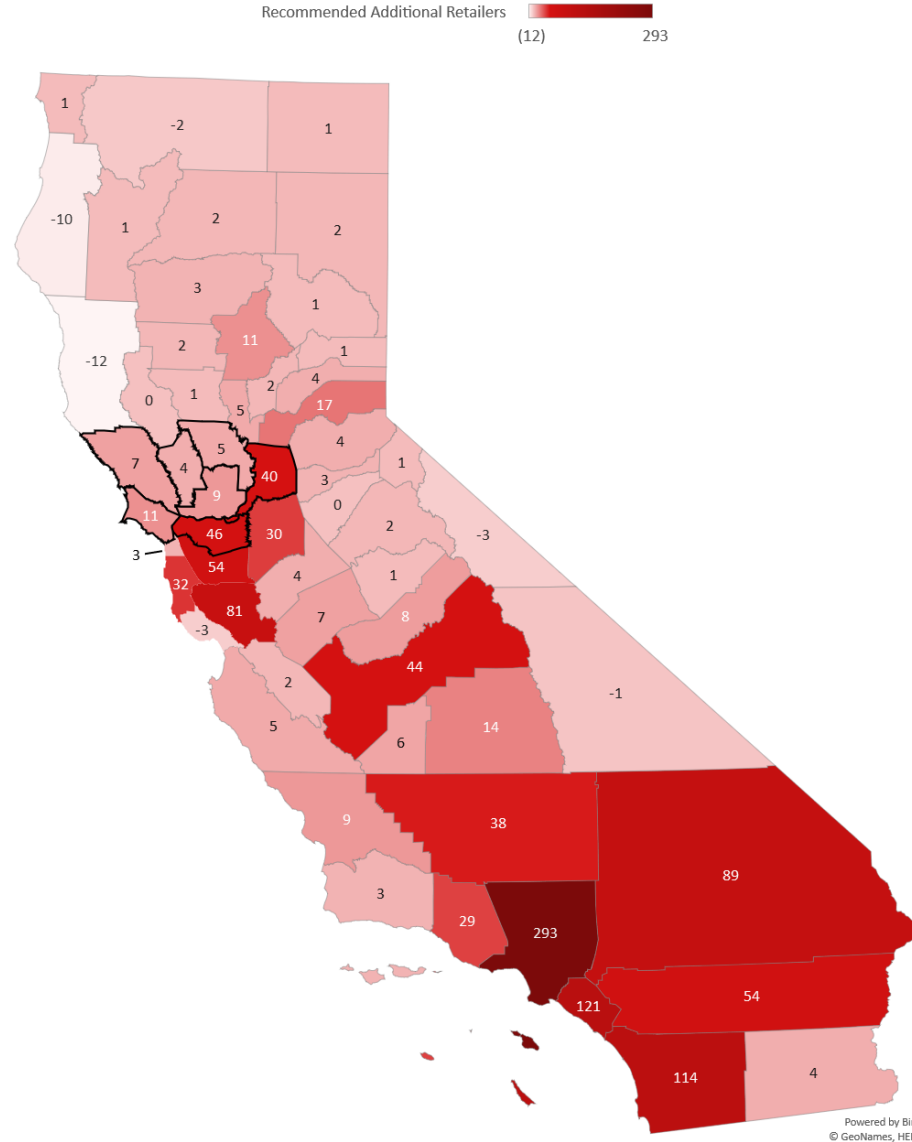


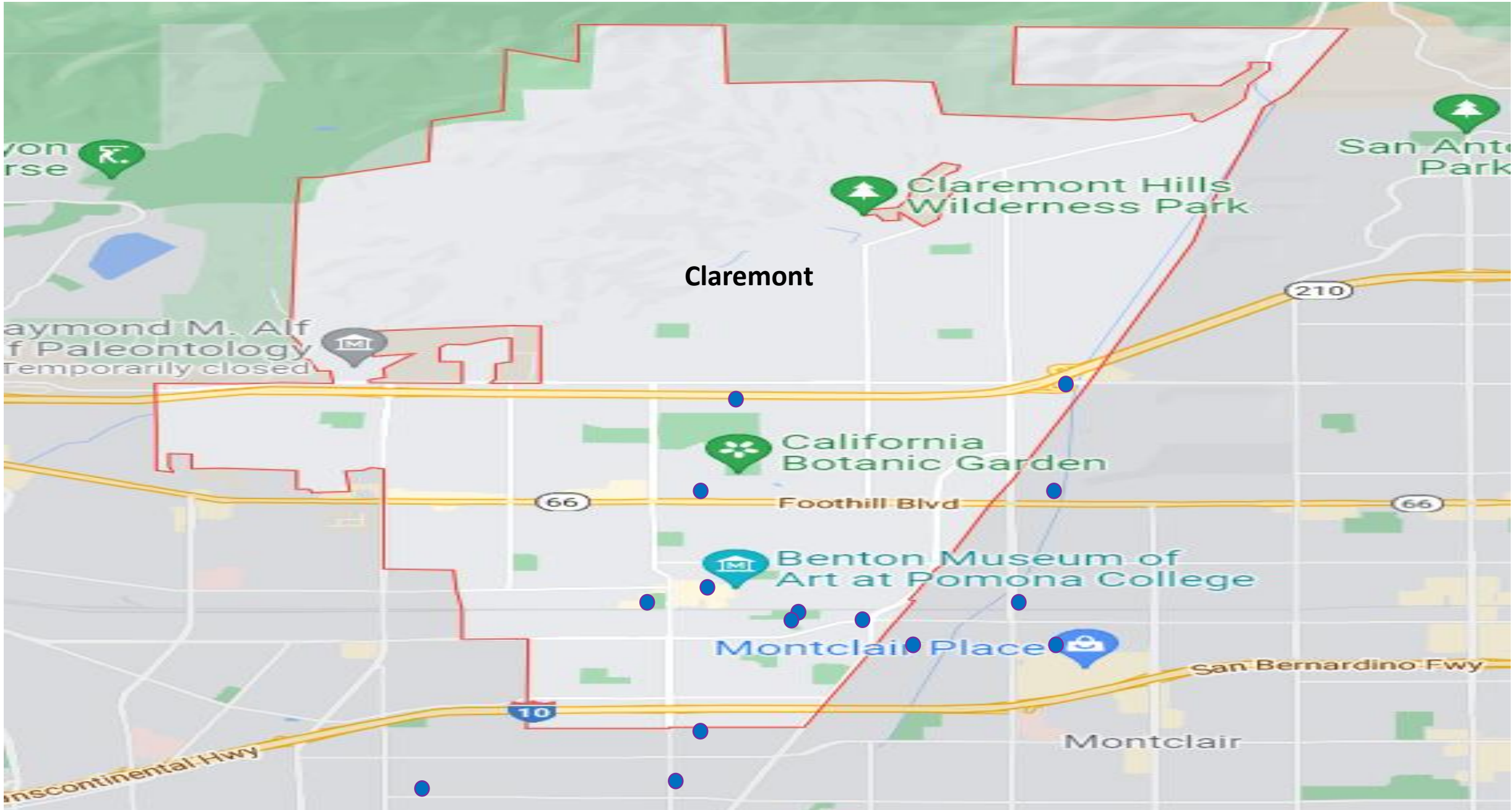
CA CANNABIS RETAIL MARKET ANALYSIS





CA CANNABIS RETAIL MARKET POTENTIAL LICENSE SHORTAGE





Claremont

Claremont Hills
Wilderness Park

Raymond M. Alf
Museum of Paleontology
Temporarily closed

California
Botanic Garden

Foothill Blvd

Benton Museum of
Art at Pomona College

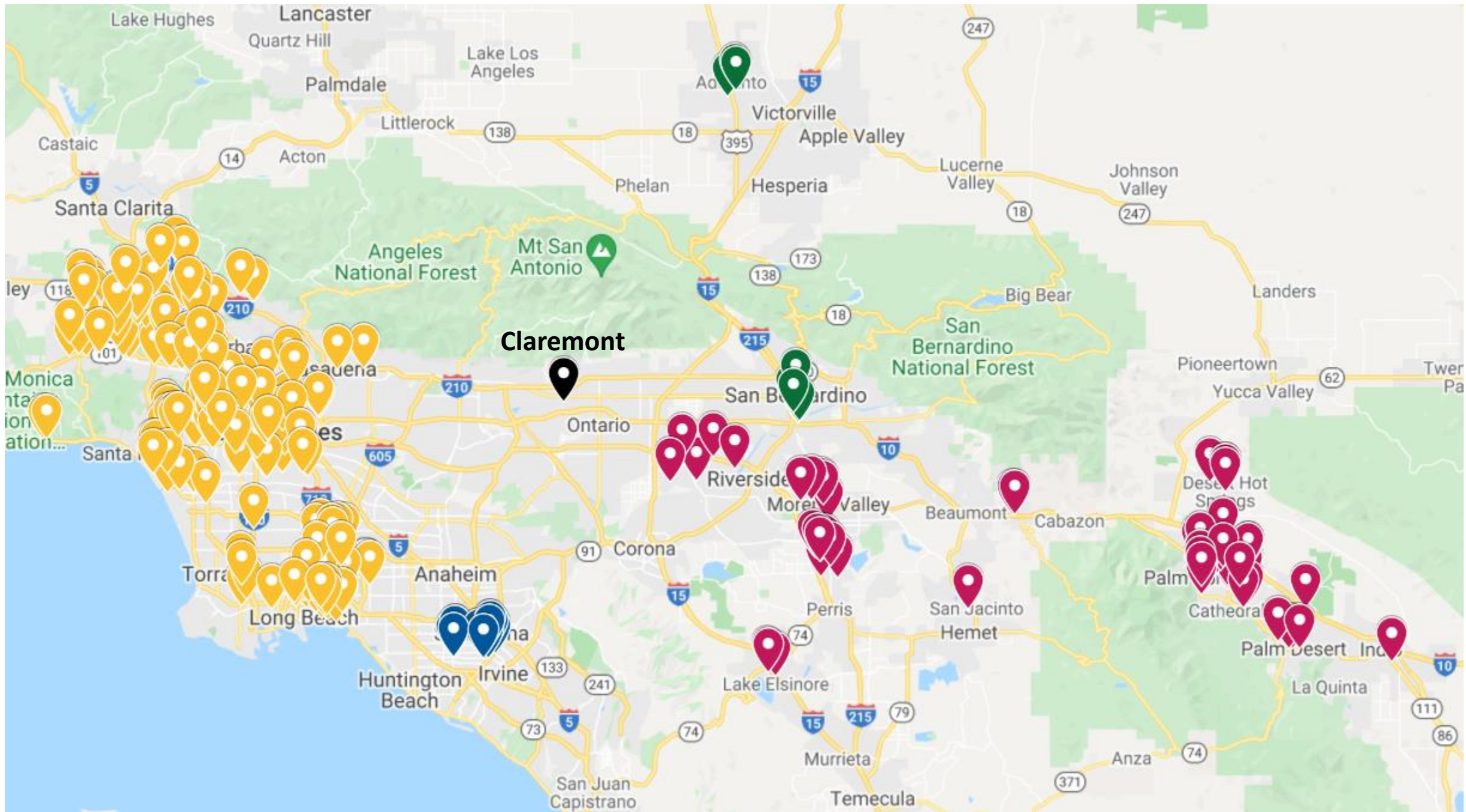
Montclair Place

Montclair

San Antonio
Park

Transcontinental Hwy

San Bernardino Fwy



POLICY DECISIONS



CANNABIS POLICY DEVELOPMENT

*“Policies designed today will help shape
how your industry looks tomorrow.”*

-HdL Companies

UPDATING CANNABIS POLICIES NOW IS IMPORTANT BECAUSE:





Policy Decisions Based on Activities

Consumer Demand

- ✓ Personal Cultivation
- ✓ Out of Town Deliveries
- ✓ Non-Store Front Retailer In Town
- ✓ Retailer (Dispensaries) In Town
- ✓ Consumption Lounges
- ✓ Special Events

Economic Development

- ✓ Cultivation Facilities
- ✓ Manufacturing Facilities
- ✓ Distribution Facilities
- ✓ Testing Labs
- ✓ Generates Jobs
- ✓ Generates Revenue

CITY OF CLAREMONT

Core Values - Community Priorities



Public Safety



Environmental
Protection



Neighborhood
and Land Use
Protection

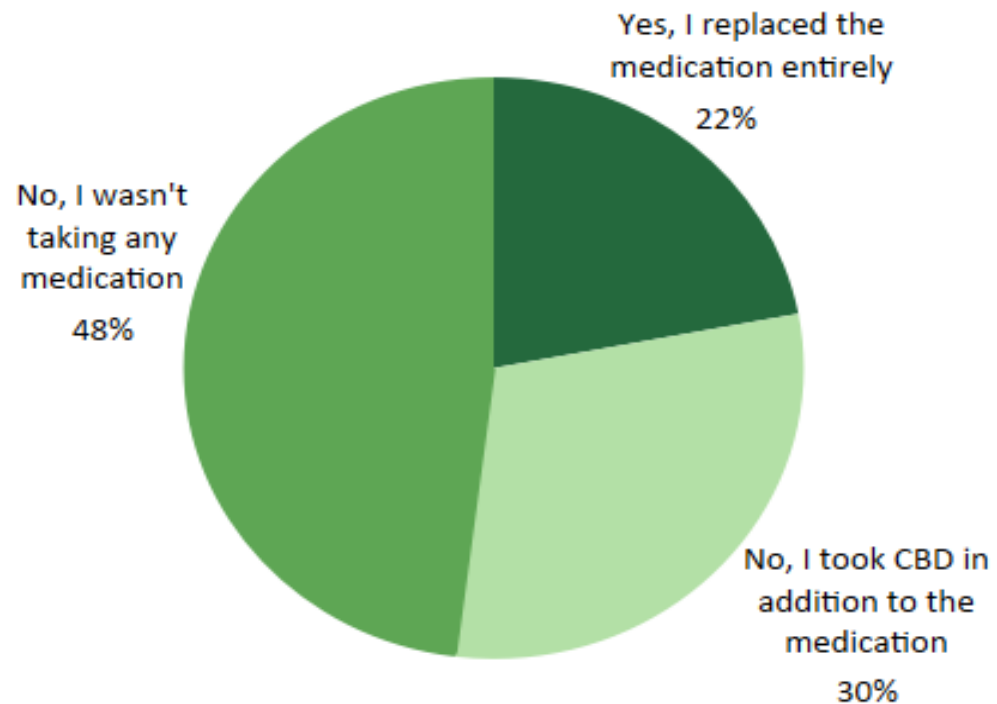


Preventing
Access by
Youth

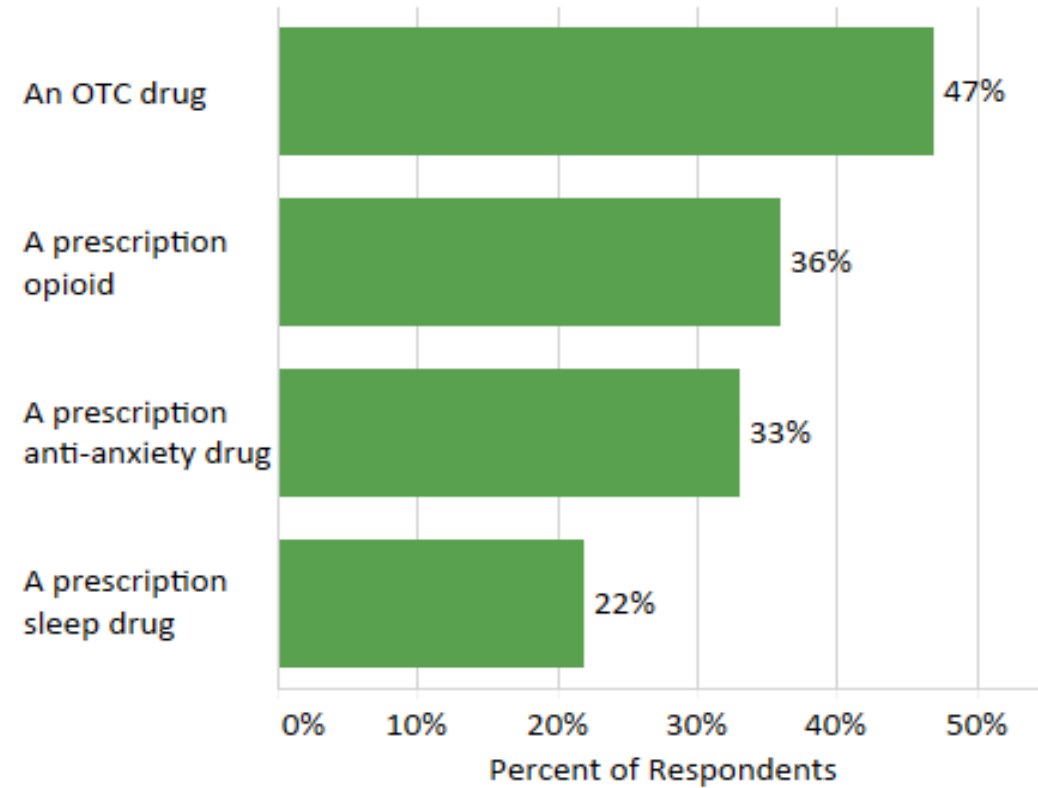


SURVEY: CONSUMERS REPLACE PRESCRIPTION & OTC DRUGS WITH CBD

Did You Use CBD to Replace a Prescription or OTC Drug?



What Drug Did You Replace With CBD?



Source: Consumer Reports

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MYTH OR REALITY: RETAIL CANNABIS BUSINESSES

- Impacts to surrounding businesses
- Loitering around the business
- Theft or robberies
- Illegal sales in parking lots or street
- Parking issues
- Display of signs
- Property Purchases/Leases of retail increases property value





BENEFITS OF RETAIL CANNABIS BUSINESSES

- Creates more foot traffic for other businesses in the area
- Stimulates consumers from outside of the city to shop in town
- Incentivizes other businesses to move into vacant stores
- Generates new source of revenue for City
- Creates confidence as cannabis businesses normalize to the community





DEVELOPMENT OF REGULATORY ORDINANCE

Local jurisdictions should develop ordinances which address:

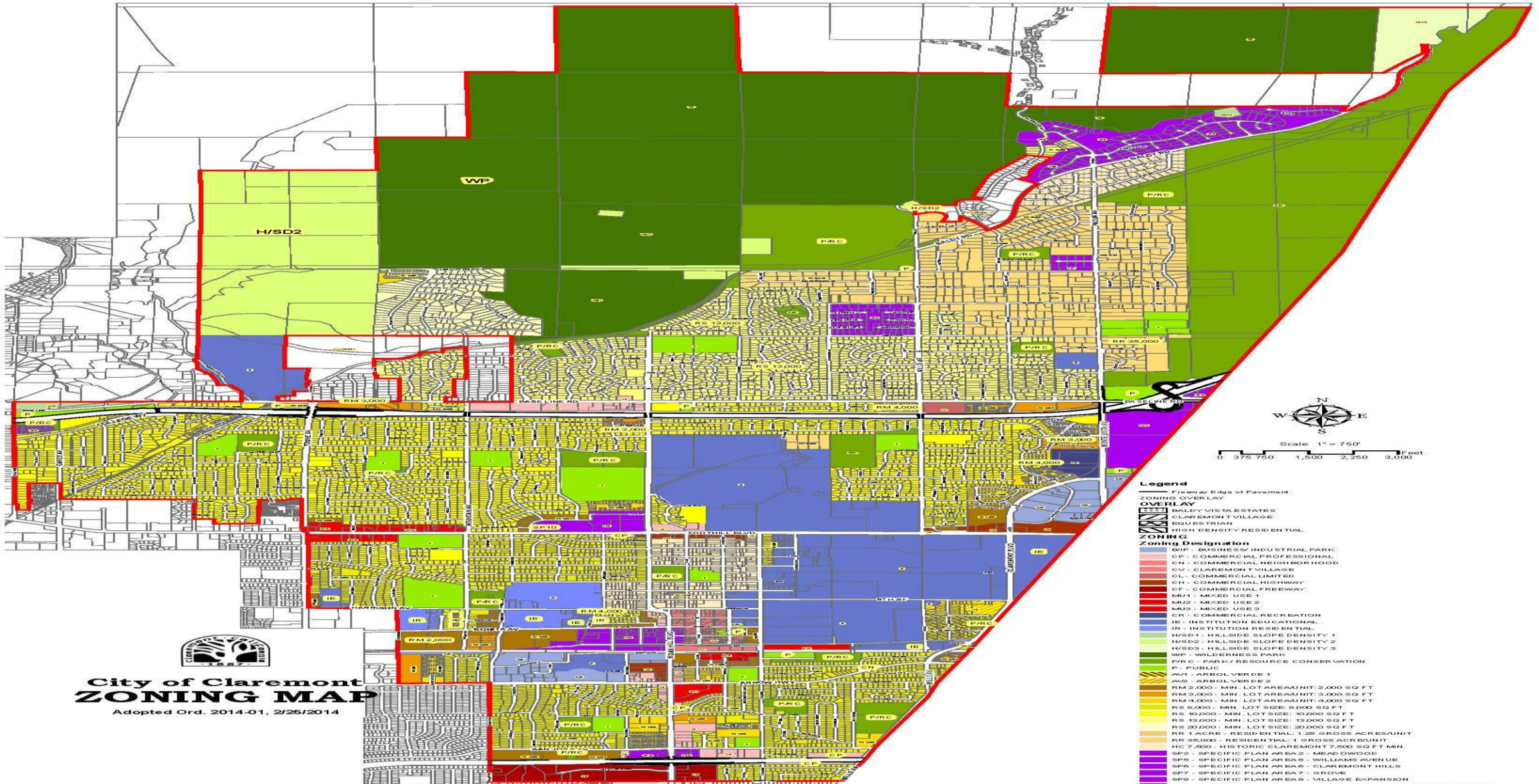
Time

Place

Manner

CITY OF CLAREMONT COMMERCIAL ZONING DISTRICTS

B/IP	Business/Industrial Park
CP	Commercial Professional
CN	Commercial Neighborhood
CV	Claremont Village
CL	Commercial Limited
CH	Commercial Highway
CF	Commercial Freeway
MU	Mixed Use



**City of Claremont
ZONING MAP**

Adopted Ord. 2014-01, 2/25/2014



Legend

- Freeway Edge of Pavement
- ZONING OVERLAY
- BALDY VISTA ESTATES
- CLAREMONT VILLAGE
- EQUESTRIAN
- HIGH DENSITY RESIDENTIAL
- ZONING**
- BI-P - BUSINESS/INDUSTRIAL PARK
- CP - COMMERCIAL PROFESSIONAL
- CN - COMMERCIAL NEIGHBORHOOD
- CV - CLAREMONT VILLAGE
- CL - COMMERCIAL LIMITED
- CH - COMMERCIAL HIGHWAY
- CF - COMMERCIAL FREEWAY
- MU1 - MIXED USE 1
- MU2 - MIXED USE 2
- MU3 - MIXED USE 3
- CR - COMMERCIAL RECREATION
- IE - INSTITUTION EDUCATIONAL
- IR - INSTITUTION RESIDENTIAL
- HSD1 - HILLSIDE SLOPE DENSITY 1
- HSD2 - HILLSIDE SLOPE DENSITY 2
- HSD3 - HILLSIDE SLOPE DENSITY 3
- WP - WILDERNESS PARK
- P/R - PARK/RESOURCE CONSERVATION
- P - PUBLIC
- AV1 - ARBOL VERDE 1
- AV2 - ARBOL VERDE 2
- RM 2,000 - MIN. LOT AREA UNIT 2,000 SQ FT
- RM 3,000 - MIN. LOT AREA UNIT 3,000 SQ FT
- RM 4,000 - MIN. LOT AREA UNIT 4,000 SQ FT
- RS 8,000 - MIN. LOT SIZE 8,000 SQ FT
- RS 10,000 - MIN. LOT SIZE 10,000 SQ FT
- RS 15,000 - MIN. LOT SIZE 15,000 SQ FT
- RS 20,000 - MIN. LOT SIZE 20,000 SQ FT
- RR 1 ACRE - RESIDEN TILL 1.25 GROSS ACRES/UNIT
- RR 35,000 - RESIDENTIAL 1 GROSS ACRE/UNIT
- HC 7,500 - HISTORIC CLAREMONT 7,500 SQ FT MIN.
- SP2 - SPECIFIC PLAN AREA 2 - MEADOWWOOD
- SP6 - SPECIFIC PLAN AREA 6 - WILLIAMS AVENUE
- SP7 - SPECIFIC PLAN AREA 7 - CLAREMONT HILLS
- SP7 - SPECIFIC PLAN AREA 7 - GROVE
- SP8 - SPECIFIC PLAN AREA 8 - VILLAGE EXPANSION
- SP9 - SPECIFIC PLAN AREA 9 - OLD SCHOOL HOUSE/CLAREMONT INN
- SP10 - SPECIFIC PLAN AREA 10
- SP11 - SPECIFIC PLAN AREA 11
- SP12 - SPECIFIC PLAN AREA 12
- SP13 - SPECIFIC PLAN AREA 13
- SP14 - SPECIFIC PLAN AREA 14
- LACOUNTY



STRATEGIES TO ADDRESS YOUTH ACCESS

- City can limit hours of retail operations
- Licensed retailers cannot sell cannabis to persons under 18
- Licensed retailers cannot allow persons under 18 on the licensed premises
- Cities can establish routine inspections to enforce underage sales



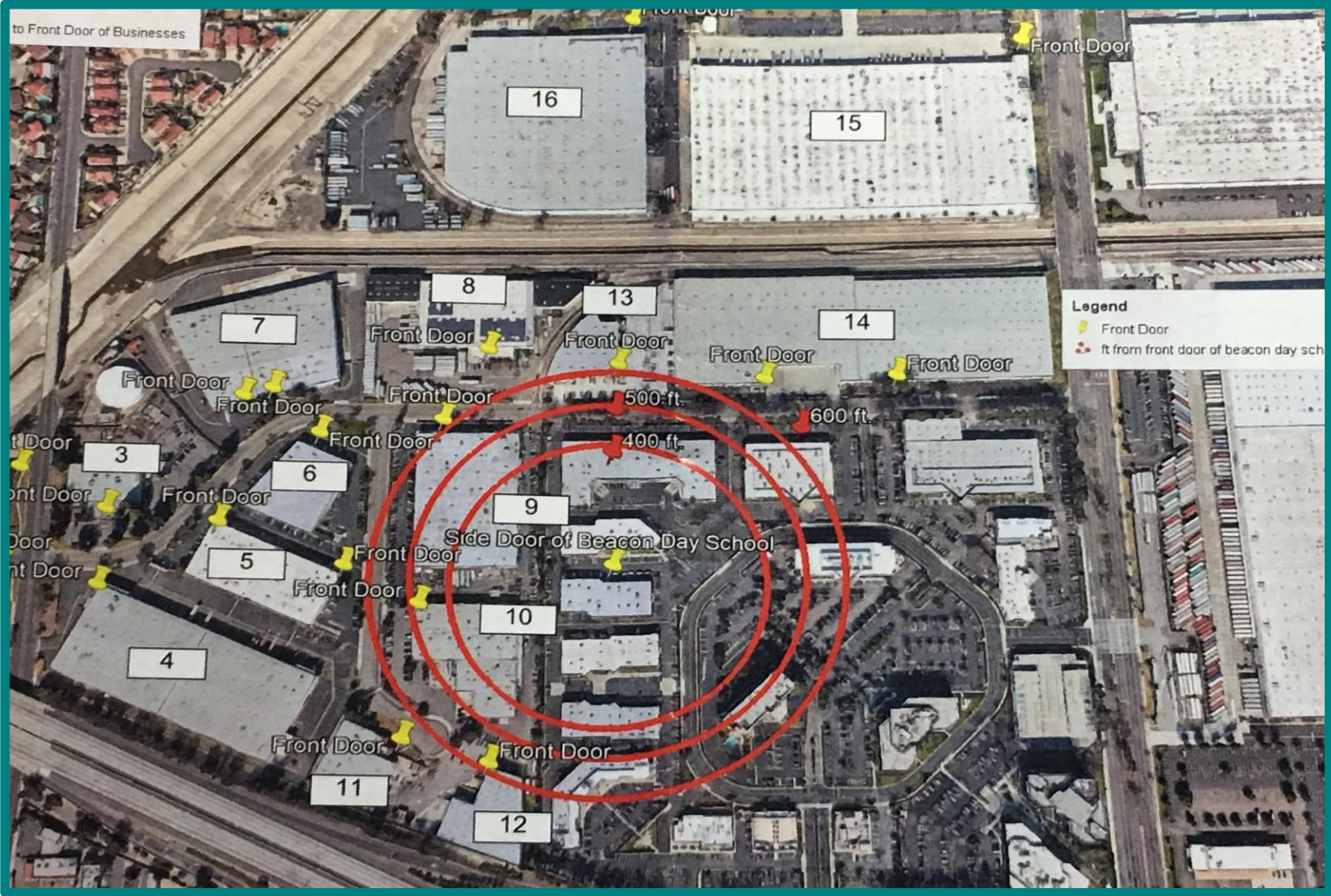


STATE-MANDATED BUFFER ZONES

- Cannabis businesses cannot be located within 600 feet of a “sensitive use,” defined as a school, day care center, or youth center. This rule includes private schools, but not those in private homes.
- **Day Care Center:** Includes pre-schools but not home day cares with less than 14 children.



LAND USE BUFFER OPTIONS



A stylized globe in shades of teal and dark teal, showing continents and oceans, positioned in the background on the right side of the slide.

Addressing Public Concerns through Regulations



A REGULATORY SYSTEM CAN:

- ✓ Give the local agency authority and control over licensing
- ✓ Require applicants to comply with robust requirements
- ✓ Enhance accountability for security and product safety
- ✓ Reduce intervention from the Federal Government by complying with the Cole Memo and other state laws



A REGULATORY ORDINANCE CAN INCLUDE:

- ✓ Limited number of business licenses
- ✓ Access control requirements
- ✓ Police access
- ✓ Police background checks
- ✓ Record reporting/retention requirements
- ✓ Investigation and inspection protocols
- ✓ Good neighbor policy mitigation
- ✓ Suspension, fines, and permit revocation



RETAIL

NON-COMPLIANT



COMPLIANT





RETAIL-STOREFRONT

NON-COMPLIANT



COMPLIANT





RETAILER/DISPENSARY/MICROBUSINESS



2.25mg

PRE-ROLLS + CBD



MANUFACTURING

ILLEGAL



LEGAL





MANUFACTURING



DISTRIBUTION



CULTIVATION

ILLEGAL



LEGAL



Tax & Fee Revenues





REVENUE GENERATING STRATEGIES



Standard fees to recover City costs



General tax to be considered by the voters in November 2022 or 2024; 50% +1 tax to general fund

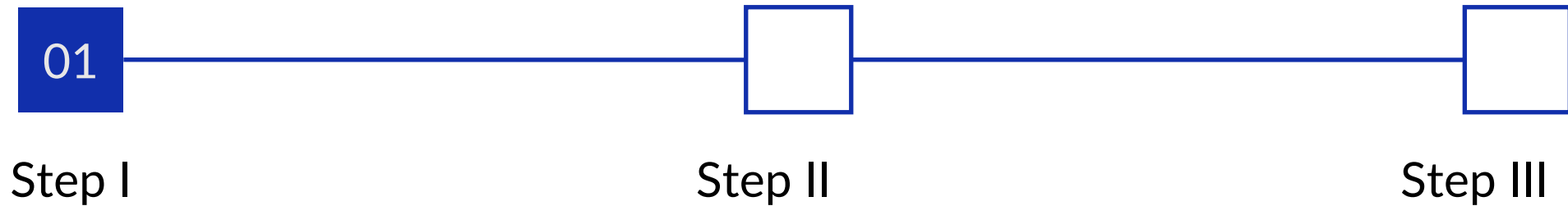
LOCAL TAX REVENUE PROJECTIONS

Annual Revenue Estimates: Scenario*

- Very Conservative (4%): \$400,000
- Moderate (5%): \$500,000
- Aggressive (6%): \$600,000
 - *Assumes 2 storefront retailers with an average of \$5M in gross receipts. This scenario will also generate an additional \$100,000 in local sales tax.*

*Emerging market makes it difficult to assess with total accuracy

PROCESS FOR SUCCESSFUL REGULATORY FRAMEWORK DEVELOPMENT-IF APPLICABLE



- ✓ Educate the City Council and the community
- ✓ Conduct community survey/stakeholder meeting
- ✓ Analyze sensitive buffers and make recommendations
- ✓ Evaluate impacts of surrounding jurisdictions/neighborhoods



COMMUNITY POLICY DISCUSSION

1. Should cannabis storefront retail businesses be permitted in the City?
2. How many business should be allowed in the City?
3. What type of restrictions should be placed on each of the operations?
4. What type of application process should be established for the issuance of the retail permits?
5. What are your concerns in allowing cannabis storefront retail businesses to be permitted in the City?



COMMUNITY POLICY DISCUSSION (cont'd)

1. Should non-retail cannabis business be allowed in the City? For example, cultivation, manufacturing, distribution and microbusinesses?
2. How many non-retail cannabis business should be allowed in the City?
3. What type of restrictions should be placed on each of the operations?
4. What type of application process should be established for the issuance of the permits?
5. What are your concerns in allowing cannabis non-retail businesses to be permitted in the City?



THE DECISION IS YOURS



**THANK
YOU!**

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