



April 8, 2024

The Honorable Gavin Newsom
Governor
State of California
State Capital, First Floor
Sacramento, CA 95814

The Honorable Mike McGuire
Senate President Pro Tempore
State of California
1021 O Street, Suite 8610
Sacramento, CA 95814

The Honorable Robert Rivas
Speaker of the Assembly
State of California
1021 O St., Suite 8330
Sacramento, CA 95814

RE: Lack of Cannabis Retail Outlets in California

Dear Governor Newsom, President McGuire, and Speaker Rivas:

On behalf of California's leading cannabis trade, labor, advocacy, veterans, and patient organizations, as well as individual stakeholders throughout the industry, we write to seek your help in addressing California's notable lack of retail outlets. According to the Department of Cannabis Control, 60% of cities and counties still do not allow any retail cannabis business. Herewith, we offer the following Position Paper.



Position Paper

8 April 2024

I. Retail and Local Control

Most industry professionals believe California must address and prioritize its retail footprint before it can have real impact on the availability of cannabis products. California's Proposition 64 grants city and county governments local control to restrict retail cannabis dispensaries from operating within their jurisdictions.¹ Not only does local

control create hardship for seniors, veterans, young people with childhood maladies and individuals with disabilities for whom cannabis serves an important medical purpose, it also

- threatens consumer safety and perpetuates the illegal market;
- undermines the survival of smaller scale cultivators;
- blocks access and business opportunities to minority communities; and
- creates space for corruption and scandal among elected officials.

II. Sonoma, California

Over-concentration of retail in a few large cities may be of some concern, but there are several hundred under-served jurisdictions across the state. The town of Sonoma is just one example of how local control makes it nearly impossible to open stores. This small northern California municipality has just one dispensary serving the city and its surrounding population of 40,000. Patients and consumers want local access to competitive prices and more choices, but those options are limited if there is only one provider. Capitalism without competition is exploitation.

Though Sonoma's ordinance allows for two dispensaries, the city council continues to forestall the process for a second retail outlet. This, despite the fact that the city's own consultant, HdL Companies, indicated that Sonoma could sustain two dispensaries.² Why would a city council choose to ignore the expert opinion of its own consultant and reduce by half the options a second dispensary would provide its constituents? Why would it choose to deny the city additional revenue? Why does it support a monopoly of service in Sonoma, rather than let the market decide?

III. Conclusion

The health, safety, and personal well-being of both patients and consumers come first, and should guide every decision our industry makes. When California voters supported Prop. 64, they made clear the importance of replacing the illicit market with a legal system that would grant Californians safe access to cannabis products, while also creating good jobs and significant tax revenue. It is essential that all stakeholders work together to support wider access at the local level and encourage a positive outcome that reflects the will of the people.

¹HdL Companies, Elections Code Section 9212 Report Regarding an Initiative Measure to Permit Personal Cannabis Cultivation and Commercial Cannabis Businesses within the City of Sonoma, *City of Sonoma*, P 18, [https://sonomacity.civicweb.net/document/16396/Hear%20and%20Accept%20Impact%20Report%20\(Elections%20Code%20S.pdf?handle=70A2016EF223479AA0B2C4E92A0CE069](https://sonomacity.civicweb.net/document/16396/Hear%20and%20Accept%20Impact%20Report%20(Elections%20Code%20S.pdf?handle=70A2016EF223479AA0B2C4E92A0CE069)

²Alexander Nieves, California's legal weed industry can't compete with illicit market, *POLITICO*, <https://www.politico.com/news/2021/10/23/california-legal-illicit-weed-market-516868>

Sincerely,

Gil Latimer, Founder, Sonoma Valley Cannabis Group

Sonoma County Cannabis Alliance

California NORML

Debbie Churgai, Executive Director, Americans for Safe Access

Genine Coleman, Executive Director, Origins Council

Hessel Farmers Grange

Nate Bradley, Executive Director – Cannabis Consumer Policy Council

Ken Brown, Founder, Bear Flag Social Club, Former Mayor, City of Sonoma

Jen Baxter, Executive Director, Balanced Veterans Network

Etienne Fontan, VP, Berkeley Patients Group

David Wallace Jefferson, President, Burdell Properties

Shivawn Brady-Fenton, Senior VP of Compliance, Justice Cannabis Co.

Brandon Levine, CEO, Mercy Wellness

GreenWave Consulting LLC

Jason Sweatt, Co-Founder, CEO, Santa Cruz Veterans Alliance

Tim Blake, Founder and producer of The Emerald Cup

Craig Litwin, CEO, 421 Group

Hirsh Jain, Founder, Ananda Strategy

Megan Mbengue, Founder, Trusted Canna Nurse

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Van Solkov, Founder, Happy Travelers Tours, Inc.

Dustin Gibbens, Co-Founder, 965 Solutions

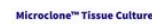
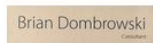
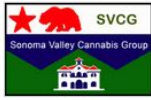
Brian Applegarth, Founder, The Cannabis Trail

Matt Grimshaw, President & Co-Founder, MGTV Inc (cannabis media)

Lenny Clayburg, Founder, Condor Grown
Michael Jay Green, Individual/Member, Veterans Action Council
Yarrow Lee Kubrin, Individual
Perri Ellis Paniagua, Resident of Sonoma for 33 years
Annie Holman, CEO, THE GALLEY
Chad Beverly, President, Cush
Keenan Soares, Co-Founder, CannDev
Mike Bruno, Founder, Golden Ocean Solutions
Nate Landau, Co-founder and COO, Snowtill
Donna Petraitis Fontan, Individual
Shona Levana Gochenaur, CEO, Axis of Love SF
Cannabis Jew Magazine
Brian Dombrowski, Cannabis/Hemp Industry Advisor
Micah Anderson, CEO & Co Founder, Leef Brands
DeVonne Hart, CEO & Owner, Santa Rosa Garden Supply
William Graham, CEO/Founder, Pure Food Gardening dba Microclone Tissue
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Terry Patton, Founder & Chairman, CannaTrac
Carl Saling, CEO, HighDay
Wyatt Hahn, Founder & CEO, Pluggi
Patrick Bransford, President, Castle Rock Ridge
Toni Malvesta
Michael Adams, Owner, Nurturing Seed Farm
Sica Roman, CEO and Co-Founder, Spring Creek Farm

Cc: The Honorable Jim Wood, 2nd Assembly District
The Honorable Cecilia M. Aguiar-Curry
Ms. Nicole Elliott

Ms. Christine Aurre
Ms. Darci Sears
Mr. Matthew Lee





*Bardell
Properties*



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