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To: cac@Cannabis
Subject: 3/7/24 CAC Public Comment - Item 6: Temporary Cannabis Events
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Dear Cannabis Advisory Committee,

I appreciate the opportunity to provide public comment for the CAC Meeting: Item 6: Temporary Cannabis Events.

Introduction from a Licensed Cannabis Event Organizer:

As one of the first businesses licensed by the State as a cannabis event organizer CEO14-0000005-LIC. I have been fortunate to contribute to the successful adoption of cannabis event ordinances in multiple jurisdictions in California, including San Francisco, CA.

However, I've also been rejected dozens of times. Over the years, I've conducted countless meetings, presentations, and public comments, advocating and educating local legislators about the new emerging market of cannabis tourism. I have repeatedly highlighted how State-Licensed Social Consumption Events can align with city priorities, such as promoting local entrepreneurship, economic, entertainment, and tourism development while simultaneously providing a regulatory structure for Small Businesses and local Arts communities to participate in the emerging market of cannabis tourism market legally.

Yet, local legislators have been slow to adopt social consumption ordinances that would provide their residents and visiting tourists with access to healthy, safe, and legal social consumption experiences.

Advocating for change: Promoting The Retail Access Grant & Social Consumption Events.

Recently, with the passing of Senate Bill 1186, a new state law requiring local lawmakers to amend "full commercial cannabis bans" and to allow, at the very minimum, medicinal cannabis delivery within the city limits has required jurisdictions to revisit their cannabis policy. I've been taking advantage of these discussions while promoting the Local Jurisdiction Retail Access Grant and to re-introduce the consideration of cannabis event & social consumption ordinances as a way to combat the illicit market and support economic, entertainment, and tourism opportunities for their small businesses & the local arts community.

When reviewing the original scope of the grant, its goal is to promote access to tested, regulated cannabis in the legal market while reducing demand in the illicit market.

In my opinion, the Retail Access Grant eligibility should be expanded, specifically to combat the unlicensed, unregulated, and underground cannabis event market that is currently thriving across California.

The Problem With Unlicensed Cannabis Events:

The unlicensed cannabis event market can have detrimental effects on local economies by undermining regulatory frameworks, disadvantaging legal businesses, loss of tax revenue, negative perception, and compromising consumer safety. Unlicensed events are extremely popular and are only growing to meet consumer demand since there are few regulated options to compete. Cities YoY have seen declining cannabis sales & tax revenue, with leaders pointing toward the illicit market as the core reason for the decline.

I strongly believe the unlicensed cannabis event market contributes significantly to the illicit market.

The proposal to expand Grant eligibility & intent:

I propose expanding the Retail Access Grant eligibility and intent by incentivizing local governments with additional resources to develop and implement licensed social consumption programs. Specifically to Temporary Cannabis Events, I've broken down local jurisdictions into three categories for consideration that are currently **not** eligible under today's grant requirements. Yet the illicit event market is thriving and impacts each of them today.

- Local Jurisdiction with a retail cannabis program & adopted cannabis event legislation - aka early ordinance adopters
- Local Jurisdiction with a retail cannabis program & NO Cannabis Event Regulations - the majority of regulated cities today.
- Local Jurisdiction with NO Retail and NO Cannabis Event Ordinances - Cities that may be interested in events as the first step into the regulated cannabis event market.

Economic, Entertainment & Tourism Opportunities Supporting Small Businesses & Local Arts.

It's no secret that cannabis and local arts go hand in hand, and when you add the passing of two assembly bills authored by Assembly Member Bill Quirk.

- Assembly Bill 2020 - Authorizes local jurisdictions to approve temporary cannabis events at any venue within their city limits.
- Assembly Bill 2210 - Clarifies that hotels, restaurants, movie theaters, art galleries, or any venue with an alcohol license are eligible to host a licensed temporary cannabis event.

We should do more to promote California's leadership in this space.

In Conclusion:

As the industry matures and regulations evolve, I believe there should be consideration in expanding the Local Retail Access Grant to incentivize local jurisdictions to create temporary cannabis event ordinances. If considered, it will provide us with the resources and political calculus to forge a new path of innovation for the industry. This will give advocates the

firepower to re-engage city leaders with a Social Consumption Program that will align with city priorities like promoting Social Equity, combating the illicit market, and promoting economic, entertainment & tourism development within their respective jurisdictions. More importantly, it will provide small businesses and local art communities the regulatory structure to participate legally in the new, emerging market of cannabis tourism.

I also recommend utilizing the resources to create formal economic development reports to properly market the data so that other jurisdictions can make sound decisions based on real-world market data (Creating a domino effect of acceptance) vs. stigmatized reasons for not supporting the program that dominates legislators' decision-making today.

Local legislators must understand that unlicensed events are happening in their city regardless of whether they support them or not. If we continue things as is, we choose to allow the unlicensed & unregulated cannabis event market to take advantage of the rising consumer demand while having detrimental effects on local economies by undermining regulatory frameworks, disadvantaging legal businesses, losing tax revenue, and continued negative perception while compromising consumer safety. Not to mention devaluing the Cannabis Event Organizer license issued by the DCC.

With the estimated ordinance approval rate of one city every two to three years, it's simply not sustainable, and we need to do more.

As an operator who's been in the trenches advocating for cannabis & social consumption policy, I appreciate you listening to my feedback and hope it begins additional discussions for regulated solutions.

Sincerely,



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