

Martha Alvarez, MMC

From: Jim Lundy <jhlundy@hotmail.com>
Sent: Tuesday, June 21, 2022 10:41 AM
To: List - City Council
Subject: [EXTERNAL] Rowell Avenue street cleaning signs

EXTERNAL EMAIL: Do not click links or open attachments unless you trust the sender and know the content is safe.

Happy Tuesday, I would like to again voice my concern and opposition to putting any cleaning signs on my section of the street. My neighbor next-door cleans up the street if it ever needs attention...which is very infrequent. Also all of us have gardeners who clean our respective areas. Also there's limited parking and multiple family members in cars on our street so moving cars become very difficult.

As such, as a Resident of Manhattan Beach, I do not want street cleaning signs installed on our block. We have a system that keeps it very clean tidy and organized, based purely upon the residents desire to be good citizens.

If you have any further questions, please feel free to call me at 310-251-5920. That's my cell and would like to talk if that would help.

Thank you

Jim Lundy DPT, CSCS, PES, FNS

Sent from my iPhone

Martha Alvarez, MMC

From: Maureen Leral-Denitz <modenitz@yahoo.com>
Sent: Tuesday, June 21, 2022 6:44 AM
To: List - City Council; City Clerk; Hildy Stern; Steve Napolitano; Suzanne Hadley; Joe Franklin; Montgomery
Subject: [EXTERNAL] Crime up

EXTERNAL EMAIL: Do not click links or open attachments unless you trust the sender and know the content is safe.

Dear Council

As a resident of 34 years, I'm disheartened with the escalating number of crimes happening in our town. We are alerted almost daily by police sirens and helicopters overhead - are becoming more frequent. Violent crimes are up with machete attack at Target, stabbing attack at CVS, home invasion robberies etc. Gang activity is increasing too. We are concerned.

Could you discuss this tonight as well as the search for a new police chief? What attributes or requirements are you seeking? Are you looking for someone who is an active officer? We need a "tough on crime" chief. I pray we can leave identity politics out of this equation and find the toughest officer for this job. Who makes the ultimate decision on this?

Also thank you to those on council who voted in favor of the Gascon Recall a few months back. Voices of reason prevailed and now let's hope the County residents take a bold step and vote Gascon out. It's imperative to maintain a safe town and this should be council's number one priority in my opinion.

Thank you for your service and a special congratulations to Councilman Napolitano as our new Mayor

Best

Maureen Denitz

Martha Alvarez, MMC

From: debaets@aol.com
Sent: Monday, June 20, 2022 1:37 PM
To: List - City Council
Subject: [EXTERNAL] Street sweeping on Rowell Ave

EXTERNAL EMAIL: Do not click links or open attachments unless you trust the sender and know the content is safe.

Council Members

I, and all the residents that live on Rowell Ave, are opposed to the installation of No Parking signs being installed on the 1700 block of Rowell Ave. We gathered 100% of the residents signatures many years ago to not have the No Parking signs installed initially. Since that time, we have maintained the cleanliness of our block. I personally pick up the random pieces of paper each morning. Our gardeners clean the street weekly and remove all leaves. The families, whether young married couples or large families all have multiple cars that utilize the parking on Rowell Ave.

Many families use Rowell Ave to temporarily park their cars while 18th St and 17th St are being swept on Thursdays and Fridays on the 1300 and 1400 blocks. A number of residents work from home either full time or part time due to the Shut Down. 100% of the residents recently asked you not to move this item forward. Please respect our request.

I know you are well aware of the parking issues that have plagued our City for many years, the installation of No Parking signs will only worsen the problem.

Please do not vote to move this item forward.

Respectfully

Steve De Baets
310-480-1529 c

Martha Alvarez, MMC

From: Cassady Blake-Christo <cassketches@gmail.com>
Sent: Monday, June 20, 2022 9:54 AM
To: List - City Council
Subject: [EXTERNAL] Street Sweeping On 1700 Block of Rowell Ave

EXTERNAL EMAIL: Do not click links or open attachments unless you trust the sender and know the content is safe.

Dear City Council,

I am writing to you again about the proposed street sweeping signs being installed on the 1700 block of Rowell Ave, between 17th and 18th Street. I ask that no signs be put up, as the neighbors and myself have lived here for a very long time, keeping our streets clean and clear of debris on our own and we would like to to keep it that way.

Please let me know if there is any other information I can provide that would be helpful. Again, as a life long member of this community, I would like my street to stay in its working order it is currently in, for myself and my neighbors.

Thank you,
Cassady Blake

--

Cassady Blake Christo
Story Artist | Animator | Production
Email: cassketches@gmail.com
Phone: (310) 245-8272

Martha Alvarez, MMC

From: Jill Lamkin <jill@bancap.com>
Sent: Saturday, June 18, 2022 12:48 PM
To: List - City Council
Cc: Carrie Tai, AICP
Subject: [EXTERNAL] Solar Panels @ Joslyn
Attachments: page15image33929024.png; ATT00001.htm; PowerPoint Presentation-16 (dragged).pdf; ATT00002.htm

EXTERNAL EMAIL: Do not click links or open attachments unless you trust the sender and know the content is safe.

I'm writing to you as a resident regarding this issues on Tuesday's agenda. If I understand correctly, it appears that the community outreach portion of this project is complete and Council is now at the stage to approve this project.

However, I am concerned that the outreach efforts to notify the community were a bit misleading. I saw the ads in the Beach Reporter and the visuals to advertise the meeting, which do not show the solar carports, they only show a photo of the Joslyn Center building. In looking at that photo, I feel it's implied that the solar panels would be on top of the building, as is the familiar application for most residents. When you look at the photos in the Staff presentation, it shows the carports, which are much more obtrusive. Perhaps this has been addressed in another way with the impacted neighbors, but if not, I fear there is a potential for negative reaction if this project moves forward without residents understanding the true impact of the project.

I love solar and I think installing it where we can is great. This project isn't near my house and doesn't impact the view from my home; I'm just thinking of others and what the potential surprise reaction might be.

Thanks for listening...hope you all have a great weekend.

CLEAN POWER ALLIANCE AND THE CITY OF MANHATTAN BEACH

CITY COUNCIL MEETING ITEM: SOLAR PANELS & ENERGY STORAGE AT JOSLYN COMMUNITY CENTER



Manhattan Beach City Council will be considering entering into a Memorandum of Understanding with the Clean Power Alliance (CPA) for a potential new community resiliency program, Power Ready, to provide solar panels and energy storage at the Joslyn Community Center and parking lot.

JUNE 21 2022

6:00 PM

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CITY HALL COUNCIL CHAMBERS**

1400 Highland Avenue, Manhattan Beach, CA 90266

For more information, please visit
www.manhattanbeach.gov/cleanpoweralliance



SOLAR CARPORTS

"Note: This PowerPoint presentation is intended solely as a visual aid to an oral staff presentation of an agenda report topic. In the event of any differences between the presentation and the agenda report, the information in the agenda report prevails."



Representative Images of Solar Carports



Martha Alvarez, MMC

From: Tiffany Wright <seden_lynne@hotmail.com>
Sent: Monday, June 13, 2022 4:33 PM
To: List - City Council
Subject: [EXTERNAL] No on Solar Structures in the Joslyn Center Parking Lot - June 21st Council Meetinf

EXTERNAL EMAIL: Do not click links or open attachments unless you trust the sender and know the content is safe.

Dear Council Members,

I'm a NO on putting solar structures over the parking lot of Joslyn Center because it doesn't benefit the city enough.

I really like renewable energy as an alternative source of energy in a portfolio of energy sources. Our family has owned two electric vehicles for over 6 years.

However, this particular "opportunity:"

- 1) Won't reduce the city's electricity bill
- 2) Will tie up public land for 20 years which means the city couldn't take advantage of another solar opportunity that benefits the city.
- 3) Ruins the aesthetics of our community, obstructs views, creates glare, and
- 4) Will make parking more difficult for our seniors in an already tight parking lot.

For aesthetic reasons, solar should go onto roofs of city buildings, not parking lots. Importantly, the City of MB should benefit from the power generated from the solar panels.

The cost/benefit analysis doesn't add up.

Thank you for your service to our community and preserving our little beach community for all to enjoy safely.

Sincerely,
Tiffany Wright
213-500-1433

Martha Alvarez, MMC

From: Jim Lundy <jhlundy@hotmail.com>
Sent: Thursday, May 5, 2022 8:18 AM
To: List - City Council
Subject: [EXTERNAL] No parking signs on Rowell Avenue

EXTERNAL EMAIL: Do not click links or open attachments unless you trust the sender and know the content is safe.

Hello, my name is Jim Lundy and I live at 1705 N. Rowell Ave.

I do not want parking signs on my block of the street. I understand there's some discussion and I strongly oppose reinstalling of no parking signs. I can move my car in order to facilitate street clean but do not want any parking signs on my street.

If you have any questions please call me I'd like to make sure that this information is distributed to the city Council and all those involved in this discussion. Can someone contact me that this information has been forwarded to the appropriate people and who those people are?

Thank you so much
Jim Lundy

Sent from my iPhone

Martha Alvarez, MMC

From: Sara Strizzi <sarastrizzi@mac.com>
Sent: Tuesday, May 3, 2022 5:36 PM
To: List - City Council
Subject: [EXTERNAL] No to "No Parking" signs on Rowell

EXTERNAL EMAIL: Do not click links or open attachments unless you trust the sender and know the content is safe.

Hello,

I am a Manhattan Beach resident who live at 17th St and Rowell. I just was advised that one sole person is requesting that these signs be installed which means we would have very little places to park onThursday and Friday street sweeping days. We DO NOT SUPPORT this one-off request. Please keep the street as is without parking limitations. Thanks!

Sara Strizzi

Sent from my iPad

Martha Alvarez, MMC

From: Alexandria Latragna
Sent: Tuesday, June 21, 2022 2:39 PM
To: Martha Alvarez, MMC
Subject: FW: [EXTERNAL] Cannabis Tax Examples - Artesia 15%, Carson 18%
Attachments: Recommendations for Applicant Selection Process.pdf; ATT00001.htm



ALEXANDRIA LATRAGNA

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From: Jonatan Cvetko <jonatancvetko@icloud.com>
Sent: Tuesday, June 21, 2022 10:55 AM
To: Alexandria Latragna <alatragna@manhattanbeach.gov>
Subject: Re: [EXTERNAL] Cannabis Tax Examples - Artesia 15%, Carson 18%

In followup to our call,

Attached is the selection process recommendations from the Redondo Committee. There's always more to share around this issue but I think this document summarizes best practices well.

The overall theme we identified as problematic was that so many questions were subjective vs objective: which in turn seems to open up legal challenges around it. A number of jurisdictions were examined in the process and some of the top three best practices we saw were as follows:

- 1) West Hollywood - Did not require having a property as part of the selection process: They also had a diverse selection committee or residents and other subject matter experts as opposed to a 3rd party service to rank and score.
- 2) South Lake Tahoe: One of the first with many other cities to follow that prioritized a local ownership element to the process. We saw value in have a a community member be an owner in a cannabis retail shop to ensure the more responsible operation of it in their own community as oppose to big business operators from outside that wouldn't share the same focus.

3) San Bernardino: This one had an application process which had phases in which applicants pay. Since local jurisdictions cannot profit off the application fees this was a way to mitigate those concerns. West Hollywood took in over \$3M in fees, which ultimately proved to be way more than needed, and after a threat of a lawsuit they offered to refund fees to those who weren't selected.

Each city has its challenges, so it's difficult to point to any one that has done it perfectly, but looking at a number of examples allowed the committee to highlight best practices. Hope the document helps, and would love any feedback you may have on it.

Lastly, one thing I wanted to point out with regards to the staff report. I noticed it was mentioned that City of Santa Barbara has a 20% tax. To my knowledge that's not correct, it's 5%. Here's an [article](#) to showcase that. To my knowledge Carson is the highest tax I've seen at 18%. A 20% plus tax rate would be prohibitive in my opinion.

Applicant Selection Process

In finding the best fit for the community, the primary goal of any selection process is that it should be transparent, fair and defensible. After considering several options for selection such as, first come first serve, lottery, and merit based, the committee has recommended a merit based selection process due to its ability to meet the above goals and maintaining control over selecting a best fit candidate for the community.

MERIT BASED SELECTION

A Merit Based Selection Process is one of the more fair and transparent ways to select the best fit operator. However, the process is far from perfect. Some of the experienced challenges to date have been:

1) Questions are Subjective

The questions asked are very subjective, which means those grading the applications aren't able to clearly defend why they gave the item a particular score. So oftentimes we see those who lost, challenge the entire process in a lawsuit and that becomes a major issue for the city. Pasadena is a prime example of how that drastically delayed their efforts in rolling out licensing. Here's an article regarding that: [Pasadena - Passed over cannabis applicants prepare to do battle with the city.](#)

An example of a subjective question:

Design Concept Creativity - Creativity of the physical design concept, how visually and experientially unique is the concept, including innovation and originality in aesthetics, atmosphere, imagery, signage, and branding?

This is a question that was on West Hollywood's application. A question like this can be subject to the taste of the grader and can be argued as not being an objective way to determine the best candidate.

2) Objective Questions can be copied

Objective questions are typically easier to defend.

An example of an objective question: (assuming you agree it's objective)

How will cannabis inventory be tracked and monitored to prevent diversion?

That question is from San Bernardino's application. However, this too was ultimately [legally challenged](#). Below is a quote from that [lawsuit](#):

Based on my review and analysis of the Scoring Breakdowns, below, I shall demonstrate objectively, statistically, and unequivocally that the Phase 3 rating process and ranking was subjective and biased against residents of the County and City of San Bernardino in violation of (i) Section 5.10.090(a) of the San Bernardino Municipal Code (the "SBMC") and (ii) the "Application Procedure Guidelines for a Commercial Cannabis Business" (the "Application Procedure Guidelines").

- Attorney Daimian Martin on behalf of Elliot Lewis

Objective questions are typically more easy to defend and as such are preferred. However, since the industry has been around for a few years now, applicants have been observed obtaining copies of others' winning applications and learn and copy their answers for their own application in another city.

The problem with objective questions is that there tends to be a most appropriate answer that almost anyone in theory could copy or respond with. That could leave a potential outcome of a tie or more when scoring the applications. In case of a tie how would an applicant be chosen?

3) **Overly Complicated Point System.**

Pasadena's application had a scoring system of up to 1,400 points. Some questions had a wide range of points given such as 1- 30, or 1-70, and even 1-200 points that could be awarded for a question. Combining such a wide range along with questions that could be challenged as being subjective, invites potential for accusations against the process. Points given should be defensible, and setting up a system where the grader would have to reason why they gave a 37 out of 70 to an applicant can quickly become problematic.

A scoring system should be relatively simple and the only time a large number is given to a particular question would be to weigh that question as more important than others.

A simplified scoring system is more defensible.

Additional Concerns

Phases

A primary additional concern that has come with this process is the fairness of costs associated. In short the typical application and licensing fee on a local level ranges between \$30-\$50K. Prop 64 states that licensing fees should not cost more than the need to cover the cost. The intent of that resolved two potential issues.

- 1) Promotes fair competition and doesn't favor well funded Big Businesses.
- 2) Doesn't incentivize local jurisdictions to profit from it, ultimately favoring big business and potential corruption issues.

West Hollywood ultimately received \$3M in application fees. The \$3M was way too large of a fee collected in comparison to the several people that were in charge of scoring the applications. Needless to say accusations started after the fact which ultimately prompted the city to adopt a refund policy:

"For any such application that is not accepted as complete, the applicant will be allowed to request a refund of their application fee".

The City of Montebello as well as San Bernardino opted to resolve the issue with a phased application process where applicants would have an initial nominal fee to submit and as they passed each round they would increasingly pay more. This provided for a better solution to avoid the optics of the city profiting from the effort and mitigated the potential financial impact of an applicant losing all of its application fees. It's proving to be a more fair and defensible approach.

Application Window

The City of LA has been incredibly slow to process its applications. The first round of licenses were given to existing operators in the city nearly 4 years ago. All of those licenses are in temporary status to this day, and an approximate 500 other applications have been waiting for nearly 3 years to even be processed for a temporary license, in complete limbo. In retrospect much of this issue could

have been resolved if their ordinance had better established timelines to accept and process applications.

The committee resolved some of this issue by recommending that there not be a property requirement as part of the application so as to not require a potential applicant to pay for the lease on a property while they wait. In the case of LA most of those applicants have been doing just that and now the city is increasingly being served lawsuits over it.

To better resolve the issue, the city should consider providing the fastest application window as possible. This in turn should provide a more prompt turnaround time on selection and processing. The City of LA recently [introduced a new motion](#) to address those application processing delays.

What is the committee's Recommended Application Process?

With the above issues to provide context, the subcommittee studied several other cities' application questions and began to focus the attention to the following areas of interest.

- Business Plan
- Local Employment/Ownership
- Neighborhood Engagement
- Social Equity (*The committee decided to revisit this in the future one day*)
- Products, Quality, and Safety/Testing
- Community Benefits (*The committee decided against any community benefits programs to avoid accusations of impartiality*)
- Safety Plan/Building Design
- Security Plan
- Experience/Qualifications

Taking all that into account here are some questions and potential solutions for your consideration.

- What are the Application phases?
- What are the Categories we care about?
- What questions should be asked in each category?
- Who should grade it?
- Who should do the interviews?

=====

What are the Application Phases?

	Recommendation	Reasoning
Phase 1	<p>Initial Submission and processing fee:</p> <p>Applicants will submit all required documentation such as:</p> <ul style="list-style-type: none"> - Developer Agreement Application - Business Plan - Ownership Disclosure Form - Security Plan - Live Scan - Fees 	<p>Phase 1 should be about confirming that all documents and fees have been submitted and paid for.</p> <p>If an applicant does not make it through this phase, the applicant will not be obligated to pay more fees. This structure mitigates lawsuits as seen from past cannabis applications in California.</p>
Phase 2	<p>Application Evaluation and processing fee</p> <p>The review committee will score the applications in this phase. Applicants will be charged another processing fee to cover the costs of review.. The applicants who score the highest overall points in scoring will move on to Phase 3.</p>	<p>The Application evaluation criteria will be a comprehensive document addressing all the subcommittees concerns and points of interest.</p>
Phase 3	<p>Interview Process and processing fee</p> <p>Applicants who score in the top 10% in Phase 2 will be interviewed and evaluated by the City’s scoring committee. Applicants will be interviewed and evaluated based on the below criteria:</p> <ul style="list-style-type: none"> - Qualifications of Owners- 2 points - Local Enterprise- 3 points - Business Plan- 3 points - Community Benefits- 2 points <p>All applicants interviewed in Phase 3 shall be ranked based on the above criteria and all application scores from Phase 2 and 3 will be combined to rank the order of applications. The top 2 applications will be awarded Cannabis Business Permits.</p>	<p>An Interview process in combination with the merit based application will limit the potential challenges against the process as a whole.</p> <p>It promotes a more fair and impartial process for all involved.</p>

Each winning applicant will need to execute a developer agreement with the city in order to have a Cannabis City License.

Applicants will have 12 months to secure an approved building that meets the zoning/buffer requirements of the ordinance and CUP.

What are the Categories we care about and how much are they valued?

Category	Total Points	Reasoning
Business Plan	30	The business plan is an important section of the application as evidenced by other city applications. This section will detail day-to-day operations and how the applicant will adhere to local and state regulations with their business.
Security Plan	5	The Security plan is a requirement for cannabis retail businesses by the State. The security plan will address concerns for the Police Department. While important it's formulaic and best practices can be copied from other applications. A good plan should be a given and hence why it isn't weighed as heavily.
Safety Plan	5	The Safety plan is a requirement for cannabis retail businesses by the State, therefore it is included in the application. The Safety plan will address concerns for the Police department and Fire department. While important it's formulaic and best practices can be copied from other applications. A good plan should be a given and hence why it isn't weighed as heavily.
Local Enterprise	30	The local enterprise section of the application provides a clear mission to reward small businesses with an opportunity to apply competitively for a retail license. This mirrors the values of the business community in Redondo Beach of local residents who understand the local community needs the best. Business owners with limited retail locations will have a greater vested interest and time to focus on Redondo Beach operations. The committee recognized the value of local ownership in studying South Lake Tahoe's ordinance and notes that a number of other jurisdictions have done similar such as San Luis Obispo and Costa Mesa.
Community Engagement	10	This provides an opportunity for the applicant to demonstrate their knowledge of the community.
Qualification of Owners	20	Each city application process includes a qualification of owners to ensure that the applicant who is chosen understands the responsibility and expectation of running a cannabis retail business in the city. Each subsection addresses questions as to the background of the owners, understanding of the industry, and involvement in the business.
	100 points	The application scoring criteria represent the committee's review of other city applications and address specific concerns and considerations for a Redondo Beach business owner.

		<p>The simplified scoring approach allows for a more transparent and defensible process.</p>
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What questions should be asked in each category?

Business Plan- 30

- **Standard Operating Procedures - 5**
 - Description of day-to-day operations **0-5**
- **Online Ordering Systems- 2**
 - Detail, quality of plan for proposed online ordering system. Includes details about user friendliness, visual appeal, and customer verification. **0-2**
- **Testing Requirements - 2**
 - Detail, quality of plan and procedures for how all cannabis products on the premises or held by the applicant have met the testing requirements as defined by the State. **0-2**
- **Financial Plan - 3**
 - Detail, quality of plan that describes a budget for construction, operational costs, inventory costs, and a pro forma for at least three years of operation. **0-3**
- **Hiring Plan- 3**
 - Quality and detail of plan to promote local hiring (including local job fairs, percent of local employees). Details of business practices or characteristics that will demonstrate a focus on social equity in terms of providing above minimum wages, employee benefits and compliance with local, state, and federal employee non-discrimination policies. **0-3**
- **Delivery Plan 0-3**
 - Detail, quality of plan for proposed delivery operations. Includes description of customer verification, employee safety, product storage, compliance, standard operating procedures, and cash handling.
- **Inventory Plan 0-2**
 - Description of how the applicant's procedures will follow rules by the state in the track & trace systems, and the prevention of cannabis diversion.
- **POS System- 2**
 - Business plan includes a description of the point-of-sales system that will be used for retail operation, with details on inventory tracking, tax calculation, receipts, and compliance. **0-2**

Marketing Plan-3

- Uniqueness of proposed business, details of key aspects of marketing strategy that would be generated and incorporated into the marketing plan. **0-3**
- **Product Offerings- 5**
 - Detail of procurement plan, such as due diligence performed prior to executing purchase contracts and quality control of incoming products. Overall strategy for product assortment. **0- 5**

Security Plan- 5

- Detail, quality of security plan for the facility. This plan shall include details of security policies, camera systems, security personnel to be employed, interior security measures, and perimeter security. **0-3**
- Description of delivery Security policies and cash handling. **0-2**

Safety Plan- 5

Description of a safety plan, including the fire prevention, suppression, HVAC and alarm systems the facility will have in place. A quality plan will include all possible fire, hazardous material, equipment issues and how the applicant will deal with each specific situation. **0-5**

Local Enterprise - 30

Local Ownership -15

- Does the applicant demonstrate local ownership of the business.
- The maximum number of points will be awarded to an applicant that demonstrates a 51% majority ownership by a resident or multiple residents that have a minimum of five-years residency each in Redondo Beach. Majority ownership is determined by 51% ownership of the applicant entity at the time of the application submission. **0-15**

Small Cannabis Business -15

- Is the applicant a small cannabis retailer (Owners, as defined by the state, that hold less than 3 state and local cannabis retail licenses in California) at the time of application submission?
- The maximum number of points (15) is awarded to applicants that have less than 3 cannabis retail licenses in California. The maximum number of points (5) is awarded to applicants with 3 or more cannabis retail licenses. Applicants will be evaluated for small cannabis retailer status by common ownership (20%) in other retail businesses. **0 -15**

Community Engagement Plan- 10

- Detail, quality of the community engagement plan, including understanding of the community, its values, the city's unique aspects, and how the applicant plans to integrate into the neighborhood: **0-5**
- Community engagement plan includes partnerships with existing local businesses (e.g. procurement of goods and services from local businesses) **0-3**
- Community engagement plan includes past and future cannabis education with local non-profits and other community groups. **0-2**

Qualifications of Owners- 20

Experience 0-5

Quality and quantity (number of years) in the cannabis industry of the individual(s) that will be directing, controlling, and/or managing the day-to-day operations of the business. To receive the maximum 5 points at least one individual must have 5 or more years of experience. Applicants with less than 5 years of experience but at least a minimum of 1 year of experience can receive up to 3 points.

Cannabis Industry Knowledge 0-5

Overall knowledge of the cannabis industry, including industry best practice, industry compliance and inclusion in trade organizations.

Ownership Team 0-5

Describe the involvement of the ownership team in day-to-day operation of the business. "Owner" is defined based on the state definition of owner. See State Business and Professions Code 26001.

References 0-5

Does the applicant have quality references from local county organizations, businesses, programs that demonstrate strong community involvement, industry advocacy, community values and professionalism. Local is defined as Los Angeles County. A maximum number of 3 references may be included.

Who should grade and Interview?

The Review and Interview Committee should be made up of city staff members who have subject matter knowledge.

City Council should be excluded from the selection process to avoid any accusations of impartiality.

Additional Recommendations

- 1) The Application process should have an appeals process associated with it as well.
- 2) There should be a limit of how large (in terms of pages) the application should be. This is to help limit the workload by the review committee. (75-100 pages is an average used by other jurisdictions).

Martha Alvarez, MMC

From: Alexandria Latragna
Sent: Monday, June 20, 2022 8:32 PM
To: Martha Alvarez, MMC
Subject: FW: [EXTERNAL] Cannabis Tax Examples - Artesia 15%, Carson 18%



ALEXANDRIA LATRAGNA

POLICY AND MANAGEMENT ANALYST

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From: Jonatan Cvetko <jonatancvetko@icloud.com>
Sent: Monday, June 20, 2022 2:51 PM
To: Alexandria Latragna <alatragna@manhattanbeach.gov>
Subject: Re: [EXTERNAL] Cannabis Tax Examples - Artesia 15%, Carson 18%

Good afternoon,

In advance of tomorrow's Council Meeting, I wanted to share some thoughts for consideration. The last time I made public comments against their initiative, the proponent of the outside initiative, was upset with me calling them out and took it out on Social Media if you hadn't seen

it, <https://www.instagram.com/tv/CcVVfeZDF2W/?igshid=YmMyMTA2M2Y=>

I understand that the Council is working towards maintaining a prohibition, however I'd like to ask you to consider some loopholes in the current plan. If the city moves forward with prohibition including outside delivery, the outside initiative group is very likely to frame their campaign against the cities as an access issue, which I'm concerned may be a very compelling argument. You know the city better than I, but I'd caution against dismissing the fact that the group qualified their signatures and there is the statistic of the Prop64 voting result, as well as their resolve in spending towards achieving their goals.

I realize the city also intends to have a very high tax rate as backstop against the initiative, and if it's 20% or more then it will likely be very effective against anyone setting up shop in the city should the outsiders initiative pass, however there is still the issue of outside delivery both legal and illegal. Legal delivery

operators can still effectively function under such a high tax rate, and the illegal ones will function no matter what.

While the local governments have the right to ban outside delivery, the state has passed a regulation allowing it. In doing so the state has planted a flag that they have no intention to enforce against delivery wherever it goes. Which now presents a loophole.

The state's track and trace program does not require a recording of where a cannabis delivery is made, only which operator sold it. Which means that there is no way to audit or track who is transacting in your city unless you setup a business license program and require a yearly audit.

It's my opinion that the city would be on a much stronger position to argue against the outside initiative if the city allows outside delivery only and taxes it at a high rate. This completely takes any argument out of the outsiders initiative and should there be a need for it, it would provide a source of funding to use for enforcement against unlicensed delivery.

Hermosa Beach is taking a similar route, they are working towards not putting up a competing measure and instead fighting it all out, but they intend to repeal their prohibition against outside delivery as early as this month. This strategy takes away the ability for the outside group to make the lack of access issue campaign since delivery is allowed and allows the city to focus on opposing the outside initiative.

Should there be any further questions please don't hesitate to reach out.
Thank you as always for the consideration,

Jonatan Cvetko

On May 4, 2022, at 10:00 AM, Alexandria Latragna <alatragna@manhattanbeach.gov> wrote:

Hi Jonatan,

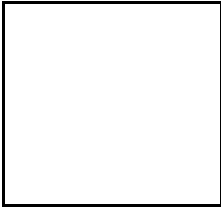
I wanted to thank you for providing the information below to Mayor Pro Tem Napolitano. I wanted to make you aware of the Municipal Lobbying Ordinance in the City of Manhattan Beach. Prior to acting as a lobbyist or conducting any lobbying activity in the City, you should register with the City Clerk by filing a written statement containing the following information:

1. The lobbyist's full name, business address and telephone number (if the lobbyist is an entity the names of all individuals conducting lobbyist activity must also be provided);
2. The name, business address and telephone number of any individual or entity by whom the lobbyist is employed, retained or engaged for compensation to perform lobbying services in the City;
3. The government action or actions of the City as to which the lobbyist has been engaged.

There is also a \$30 fee. You can use the [Credit/Debit Card Authorization form](#) to complete your transaction, or come into City Hall to pay via cash or check.

Please let me know if you have any questions.

Thank you!



ALEXANDRIA LATRAGNA
POLICY AND MANAGEMENT ANALYST

(310) 802-5063
alatragna@manhattanbeach.gov

CITY OF MANHATTAN BEACH 1400 Highland Avenue Manhattan Beach, CA 90266
Office Hours: M-Th 8:00 AM-5:00 PM | Fridays 8:00 AM-4:00 PM | Not Applicable to Public Safety
Reach Manhattan Beach Here for you 24/7, use our click and fix it app
Download the mobile app now



----- Forwarded message -----

From: **Jonatan Cvetko** <jonatancvetko@icloud.com>
Date: Tue, May 3, 2022 at 1:57 PM
Subject: Cannabis Tax Examples - Artesia 15%, Carson 18%
To: <snapolitano@manhattanbeach.gov>

I wanted to thank you for your comments against the cannabis initiative.

Should it be helpful I wanted to provide you with two examples of cities that passed a high cannabis tax rate, seemingly as a strategy to promote a defacto ban on legal activities within their cities. To my knowledge there is not limit on the tax rate.

That said, I'm not certain that the intent of the council to keep cannabis out of the city will be achieved by just the passing of a high tax rate. I would recommend that the city's measure needs to supersede any regulations provided in the competing outside special interest initiative. It is not good enough to have both the city measure of High Tax Rate pass as well as the competing ordinance. Whatever the city council does, it must maintain local control over both the tax rate as well as the regulation of any cannabis activities. Below is the text of the two cities that opted to have a high tax rate as well as further considerations that I think would make a city measure highly competitive against the outsider special interest initiative. Please sure certain that your tax rate applies to all current and potential future types cannabis activities so that there are no loopholes in it.

Artesia has a tax of 15% of gross receipts and \$20/sqft.
[https://ballotpedia.org/Artesia,_California,_Measure_Q,_Marijuana_Business_Tax_\(November_2020\)](https://ballotpedia.org/Artesia,_California,_Measure_Q,_Marijuana_Business_Tax_(November_2020))

Carson has an 18% tax across all activities, retail, distribution, cultivation manufacturing, testing etc. Similarly they also added a cultivation tax of \$25/sqft. Not exactly an apples to apples comparison with what MB City Council would like to do but I wanted to share it all the same.
<https://ci.carson.ca.us/content/files/pdfs/latestnews/cannabis/Cannabis%20Tax-Ordinance%2016-1599.pdf>

Some other thoughts you may wish to consider.

1) Even though you have the legal authority to do so, Delivery services are hard to stop from coming into the city. Consider only allowing cannabis delivery from operators located outside the city and require that they obtain a business permit upon which your tax rate can be applied. It's a win win for the city. Your defacto ban will likely deter anyone from operating in the city, and if they do, you get to collect revenues from it. This solution provides all of the tax revenue benefits and has no associated headaches of considering land use, zoning, and a selection process like the competing measure.

2) Provide a penalty for any illegal cannabis activities. There are examples from others that have a \$30,000/ incident penalty. This will ensure that any other activities such as delivery services that aren't permitted will not become an unfunded enforcement liability.

3) Authorize the city council to have future ability to regulate any and all cannabis activities through a future ordinance. There may be other types of activities that the state may allow, and if your measure doesn't provide more broad control of anything cannabis related, it could become a loop hole that is exploited.

Thank you for the consideration,
Jonatan Cvetko