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Sent: Tuesday, August 6, 2024 2:45 PM

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Subject: Support for Agenda Item 32: Cannabis Tourism - Special Events

-EXTERNAL-

Dear Hon. Mayor Richardson and Councilmembers,

I am writing on behalf of my client, the Long Beach Collective Association (LBCA), to express support for Agenda Item 32, Cannabis Tourism: Special Events.

The LBCA represents over 30 licensed cannabis businesses, thousands of employees, and loyal Long Beach customers. We urge you to consider the following key points outlined in the attached letter:

- **Local Sales Processing:** Ensure 100% of event sales are through locally licensed dispensaries to boost the local economy and ensure product safety.
- **Inclusive Permits:** Support permits for all event sizes, with proportionate fees and streamlined applications to promote fair business equity.
- **Ongoing Dialogue:** We firmly believe that fostering ongoing collaboration with the LBCA is not just important, but crucial to integrating cannabis economic development into the City's strategy. This will not only drive innovation but also ensure sustainable growth.

We are grateful for your attention to this matter and hopeful for your support. Please refer to the attached letter for detailed support and recommendations.

John Edmond

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edmondgroup



August 5, 2024

Dear Honorable Mayor, Council Members, and City Staff,

Re: Cannabis Tourism: Special Events - In Reference to Item Number #32

The Long Beach Collective Association (LBCA) is committed to supporting the economic vitality of licensed cannabis businesses in Long Beach. Our 14-year partnership with the City has yielded significant benefits in economic development, employment opportunities, and safe access to cannabis for residents. Notably, Long Beach has established one of the most progressive cannabis programs in the country.

We write to support the City's initiative for a feasibility study to amend the existing ordinance, aligning it with California State Law to permit the safe use of cannabis at events. This policy change will bring substantial economic benefits, particularly in public health and tourism. In public comment, LBCA members backed the December 10, 2019, City Council decision to request the City Attorney draft an ordinance.

Today, the LBCA continues the support with recommended resources and continued dialogue with the City and will offer recommendations as the process progresses. Today, we would like to bring forward three critical considerations when initiating the study.

- 1) The Long Beach Cannabis Association (LBCA) fully supports local temporary cannabis special event permits, incorporating a community benefit provision requiring that 100% of sales from any event be processed through a locally licensed Long Beach cannabis retail dispensary. This policy boosts the local economy by ensuring that revenues remain within the community and strengthens workforce participation in the Long Beach cannabis industry. Additionally, it ensures that products are safe, locally sourced, and compliant with all regulations. By prioritizing local businesses, we foster economic growth, job creation, community engagement, and public safety, making Long Beach a leader in innovative and responsible cannabis regulation.
- 2) The Long Beach Cannabis Association (LBCA) supports local temporary cannabis special event permits encompassing all cannabis events across the City, from small to large. This approach promotes fair business equity by ensuring that event opportunities are not limited to a select few. Additionally, permit fees must be responsible and proportionate to the size and scope of each event. To further encourage participation and compliance, the application forms should be easy to fill out, and the approval process should be streamlined and efficient.
- 3) Continued dialogue between the City of Long Beach and the Long Beach Collective Association on cannabis-related issues and policies is essential for fostering collaborative efforts that benefit the City, the cannabis industry, and the tourism sector. As part of the Grow Long Beach initiative, we should explore innovative strategies to expand and support the cannabis industry. This sector creates numerous well-paying careers and generates significant tax revenue, positioning Long

Beach as a leader in this space. Integrating cannabis-related economic development into the City's overall strategy can drive innovation, enhance our economic landscape, and set a benchmark for progressive urban development.

In 2021, as part of the LBCA Local Committee, Kathleen Dudley of CSULB Recreation and Leisure Studies reported key findings from the Colorado Tourism Office. These findings revealed that travelers engaging in cannabis activities tend to extend their stays and spend more. For example, in 2018, the average visitor to Colorado spent \$1,869 per trip, whereas those participating in cannabis activities spent \$1,930, and those primarily motivated by cannabis spent \$2,030 – approximately 8.5% more than the average visitor. Additionally, these travelers reported dining at local restaurants and shopping, underscoring the broader economic impact. The report highlights that simply legalizing recreational cannabis does not automatically attract tourists. A robust regulatory framework is essential to develop and promote innovative cannabis tourism products and events.

Currently, few neighboring cities have embraced cannabis tourism through events or lounges, like West Hollywood, Palm Springs, and San Diego. Long Beach is uniquely centered and often a meeting point for West Coast travelers.

California's recreational cannabis sales reached nearly \$351 million in May 2024, a 10% decrease from May 2023 and a 16% decline from May 2021. Long Beach experienced an 8.96% decrease, while Los Angeles County saw a 33.3% drop. Conversely, new markets like Costa Mesa experienced a 453% increase due to new retail openings in late 2022. Needed factors such as changes in tax rates and tourism are predicted to increase cannabis sales in the region, directly impacting increased cannabis tax revenue for cities.

The Cannabis Travel Association emphasizes the importance of collaboration between local governments and cannabis industry stakeholders to enhance community branding and align initiatives with broader governmental and community priorities. This approach, detailed in "Becoming a Community Shared Value," utilizes data-driven strategies to develop initiatives resonating with community values. Last year's Cannabis Travel Association World Fair introduced a panel addressing the challenges faced by travelers and businesses where cannabis retail is legal, but cannabis consumption is not.

We urge the City to consider these insights and proceed with the feasibility study to amend the ordinance, fostering a thriving cannabis tourism sector in Long Beach.

Sincerely,

Long Beach Collective Association

^[1] "Colorado Tourism Sets All-Time Visitor Spending Record in 2018," *Colorado.com*, August 8, 2019,

<https://www.colorado.com/news/colorado-tourism-sets-all-time-visitor-spending-record-2018>

^[2] "Cannabis Tourism" Kathleen Dudley, *CSULB Recreation and Leisure Studies for the LBCA* - Local Subcommittee, October 2021.

^[3] "Some parts of California unaffected by cannabis sales slump" *mjbizdaily.com*, July 3 2024,

<https://mjbizdaily.com/some-parts-of-california-unaffected-by-cannabis-sales-slump/>

^[4] "Cannabis Travel Association World Fair 2023 Recap" *cannabistravelassociation.org*, February 7 and 8 2023

<https://cannabistravelassociation.org/category/events/>