

From: [Jim Fitzpatrick](#)
To: [CITY CLERK](#); [GREEN, BRENDA](#)
Subject: Public Comments - Study Session - Budget Review 3.12.2024
Date: Tuesday, March 12, 2024 11:57:46 AM
Attachments: [Cannabis Tax Revenue - Celebrate & Shortfall 3.12.2024.pdf](#)

Please share the attached comments with City Council to celebrate the meaningful Cannabis Tax contribution and an encouragement to work together to find a solution for the estimated shortfall in revenue

Cheers,

Jim Fitzpatrick
Solutioneer

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CANNABIS TAX REVENUE – CELEBRATE & INVESTIGATE SHORTFALL

City Council,

As you review mid-year budget, we need to recognize and celebrate the **Cannabis Tax Revenue** Contribution in the estimated amount of **\$2.6 million**. That is a meaningful number.

That equates to **\$37 million in Sales**.

That equates to **\$185,000 in funds for the ARTS!**

That equates to **\$185,000 for First Time Home Buyers**. Right now, the City could be celebrating meaningful wins on housing by allocating **18 First Time Homebuyers \$10,000 each to support a downpayment!**

But we estimated **\$3.0 million** and are experiencing a **shortfall**.

The Staff Report does not address this, and offers no solutions on how to prevent the shortfall in the back half.

City Council, will you help? Will you work with the Cannabis Industry?

Here are some recommended solutions:

1. Regularly Meet with the Cannabis Industry
2. Allow Cannabis on Cannabis Retail Store Signs, just like a liquor store
 - Work on improving the process and eliminating known bottlenecks
3. Investigate why the shortfall occurred
 - Why are we losing sales to Santa Ana and the Illegal Market?
 - What can the City do?
 - Ex: Collapse Building Permit cycle, taking too long for all businesses
 - How can the City and Chamber of Commerce promote the legal Cannabis Retail Stores?
4. Continue aggressive enforcement against unlicensed Cannabis Retail Stores
 - NOTE: Regular Cannabis Industry meetings would have this information travel fast
5. Publish Monthly Cannabis Tax Revenue to City Council, FiPac, Art Commission and Public
6. Develop process to allocate funds for First Time Home Buyers and the Arts Commission
7. Other solutions will come from regular dialogue with the Cannabis Industry

PS: Jim Fitzpatrick has not received a response to the Public Records Request for Cannabis Tax Revenue Information. Last City Council meeting, the Mayor was able to talk about it, in detail, and a week later the mid-year budget review has Cannabis Tax as a Line item. Yet the City is refusing to respond and not sharing with FiPac, Arts Commission and only shares when City Council Inquires?

Can't manage what you don't measure.

Thank you for your time, will you help?