

1-15-22

Dear Town Council,

The LGCA is writing to you to express our recommendation regarding Agenda item #10 – Cannabis Consultant Services.

Recommendation

We ***recommend not to proceed with spending \$50,000*** to retain a consultant to perform a cannabis fiscal analysis given 60% of the respondents to the Town’s survey opposed/strongly opposed such a measure (see attached survey result). When deducting those opposed from those supporting, this leaves a **net negative percentage of 22%**.

Given this very strong anti-cannabis sentiment, the Town Council should expect a highly contested election if a Cannabis Sales Tax Initiative is placed on the ballot. It would require the approval of voters to impose any sales tax. **Such an overwhelming negative level strongly suggests that a cannabis sales tax initiative would lose by a very large margin.** Spending the public’s money for a fiscal analysis of a cannabis sale tax measure, which is highly likely to be rejected by voters, is a waste of public funds.

Background

It is important to remember the suggestion to examine the commercial sale of cannabis did not arise from the public during the Council Priority Setting Session. In fact, of the 175 suggestions for new priorities submitted by the public as part of last year’s Priority Setting Survey (see attached), no one from the public put forth a suggestion to change the municipal code to allow for the commercial sale of cannabis.

This work stream was put forth by the then Town Attorney as part of his 2021 priorities. A Commercial Cannabis Operations and Facilities Ordinance was listed as #7 on the Town Attorney’s recommended list of municipal codes that “needed updates”. The stated reason for pursuing this workstream was solely for the additional sales tax revenue that could be levied on the commercial sale of cannabis. To further justify the workstream, the Town Manager noted that the priority would be “consistent with the council priority of Prudent Financial Management”. Based on the Town Attorney’s recommendation, Council then directed Staff to seek public opinion on this issue. **The public has clearly spoken – they are strongly opposed.**

Discussion

Given the survey results, we are bewildered by the Staff’s recommendation to spend \$50,000 to hire a consultant. The notion of performing a fiscal analysis of cannabis sales taxes is doubly troubling at this time given the tremendous uncertainty with respect to the tax and regulatory framework that has been introduced in Governor Newsom’s budget proposal. In his proposal, he states that he, “supports cannabis tax reform and plans to work with the Legislature to make modifications to California’s cannabis tax policy to help stabilize the market.” These modifications are widely understood to mean a significant reduction in cannabis taxation, which would make a fiscal analysis at this time premature at best, and probably meaningless in the final analysis.

If the Town truly has \$50,000 available to spend, the LGCA recommends that this money be spent on hiring a consultant to do a **fiscal impact analysis** (FIA) of the 2040 General Plan. The LGCA survey of 400 voters in Los Gatos regarding the draft 2040 General Plan shows 87% support/strongly support a FIA (see attached). **The net support for a FIA is an overwhelming positive 78% compared to a negative 22% on the commercial sale of cannabis.**

The LCGA has repeatedly made the recommendation to Staff to complete a FIA of the 2040 General Plan prior to adoption. Many cities in California routinely perform a FIA as part of the general plan approval process to fully inform the Town Council and public of the revenue, expenditure and capital investment impacts flowing from the adoption of a 20-year plan. Our recommendation has been repeatedly rejected, citing the lack of funding for a FIA. We believe the Town cannot afford not to do such an analysis, especially given that the draft 2040 General Plan calls for a 30% growth in the Town's population.

Conclusion

We respectfully ask the Council to not proceed with the Staff recommendation and instead instruct the Staff to retain a consultant to perform a FIA for the 2040 General Plan. This is a much higher use of public funds and would greatly benefit the public in understanding the fiscal impact of the draft 2040 General Plan.

Thank you for your consideration.

Los Gatos Community Alliance

#	FIRST CHOICE	DATE
1	Keep the town beautiful to attract business and people: Roads, sidewalks, bridges in perfect condition	1/4/2021 2:25 PM
2	fire abatement	1/4/2021 11:43 AM
3	Traffic/Parking	1/4/2021 9:40 AM
4	vitalize n santa cruz st	1/4/2021 9:17 AM
5	Fire Safety	1/3/2021 10:29 AM
6	Fire Protection	1/3/2021 7:24 AM
7	Streamline the Planning process for fire-safe building applications	1/2/2021 6:01 PM
8	Fire Protection	1/2/2021 4:10 PM
9	Emergency preparedness	1/2/2021 3:37 PM
10	Environmentally friendly town	1/2/2021 3:37 PM
11	Safety (including Fire)	1/2/2021 3:24 PM
12	Economic vitality	1/2/2021 2:59 PM
13	Summer traffic	1/2/2021 2:51 PM
14	Fire Protection	1/2/2021 2:36 PM
15	Fire protection and prep	1/2/2021 2:11 PM
16	Fire Protection	1/2/2021 1:57 PM
17	Reduce taxes for residents	12/26/2020 7:51 PM
18	parking - you should turn the flat lot at tate and main to an underground parking, with 2 levels above ground.	12/26/2020 2:08 PM
19	Safety, how do emergency vehicles get through town with so much uncontrolled grid lock	12/24/2020 10:07 AM
20	Highway 17 and town beach traffic	12/19/2020 8:55 AM
21	A plan to save businesses during pandemic	12/18/2020 8:16 AM
22	Support community programs such as Rec department	12/17/2020 5:46 PM
23	create fire buffer areas between the town and the mountains	12/17/2020 5:37 PM
24	Traffic congestion	12/17/2020 1:05 PM
25	land use	12/17/2020 11:15 AM
26	Crime prevention	12/16/2020 9:09 PM
27	Climate change	12/16/2020 3:43 PM
28	Encourage dining and shopping. Ease rules and barriers of entry	12/16/2020 11:51 AM
29	Economic recovery	12/16/2020 10:01 AM
30	Identify what is most critical to make effective needed changes	12/14/2020 1:42 PM
31	Safe roads for school	12/12/2020 10:23 AM
32	Closing down North Santa Cruz Ave & Creating Pedestrian Mall	12/12/2020 7:35 AM
33	Down down life	12/11/2020 6:38 PM
34	Among current priorities consider strategic plan for senior issues	12/11/2020 10:52 AM
35	Racial, socio-economic diversity	12/10/2020 8:02 PM
36	Diversity	12/10/2020 5:20 PM
37	Continue the outdoor dining/ entertainment options even after COVID	12/7/2020 10:36 PM

Strategic Priorities

SurveyMonkey

38	Parking for employees & customers	12/7/2020 9:43 PM
39	more bike lanes, sidewalks, and traffic management	12/6/2020 9:44 PM
40	Senior Citizen Accommodations & Services	12/6/2020 3:48 PM
41	Fire Prevention	12/5/2020 8:10 PM
42	More affordable housing	12/5/2020 12:23 PM
43	Racial equity and addressing issues with policing	12/5/2020 11:41 AM
44	Resolve Hiway 17 gridlock thru neighborhoods! Dangerous! Can't get I out/in or move for 8 hrs- especially 1st-Tait & 2nd is Bayviee	12/5/2020 11:01 AM
45	Traffic reduction	12/5/2020 6:33 AM
46	Housing that is less expensive to built; modular.	12/4/2020 9:31 PM
47	Beach traffic	12/4/2020 9:00 PM
48	No more high density projects! Deal with beach traffic!	12/4/2020 6:29 PM
49	Clean our streets and entry way to our town	12/4/2020 2:11 PM
50	Hillside home fire protection and education, increase inspections and follow up for property owners who do not comply with the requirements	12/4/2020 1:35 PM
51	Fire Protection including Emergency Planning (earthquakes, etc.)	12/4/2020 1:11 PM
52	downtown summer gridlock traffic!	12/4/2020 12:02 PM
53	Development	12/4/2020 12:01 PM
54	NO MORE DEVELOPMENTS!	12/4/2020 10:09 AM
55	Fighting state on giving back local control of housing & building in town. Use your community support.	12/4/2020 10:09 AM
56	retain green & open space	12/4/2020 10:07 AM
57	Less restrictive on property owners rights	12/4/2020 6:59 AM
58	Bring life to downtown	12/4/2020 6:24 AM
59	Economic recovery and small business support	12/4/2020 6:21 AM
60	dealing with summer traffic and shutting down North Santa Cruz on weekends	12/4/2020 6:20 AM
61	Summer Beach Traffic/Additional LaneLark-Hwy9	12/4/2020 6:15 AM
62	More toilets	12/4/2020 12:27 AM
63	Widen highway 17 and prevent traffic backup into town	12/3/2020 10:54 PM
64	Schools	12/3/2020 7:25 PM
65	Address climate change by promoting plant-based diets	12/3/2020 4:44 PM
66	Get rid of the parklets. What an eyesore. Horrible.	12/3/2020 3:23 PM
67	Affordable low-income housing	12/3/2020 11:15 AM
68	Inclusive Community	12/3/2020 10:43 AM
69	Public safety unaddressed issues for glenridge area	12/3/2020 6:21 AM
70	Traffic	12/2/2020 8:47 PM
71	Fiscal sustainability - managing our debt	12/2/2020 4:13 PM
72	Support for Mental Health Services	12/2/2020 2:44 PM
73	Traffic	12/2/2020 2:33 PM
74	Parking	12/2/2020 2:06 PM
75	make it easier for businesses to do business in LG	12/2/2020 1:00 PM

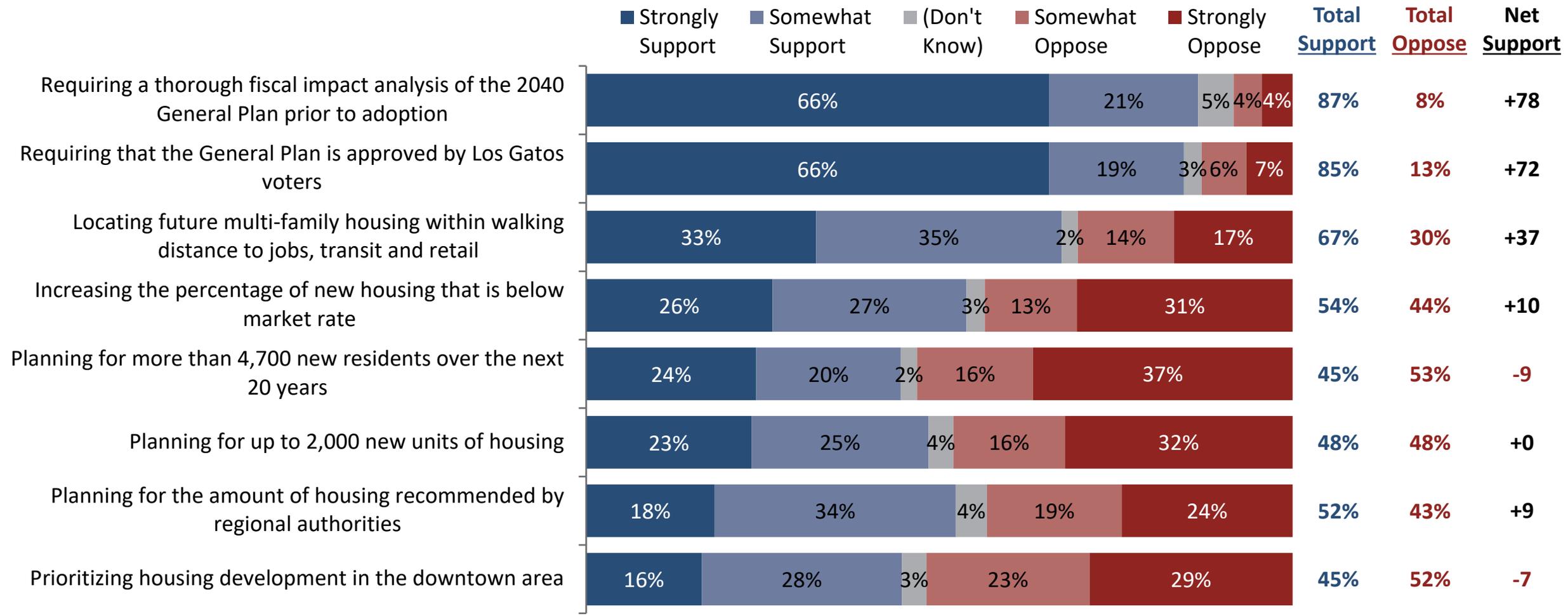
76	Fire prevention	12/2/2020 12:02 PM
77	What are they???	12/2/2020 11:27 AM
78	Arts	12/2/2020 11:09 AM
79	Fire mitigation	12/2/2020 10:31 AM
80	Economic Vitality	12/2/2020 10:18 AM
81	low income transportation	12/2/2020 10:08 AM
82	Honest disclosure or pension and healthcare costs and more transparency on labor negotiations.	12/2/2020 9:05 AM
83	Disallow conversion of residential property to commercial	12/2/2020 8:56 AM
84	Environmental impact	12/2/2020 8:52 AM
85	When considering transportation and traffic issues please consider drivers at a higher level than bicyclists as drivers are paying for the roads through DMV and we follow the laws.	12/2/2020 8:50 AM
86	Safety & Security, enhanced police protection plans, resources, and community communication for protests or riots and associated crimes	12/2/2020 7:56 AM
87	crosswalks & stop signs added and upgraded	12/2/2020 7:41 AM
88	Help local restaurants and business most impacted by shutdown	12/2/2020 2:33 AM
89	Summer Traffic should be addressed	12/2/2020 12:23 AM
90	This town needs a dedicated emergency communications and warning system like other communities. SCCAlerts are not remotely sufficient if / when wildfires break out in downtown. It's just a matter of time given our location, climate change and few roads in/out of town. .	12/1/2020 10:24 PM
91	Traffic	12/1/2020 8:55 PM
92	Climate change mitigation and adaptation	12/1/2020 8:50 PM
93	diversity and inclusivity	12/1/2020 8:18 PM
94	Emergency preparedness	12/1/2020 8:01 PM
95	Support small business, not chains; climate change policy	12/1/2020 7:59 PM
96	Build a bridge or tunnel to increase the flow of pedestrians and bikers from Safeway side of town to downtown. The bridge should be between Double D's and Flights over to the parking area toward the Tesla charging lot behind Starbucks. The lights take WAY too long at HWY 9 and University due to Caltrans control. The traffic is horrific on University from Vasona toward downtown since the turning lanes have been redone.	12/1/2020 7:31 PM
97	Affordable housing and more multi dwelling residential construction	12/1/2020 7:28 PM
98	control summer cut thru traffic it shuts down our town	12/1/2020 6:41 PM
99	Summer beach traffic clogging local streets on weekends	12/1/2020 6:32 PM
100	Set commercial rent limits or offer landlords tax incentives to reduce rents to reduce vacancies	12/1/2020 6:28 PM
101	Homeless	12/1/2020 5:54 PM
102	A dedicated Pickleball Facility	12/1/2020 5:38 PM
103	drawing interesting and non-chain stores to the downtown core	12/1/2020 5:31 PM
104	land use	12/1/2020 5:12 PM
105	Implement a transparent, community-engaged review of the police use-of-force policy and bring transparency to police disciplinary issues. (e.g. Obama Foundation "Mayors Pledge")	12/1/2020 5:05 PM
106	Less bureaucracy for home owners to fix up their homes	12/1/2020 4:51 PM
107	CoVid Recovery	12/1/2020 4:29 PM
108	Re-vitalize downtown including replacement of the ugly concrete barriers on Santa Cruz Ave	12/1/2020 4:25 PM

109	Energy efficiency	12/1/2020 4:23 PM
110	Fiber to the house	12/1/2020 4:23 PM
111	Covid safety- enforce mask mandate	12/1/2020 4:22 PM
112	train homeowners in fire mitigation	12/1/2020 4:20 PM
113	Fire & Disaster Preparedness & Managing Forest/Vegetation	12/1/2020 3:59 PM
114	Enforce existing ordinances	12/1/2020 3:53 PM
115	Seniors of our community need a center & activities like Saratoga/Campbell/Camden not combined with homeless	12/1/2020 3:49 PM
116	Urban Agriculture	12/1/2020 3:27 PM
117	Post Covid economic recovery	12/1/2020 3:23 PM
118	Dog Park	12/1/2020 3:16 PM
119	Economic Vitality (same)	12/1/2020 3:08 PM
120	Attract more businesses/restaurants/stores not only high end	12/1/2020 3:02 PM
121	Make permanent the use of street front parking for restaurants. It added SO much to the energy and vitality of the downtown!	12/1/2020 2:56 PM
122	No new high density housing and associated traffic issues. The north 40 and Lark Ave is reprehensible.	12/1/2020 2:56 PM
123	Focus less on downtown	12/1/2020 2:40 PM
124	Emergency preparedness	12/1/2020 2:36 PM
125	Affordable housing in spaces where crowding is not an issue	12/1/2020 2:34 PM
126	Density	12/1/2020 2:33 PM
127	Summer traffic abatement	12/1/2020 2:27 PM
128	Address Traffic flow and weekend overflow	12/1/2020 2:25 PM
129	Smaller and more affordable housing units	12/1/2020 2:18 PM
130	Adopt a long-term view on future of transportation - E.g. underground light rail extension, electrification, accommodations for self driving vehicles, elimination of above ground parking, establishing pedestrian-only streets	12/1/2020 2:13 PM
131	Build Back Better as we get COVID-19 under control	12/1/2020 2:11 PM
132	Make LG more walkable; establish vehicle-free zones and roads	12/1/2020 2:09 PM
133	Deal with current event issues first	12/1/2020 2:08 PM
134	Open space	12/1/2020 2:08 PM
135	Transportation management	12/1/2020 2:00 PM
136	Economic Vitality	12/1/2020 1:58 PM
137	Economics - How to attract and keep businesses alive and well in town.	12/1/2020 1:57 PM
138	Public safety	12/1/2020 1:54 PM
139	Economic	12/1/2020 1:46 PM
140	Hillside and Neighborhood preservation	12/1/2020 1:45 PM
141	Upgrade town services. Specifically police, code enforcement and parks services. Major overhaul required.	12/1/2020 1:45 PM
142	Transportation	12/1/2020 1:44 PM
143	Landlord/Business Rental/Small Business rent control (we are losing xlnt businesss to other towns because our rents are too high)	12/1/2020 1:44 PM

144	get flashing cross walks downtown like other towns do. it is extremely dangerous and you can't see people in the crosswalks in the rain. someone is going to lose their life to a driver who just can't see the person at night.	12/1/2020 1:35 PM
145	Transportation	12/1/2020 1:34 PM
146	Fire safety	12/1/2020 1:33 PM
147	Maintaining space for natural vegetation and animals	12/1/2020 1:27 PM
148	Eliminate in-town beach traffic.	12/1/2020 1:27 PM
149	Fire safety	12/1/2020 1:24 PM
150	Parking solutions	12/1/2020 1:24 PM
151	Priority on summer traffic clogging our town, I see it's sandwiched in with cycle paths, pedestrian and public transport improvements, but who wants to ride their bike through clogged roads with cars pumping out pollution into the air and drivers putting cyclists lives in danger as they grow increasingly angry, we hear it downtown all the time, the endless angry horns. The summer traffic issue desperately needs fixing before any other issues can be put into place.	12/1/2020 1:24 PM
152	Making parklets permanent/ close santa cruz ave	12/1/2020 1:23 PM
153	intelligent approach to traffic management	12/1/2020 1:19 PM
154	Traffic	12/1/2020 1:14 PM
155	Pension reform, pensions will kill all other priorities	12/1/2020 1:14 PM
156	Economic Vitality	12/1/2020 1:10 PM
157	Defy Santa Clara County and Return Kids to School - Follow the Science	12/1/2020 1:08 PM
158	Emergency preparedness.	12/1/2020 1:06 PM
159	Emergency preparedness	12/1/2020 1:06 PM
160	Traffic on LG Boulevard/Lark Avenue	12/1/2020 1:04 PM
161	keeping downtown alive	12/1/2020 1:04 PM
162	A nice, 1-floor senior homes complex (like Rinconada Hills)!	12/1/2020 12:59 PM
163	Homeless encampments - address growing problems before it's so bad it can't be solved as in neighboring communities	12/1/2020 12:59 PM
164	Streamline and remove bloat from building and grading process	12/1/2020 12:59 PM
165	Reduce town traffic	12/1/2020 12:57 PM
166	Help support local bussiness's its very important to the towns continued growth	12/1/2020 12:54 PM
167	Pedestrian zone in the city center	12/1/2020 12:49 PM
168	Economic Vitality	12/1/2020 12:49 PM
169	Ditch building a parking structure dwtn	12/1/2020 12:48 PM
170	Transportation/Traffic/Parking Management especially during summer	12/1/2020 12:46 PM
171	Fire	12/1/2020 12:42 PM
172	Transportation Improvements	12/1/2020 12:27 PM
173	This may be under economic vitality, but having an active and thriving pedestrian friendly downtown will be the single greatest asset to bring residents and visitors.	12/1/2020 11:37 AM
174	Affordable housing	12/1/2020 11:37 AM
175	Beach traffic	12/1/2020 11:10 AM

Alternative General Plan Elements

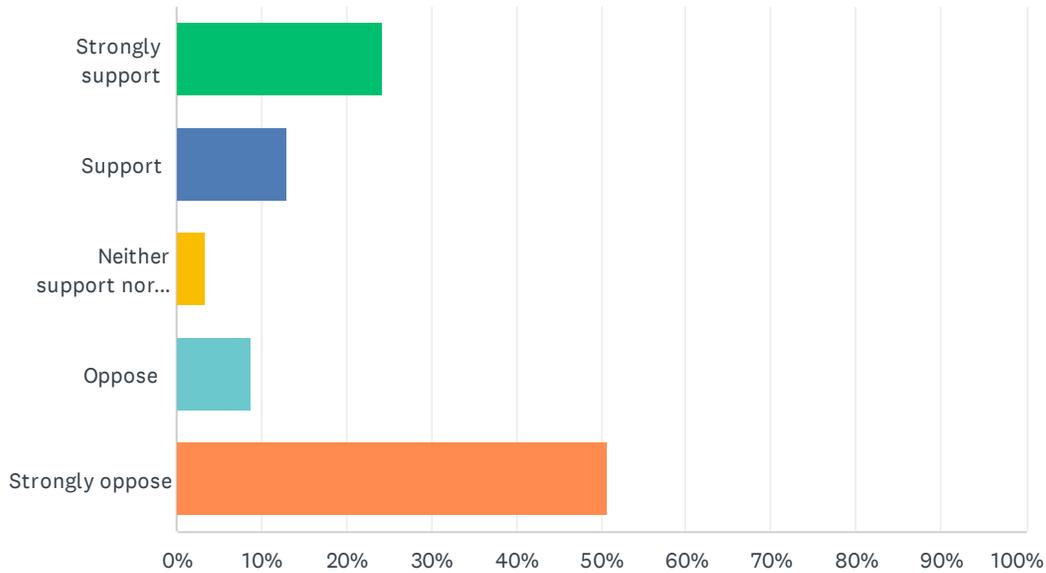
There is very strong support for a fiscal impact analysis and putting the plan to a vote. Locating multi-family housing near jobs and transit is popular, but all elements related to housing are divisive.



Q40-47. Finally, I am going to read you some alternative items that some people say should be included in the Los Gatos 2040 General Plan. Please tell me each you support or oppose each one.

Q2 In general, do you support or oppose allowing commercial cannabis businesses in Los Gatos?

Answered: 948 Skipped: 3



ANSWER CHOICES	RESPONSES	
Strongly support	24.26%	230
Support	12.97%	123
Neither support nor oppose	3.38%	32
Oppose	8.65%	82
Strongly oppose	50.74%	481
TOTAL		948

From: Julia Ristow

Sent: Sunday, January 16, 2022 10:04 PM **To:**

Council <Council@losgatosca.gov> **Subject:**

Cannabis [Town Council Item #10]

EXTERNAL SENDER

Dear Los Gatos Town Council,

I am a 21 year old Los Gatos resident, and I'm in favor of allowing cannabis dispensaries in Los Gatos.

I would like there to be a dispensary in town because I prefer being able to walk or drive short distances to do my errands, and I can get most of what I need in town, but cannabis is one of the few things I can't get. Currently if I want to purchase cannabis, I would usually use delivery services, but if there was a dispensary in town, I wouldn't have to do that. I'm sure there are many other Los Gatos residents like me who would want to be able to travel a shorter distance or not have to use delivery services to purchase cannabis.

I saw the **results from the survey** and would like to provide my point of view on some of the comments people left on the survey against allowing dispensaries in town.

For the people concerned about **smell**:

I have been to the Airfield Supply dispensary in San Jose. While there is some smell of cannabis at this location, this would not be the case if a retail only dispensary opened in Los Gatos, as everything in the retail area is fully sealed and there is no consumption allowed on the property. All of the smell present at this location is from the cultivation.

In terms of concerns about people smoking in town and causing there to be a smell in town from that, there is already a no smoking law in place that applies to marijuana as well as other things like cigarettes.

Additionally, most residents who want to use marijuana are already getting it from other cities and then using it at home, so adding a dispensary to Los Gatos will probably not change how much cannabis is consumed in Los Gatos by very much. The biggest noticeable change to the town would likely just be more tax dollars coming in.

For the people concerned about it **influencing youth**:

It would be unlikely for the presence of a dispensary in town to cause middle and high school students to start using marijuana. I attended both Fisher Middle School and Los Gatos High School and can say that students know what weed is and if they want it they will find a way to get it, regardless of there being a dispensary in town or not.

Also, students who consume weed are probably not getting it from dispensaries. First of all, just to enter the Airfield dispensary, you have to show your ID and it gets scanned. Then, inside, all the products are behind the counter or secured in a way that they can't be shoplifted. In order to buy any products you have to show your ID again. This means it's very difficult for someone underage to even step foot in a dispensary, let alone purchase or steal anything.

Another comment I saw on the survey was that a dispensary should not be allowed in areas where youths hang out, giving 7-11 as an example. While I don't have a strong opinion either way on this point, I would like to point out that 7-11 sells alcohol and alcohol is very accessible all throughout Los Gatos (7-11, bars, restaurants, grocery stores, etc.). Unlike a dispensary where you have to show your ID to enter and all the products are behind the counter, places like 7-11 and Safeway have alcohol out in the aisles and anyone can enter these stores, meaning it's very easy for teens to steal or purchase alcohol with a fake ID (because ID checks for purchasing alcohol are less intensive than for purchasing cannabis at a dispensary).

Additionally, when comparing the **impacts of alcohol versus marijuana on people**, alcohol is much more damaging to the body (especially if the marijuana is consumed in an edible form rather than smoke). Alcohol is also much more addictive than marijuana and an overdose on alcohol can lead to death whereas consuming too much marijuana will not directly result in death.

My point here is that alcohol is much more dangerous for youth to be consuming than marijuana, and if a dispensary opened in town it would be way more regulated than alcohol is in this town. In my opinion, this makes the concerns about the presence of a dispensary in town negatively impacting youth practically irrelevant.

I also saw concerns in the survey comments that a dispensary would not be "classy" and would not fit the "Los Gatos culture." To this, I go back to my points about alcohol. If you walk through downtown Los Gatos you'll see bars, wine tasting rooms, and restaurants advertising alcohol. This displays the "culture" of Los Gatos as very alcohol centric. I'm not against having places that serve alcohol in town, but I don't see how pushing drinking culture is any better than allowing a dispensary in town. Especially since a dispensary would only be for the sale of cannabis and not the consumption and would be less "in your face" than the places selling alcohol, **I don't think the presence of a dispensary would strongly impact the culture of the town.**

I think the negative thoughts some people have towards marijuana and dispensaries likely come from **misconceptions**. I would encourage people who are against the opening of a dispensary to look into what a dispensary actually looks like and how it operates (maybe even go see one in person) and research the impacts of marijuana versus alcohol on a person's body before forming a decision on whether or not to allow a dispensary in town.

Sincerely,
Julia Ristow

From: Sandra Livinghouse
Sent: Monday, January 17, 2022 9:35 AM
To: Council <Council@losgatosca.gov>
Subject: Fiscal Responsibility and Proposed Cannabis Analysis

EXTERNAL SENDER

Hello Town Council,

I am reaching out regarding your proposal to spend \$50,000 on a consultant to do a cannabis fiscal analysis. Please do not spend public funds on this activity. If you have money for a consultant for a fiscal analysis, please do a fiscal analysis of your North 40 plan, since it will involve building new schools, fire departments and expanding the police force, but to date these items are not analyzed as part of the plan.

I have recommended no consultant for cannabis for the following reasons:

- Town residents don't agree with the Cannabis Sales Tax Initiative, as your own studies have shown.
- To hire a consultant for \$50,000 is a waste of public funds
- A better use of \$50,000 and of much greater need is a fiscal analysis of the the LG GP, which advises major changes to the town with no associated fiscal analysis at all.

Thank you for the work that you do, but please restore your efforts to a more thoughtful and sound stewardship of our town.

Best,
Sandra Livinghouse
[REDACTED] Los Gatos

From: Joan Cross
Sent: Monday, January 17, 2022 12:57 PM
To: Council <Council@losgatosca.gov>
Subject: Marijuana Dispensary in Los Gatos

EXTERNAL SENDER

Dear Sirs/Madames,

As a 34 year resident of Los Gatos, a downtown resident and a past President & Committee member of CASA I vote NO to allowing a Marijuana Dispensary in our town.

How is it possible to support a long term, local & 'home grown' organization like CASA (which the town has wholeheartedly endorsed & supported since its inception) and at the same time being in a drug dispensary?

Is this only about the money? There MUST be another way.

Joan Y Cross, CPM
Los Gatos and
Coronado