Communication from Public

Name: Damian A. Martin, Esq., M.B.A.
Date Submitted: 06/16/2025 06:56 PM
Council File No: 20-1125-S1
Comments for Public Posting: Public Comment RE Agenda Item #4 of the L.A. City Council Government Operations Committee Meeting on June 17th Honorable Members of the L.A. City Council Government Operations Committee: My name is Damian Martin, and I am a Co-Founder & Attorney for Catalyst Cannabis Co.: https://catalyst-cares.com/wp-content/uploads/2024/05/Catalyst-Cares-Damian-Martin-v2.pdf; https://catalyst-cannabis.com/. Catalyst participates deeply in the Los Angeles Cannabis Social Equity Program through ownership in and/or operation of Catalyst - Florence, Catalyst - Normandie, Catalyst - Silver Lake, Catalyst - Mid City, Catalyst - South Figueroa, and Catalyst - Van Nuys and by advocating for City cannabis policies that actually support and uplift legal social equity owned dispensaries and their social equity owners / operators. Superficially speaking, the DCR's recommended amendments to Article 5, Chapter 10 of the Los Angeles Municipal Code concerning commercial cannabis activity under Item #4 of the Government Operations Committee Meeting Agenda appear like an attempt to promote equitable ownership in the cannabis industry and address disproportionate impacts of cannabis prohibition. For the most part, the recommended amendments indeed expand the number of Citywide compliant properties, which would have been great for social equity applicants seven years ago when the City first started licensing and regulating commercial cannabis activity and would have made the opportunity to establish and operate a licensed cannabis social equity dispensary in Los Angeles more open and attractive for social equity applicants and their investors. At present though, the recommended amendments just make the DCR appear further out of touch with what is actually going on in the City's legal cannabis market. On that note, the DCR can expand the number of Citywide compliant properties all it wants—it will to be to no avail actually benefiting social equity applicants because no one is opening social equity dispensaries in Los Angeles and investing the required money anymore—not because of the lack of compliant properties, but because of the systematic issues facing the City's legal cannabis market, namely one of the highest local tax rates for retail cannabis purchases in the State that pushes customers into the illegal market where products are untaxed coupled with basically no enforcement against the illegal cannabis operations that the tax rate has pushed customers towards. By focusing on expanding the number of Citywide compliant properties while completely ignoring the City's exorbitant tax rate on retail cannabis purchases and refusing conduct any enforcement against illegal cannabis operations, the DCR's priorities are completely out of whack and the DCR continues to show its complete ignorance to what is actually going on in the City's legal cannabis market. To that point, by proposing to allow three licensed cannabis dispensaries within a 600-foot radius of each other rather than addressing the real systematic issues here, the DCR seems to be setting up a licensed cannabis dispensary hunger games for the limited share of customers in the City that even purchase cannabis from the City's legal cannabis market.

Communication from Public

Name: Timothy Dodd
Date Submitted: 06/16/2025 08:30 PM
Council File No: 20-1125-S1
Comments for Public Posting: The attached letter is submitted on behalf of a coalition of legacy operators, social equity operators, and pre-ICO licensees — all of whom have had a significant stake and major role in the development of the legal cannabis market in Los Angeles, despite every hurdle and obstacle placed in their path. These operators have built compliant, community-focused businesses under intense scrutiny, volatile regulatory shifts, and fierce competition from an unchecked illegal market. They are united in strong opposition to the Department of Cannabis Regulation's (DCR) April 30, 2025 zoning recommendations, which propose to eliminate existing separation requirements between storefront retailers and allow up to three cannabis stores within 600 feet of one another. ? 1. City Council Gave a Narrow Directive — DCR Blew It Wide Open The Council instructed DCR to consider limited relief for a small group of EMMDs. DCR instead proposed a citywide land use rewrite with no legislative authority, no public vetting, and no evidentiary justification. This is a classic case of bureaucratic overreach. 2. This Would Only Work in a Functional Market — LA's Market Is in Crisis • Over 4,000 illegal operators openly undercut the legal market. • 70% of licensees are behind on taxes, unable to compete or stay compliant. • The most recent cannabis retail lottery failed — most slots went unclaimed. Removing distance buffers in this climate is a death sentence for the licensed market — not a catalyst for innovation or equity. 3. This Will Collapse the Legal Storefront Ecosystem • Legal shops already battling razor-thin margins will see traffic split and revenues plunge. • Landlords will inflate rents by auctioning space to the highest bidder. • Equity and local operators will be priced out, displaced, or forced into bad partnerships. • Predatory financing, silent ownership schemes, and license flipping will return in force. 4. Equity Will Be Undermined, Not Advanced This proposal would exponentially increase speculation, license flipping and further embolden predatory lease practices, only increasing the cost of entry, making it nearly impossible for true equity applicants to compete for locations without being exploited. This isn't pro-equity but rather pro-speculation masquerading as reform. 5. No CEQA or Economic Review Has Been Conducted This is a major land use change and requires CEQA review — which has

not been done. Nor has there been an economic study to assess the impact on small businesses, employment, or tax revenues. Moving forward without this is both reckless and potentially unlawful. ? ?? We Urge the Cannabis Commission to: • Reject the April 30, 2025 DCR recommendations in full. • Reaffirm that zoning changes must originate with City Council and follow proper environmental and stakeholder review. • Protect the integrity of the legal market and the equity and legacy operators who helped build it from the ground up. ? ?? Signed By: A cross-section of Los Angeles's legal cannabis pioneers, including: Catalyst Cannabis Co. – Elliot Lewis, CEO Traditional – Alex Freedman, CEO The Artist Tree – Lauren Fontein, Founder/CCO Gorilla RX Wellness – Kika Keith, Owner MMD Shops – Steve Ashbel, Co-Founder Sweet Flower - Tim Dodd, Co-Founder These are real businesses, real operators, on real streets, serving real communities. This letter is a unified call to defend the legal, equitable, and sustainable future we were all promised.

Los Angeles Cannabis Commission
City of Los Angeles
200 N. Spring Street
Los Angeles, CA 90012

May 15, 2025 - Agenda Item 7 - Opposition to DCR's April 30, 2025 Recommendations Regarding Storefront Retailer Separation and Related Amendments - Council File: 20-1125-S1

We, the undersigned licensed cannabis operators in the City of Los Angeles, write to express our collective and urgent opposition to the April 30, 2025 memorandum issued by the Department of Cannabis Regulation (DCR). Specifically, we reject the elimination of separation distances between storefront retail licenses and the unprecedented proposal to allow multiple retailers within a 600-foot radius. These recommendations exceed the mandate provided by City Council under Council File 20-1125-S1 and, if adopted, would accelerate the collapse of Los Angeles's already precarious legal cannabis industry.

1. Council Instructed a Narrow Task - DCR Flipped It on Its Head
Council File 20-1125-S1 instructed DCR to examine whether a specific group of Existing Medical Marijuana Dispensaries (EMMDs) might be grandfathered to continue operations at their current premises. The purpose was to provide narrowly scoped regulatory relief to legacy operators.

Instead, DCR flipped this limited mandate on its head — proposing a sweeping amendment that would eliminate the longstanding 700-foot buffer between cannabis retailers and permit up to three dispensaries within a 600-foot radius of one another. This is an unauthorized, citywide land use rewrite with no evidentiary basis or procedural legitimacy.

2. This Proposal is ONLY workable in a Well-Regulated Market - LA Is NOT One
Only a healthy, well-regulated market could sustain such a policy shift. Los Angeles is the opposite:

- Over 4,000 unlicensed dispensaries continue to operate with impunity throughout the city.
- Roughly 70% of licensed operators are behind on taxes, burdened by the illegal market.
- In the most recent DCR lottery, fewer than half of the available FREE slots were applied, a stunning vote of no confidence in the city's regulatory framework.

Removing separation buffers in this environment will not increase competition or innovation — it will destroy what remains of the licensed market.

3. This Will Trigger the Collapse of Existing Storefront Operators
Compliant retailers in Los Angeles are barely surviving. If this measure proceeds:

- Existing stores will see their already limited foot traffic cannibalized overnight, undermining fragile cash flows.
- Speculative landlords will use the lack of distance buffers to inflate rents, shopping locations to the highest bidder.
- Operators who cannot match inflated capital demands will be displaced, particularly local and equity-owned businesses.
- A flood of predatory lending, license-flipping, and front operations will return with force, targeting vulnerable applicants.

More stores DO NOT mean more demand. More stores in a saturated and unregulated market with no protections from the illicit market means the collapse of the legal cannabis market.

4. Equity Applicants Will Be Pushed Out - Not Brought In
DCR's memo gestures toward equity, but the proposal is fundamentally anti-equity. By removing buffers, you increase land speculation across the board and dramatically raise the cost of entry, making it nearly impossible for equity applicants to secure a lease or a stable partnership. This will intensify predatory investment, silent ownership, and shell company practices.

5. This Proposal Requires Thorough Economic and Environmental Review
The proposed elimination of distance buffers and allowance for clustering up to three cannabis retailers within 600 feet demands a comprehensive economic analysis, which has not been conducted. This policy shift also constitutes a major change in land use planning and therefore must undergo full California Environmental Quality Act (CEQA) review, which has not occurred. Until a thorough CEQA evaluation and a full economic impact study are completed, this proposal should not move forward under any circumstances.

6. The Commission Must Reject These Recommendations in Full
We call on the Cannabis Commission to:

- Reject all recommendations in the April 30, 2025 DCR memorandum, particularly the proposed elimination of distance separation requirements under LAMC §105.02.
- Reaffirm that material changes to land use and zoning must originate with the City Council, be scoped appropriately, undergo environmental review, and be subject to full public and stakeholder engagement.
- Recommit to supporting the licensed market, which cannot survive further regulatory instability or speculative policy experimentation.

Respectfully submitted,

Sweet Flower

Tim Dodd, Co-Founder and CEO

Traditional

Alex Freedman, CEO and President

Catalyst Cannabis Co.

Elliot Lewis, CEO

The Artists Tree

Lauren Fontein, Founder/CCO

Gorilla RX Wellness

Kika Keith, Owner

MMD Shops

Steve Ashbel

Steve Ashbel, Co-Founder