



City of Long Beach
Working Together to Serve

Memorandum

Date: May 10, 2019

To: Economic Development & Finance Committee

From: Patrick West, City Manager 

Subject: **Economic Development and Finance Committee request for a 30-day study on the creation of a pilot program to expand the tax base of non-retail cannabis businesses – Status Update**

On April 9, 2019, the Economic Development and Finance (ED&F) Committee requested staff to submit a report to the City Council in 30-days on the feasibility of the creation of a 24-month pilot program to expand the tax base of non-retail cannabis businesses by streamlining processes, adjusting tax rates, and providing incentives. In response to this request, staff from the Office of Cannabis Oversight (OCO) in the City Manager's Office met with city departments responsible for regulating licensed cannabis activity in Long Beach to solicit ideas for a pilot program. In addition, the OCO met with cannabis industry representatives to receive feedback on the existing licensing process, and challenges that businesses have faced during the application phase. Finally, staff met with representatives of Southern California Edison (SCE) to identify opportunities to improve coordination with SCE on cannabis facility plan check, construction, and inspection processes.

Based on the information gathered through these meetings, staff from the OCO has begun drafting a study on commercial cannabis activity in Long Beach. The purpose of the study is to provide the City Council with an update on the regulated cannabis market in Long Beach, and to identify options should the City Council wish to expand the tax base of non-retail cannabis businesses.

Additional time is required to prepare the study, solicit feedback from operating departments, and submit the study to City Attorney's Office and City Manager's Office for final review. Staff anticipates releasing the study in June 2019.

Should you have any questions, please contact Ajay Kolluri at (562) 570-6406 or via email at Ajay.Kolluri@longbeach.gov.

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