

ATTACHMENT

For Item

#21

**Tuesday,
May 24, 2022**

**PUBLIC COMMUNICATION RECEIVED BY THE
CLERK OF THE BOARD**

From: [Wier, Emily](#)
To: [FGG, Public Comment](#)
Subject: FW: [External] Re: Board Meeting May 24, 2022, Item #21 Fees Administered by the Sheriff's Department
Date: Tuesday, May 24, 2022 9:09:10 AM
Attachments: [May 24 2022 - Re Item #21 SHERIFF - REQUEST TO ADOPT AN ORDINANCE AND RESOLUTION AMENDING FEES ADMINISTERED BY THE SHERIFF'S DEPARTMENT.docx.pdf](#)
[Public Records Request S000978-050422 - May 16 2022.pdf](#)

From: Virginia Casey <virginia@bluewaterga.com>
Sent: Monday, May 23, 2022 11:20 PM
To: Fletcher, Nathan (BOS) <Nathan.Fletcher@sdcounty.ca.gov>; Vargas, Nora <Nora.Vargas@sdcounty.ca.gov>; Anderson, Joel <Joel.Anderson@sdcounty.ca.gov>; Lawson-Remer, Terra <Terra.Lawson-Remer@sdcounty.ca.gov>; Desmond, Jim <Jim.Desmond@sdcounty.ca.gov>
Cc: Fredenburg, Mike <Mike.Fredenburg@sdcounty.ca.gov>; Sleeper, Maggie <Maggie.Sleeper@sdcounty.ca.gov>; Wier, Emily <Emily.Wier@sdcounty.ca.gov>; Nyce, Kate <Kate.Nyce@sdcounty.ca.gov>; Page, Crystal <Crystal.Page@sdcounty.ca.gov>
Subject: [External] Re: Board Meeting May 24, 2022, Item #21 Fees Administered by the Sheriff's Department

Dear Chair Fletcher, Vice Chair Vargas and Supervisors Anderson, Desmond and Lawson-Remer,

Please accept the attached letter (attachment #1) in opposition to the Cannabis Facility Operation Fees being proposed tomorrow by the Sheriff's Department. Blue Water Government Affairs represents the five currently licensed cannabis businesses in the unincorporated County, all of whom wish to voice their strong support for cost-recovery license fees in full compliance with Board Policy B-29, pending a transparent and complete accounting of such fees by the Sheriff's Department.

In the more than six years that Jaxx Cannabis Company, OutCo, Ramona Cannabis Company, Releaf Meds and San Diego Natural have been operating, not one of these businesses has ever been out of compliance with any Local or State cannabis regulations and all intend to continue to be productive, contributing members of their communities and the County.

If you have any questions, please do not hesitate to contact us.

Virginia Casey
619-724-7679
CEO
Blue Water Government Affairs
<https://bluewaterga.com/>

The Honorable Board of Supervisors
County of San Diego
1600 Pacific Highway
San Diego, CA 92101



May 23, 2022

**RE: Item #21: SHERIFF – REQUEST TO ADOPT AN
ORDINANCE AND RESOLUTION AMENDING FEES
ADMINISTERED BY THE SHERIFF'S DEPARTMENT**

Dear Chairman Fletcher, Vice Chair Vargas and Honorable Board of Supervisors,

Blue Water Government Affairs represents the interests of the five current cannabis license holders in the unincorporated areas of San Diego County. We thank you for your continued work and attention on developing a new cannabis ordinance and on addressing many of the regulatory concerns and costs that have affected the long-term sustainability of licensed cannabis businesses and the industry's growth in San Diego County.

While we appreciate the work, assistance and dedication of individual members of the Sheriff's Department, including Licensing Specialists, Deputies and Detectives, we respectfully request sufficient time to review the attached "Cannabis Fee Study Narrative" prepared by the Sheriff's Department that we received on Sunday, May 22, 2022, as well as unfulfilled Public Record Requests that have been submitted to the Sheriff's Department. Please see #1 below for additional information on this request.

**1. Re: SHERIFF – REQUEST TO ADOPT AN ORDINANCE AND RESOLUTION AMENDING
FEES ADMINISTERED BY THE SHERIFF'S DEPARTMENT (DISTRICTS: ALL)**

Critical to a complete understanding and justification for the cost-recovery fees proposed is the "Regulatory Worksheet" that the Sheriff's department routinely prepares to recover such fees. This Worksheet was not included in the May 24, 2022 Agenda or the Board Report for Item #21. However, we were able to procure the attached "Cannabis Fee Study Narrative" prepared by the Sheriff's Department but have multiple questions regarding the staff time and personnel estimates contained therein as well as if the hours represented are for each individual application or for all licenses processed in a calendar year.

Page 4 of this document contains this reference: "The overall cost recovery analysis for regulatory fees and cannabis facility operating certificates results in the following recommendations (see Attachments B and D for additional fee details):" Neither Attachment B or Attachment D contains any breakdown of service hours or staff costs and only contains the following list of fees: "Cannabis Facility Operation Certificate: Annual fee \$37,870, renewal fee \$27,371. Fee for transfer of Staff/Corp Name \$1,679. Fee for Change/Add Activities \$7,883."

Also, in anticipation of this fee proposal coming before the Board, we submitted a Public Records Request (PRR) on May 4, 2022, requesting information on deployment logs, radio dispatch logs, staffing requirements and, among other information, and material referencing licensing fee development for inspection of cannabis/marijuana locations. On May 19, 2022, we received a message informing us that our PRR (see attached) request was being extended by 14 days, until May 30, 2022, so we have not received the data necessary to respond fully to the figures in the "Cannabis Fee Study Narrative or Attachment D."

Until such time as the Sheriff's Department provides the requested information, we respectfully request that the adoption of any new cannabis fees be continued to a future date, please see below for further details.

2. SEC. 21.1901. FEES

The fees for all cannabis license types are prohibitive and will have the unintended effect of limiting the licensed industry in the Unincorporated County and failing to attract new businesses and investment. The excessive nature of these fees is obvious when compared to the cannabis license fees in other local jurisdictions, cannabis license fees in other California counties and the fees charged for all other licenses and permits administered through the Sheriff's Department.

2.1 Nearby Jurisdiction Licensing Fees

If adopted as currently proposed, the Unincorporated County Cannabis License Fee for both an initial license application and for annual renewals will be higher than every other local jurisdictions current or proposed fees as illustrated here:

Jurisdiction	Initial License Fee	Annual License Renewal
Uninc. San Diego County	\$37,870	\$27,371
Chula Vista	\$23,063	\$16,750
Encinitas	\$11,240	\$12,157
Imperial Beach	\$10,000	\$24,000
La Mesa	\$23,063	\$833
Lemon Grove	\$2,260	Unknown
National City	\$10,614	TBD
Oceanside	\$8,452	\$8,850
San Diego City	\$20,802	\$20,802
Vista	\$11,128-\$19,967	\$11,128-\$19,967

2.2. Other SD County Licensing Fees

The proposed cannabis licensing fees are higher than all other business licensing fees charged by the Sheriff's Department. **In fact, the combined initial license fee for one of every other license type listed in Attachment D, a total of 33 distinct licenses, would cost \$10,865 or 71% less than the cost of just one cannabis license.** These fees include Concealed Weapons License (\$176), Explosives Permits (\$741), Permanent Amusement Rides (\$719) and the County's second-highest license fee, Adult Entertainment Establishments at \$885 for an initial application (2.33% the cost of an initial cannabis license) and \$826 for an annual renewal (3.01% the cost of a cannabis license renewal).

We respectfully ask that the Board delays the consideration of these fees until more data and a workflow analysis can be supplied by the Sheriff's Department showing that Cannabis Business Licenses require more than 43 times the investigation and processing time of any other operating permit.

2.3 Fair and Reasonable Fees

Finally, we request that the Board direct the Sheriff's Department to consider adopting fees that are "adjusted to a fair and reasonable amount, which is comparable to large county agencies throughout the state" as the Department is requesting for Concealed Weapons Licenses, per page one, paragraph two of Sheriff Ray's Letter to the Board.

Annual County operating fees from around the state include: Santa Cruz, \$4,000; Monterey, \$4,355; San Francisco, \$4,354; and San Luis Obispo \$3,728-\$6,836. (Source: [City of San Diego Staff Report, February 8, 2022, Agenda Item #332](#)).

In conclusion, we would believe that the Cannabis License Fees under current consideration should be as transparent as possible to promote the Board's goals of creating a sustainable local cannabis industry that provides benefits and opportunities for all residents of San Diego County.

Please let us know if you have any questions.

Blue Water Government Affairs



By: Virginia Casey, CEO

On behalf of:

Jaxx Cannabis
1210 Olive St., Ramona

OutCo Inc.
8157 Wing Avenue, El Cajon

Ramona Cannabis Company
736 Montecito Way, Ramona

Releaf Meds
618 Pine Street, Ramona

San Diego Natural
8530 Nelson Way, Escondido

cc: Chair Nathan Fletcher
Supervisor Joel Anderson
Supervisor Jim Desmond
Supervisor Terra Lawson-Remer
Supervisor Nora Vargas

[Records Center] Public Records Request :: S000978-050422

1 message

SDSD Public Records <sdsheriff@govqa.us>

Mon, May 16, 2022 at 8:39 AM

To: "virginia@bluewaterga.com" <virginia@bluewaterga.com>



RE: Public Records Request of May 04, 2022, Reference # S000978-050422

Dear Virginia Casey,

On *May 04, 2022*, the San Diego County Sheriff's Department received your request for records pursuant to the California Public Records Act (CPRA).

Pursuant to Government Code section 6253(c), "The need to search for, collect, and appropriately examine a voluminous amount of separate and distinct records that are demanded in a single request.", the Sheriff's Department is extending the response by 14 days. You will receive the Sheriff's Department's response no later than May 30, 2022.

Sincerely,

Edna Rains
San Diego County Sheriff's Department

To view the full details of this request please log into the [Records Request System](#)

From: [Wier, Emily](#)
To: [FGG, Public Comment](#)
Subject: FW: [External] May 24: Proposed Cannabis Licensing Fees
Date: Tuesday, May 24, 2022 9:57:38 AM
Attachments: [22.5.23 - SD County BOS Letter - Shryne.pdf](#)

From: Matthew Nathaniel <matthew@shrynegroup.com>
Sent: Tuesday, May 24, 2022 9:56 AM
Subject: [External] May 24: Proposed Cannabis Licensing Fees

Good morning Chair Fletcher.

Please see the attached letter regarding the proposed cannabis licensing fees for San Diego County. Let me know if you have any questions or would like to discuss in more detail.

Sincerely,



Matthew Nathaniel
Director: Retail Expansion
323.420.1091
Matthew@ShryneGroup.com
www.ShryneGroup.com

Proposed Cannabis Licensing Fees

May 23, 2022

San Diego County Board of Supervisors and Staff,

I would like to begin by thanking you for undertaking the challenge of developing the best ordinance for the communities in San Diego County.

I understand that the Board of Supervisors will be deciding on the proposed license fees for cannabis, and I am very concerned with the proposed license fees for potential cannabis operators. The most glaring concern is that the fees are excessive at more than \$30,000 when compared to cannabis licensing fees in other jurisdictions in the county. Additionally, the next highest business license in the county is for adult entertainment at \$900.

If creating an equitable licensing process and business market is a priority for the County, I would strongly encourage these fees to be evaluated further and reduced. There are already an enormous amount of barriers to entry in this industry, and licensing fees this high only create an additional barrier that make it more challenging for operators to be successful and generate revenue for the County.

Another aspect worth reexamining are the amount of hours projected for background checks and compliance, which seem to be high estimates when compared to processes in other jurisdictions throughout the state.

And while law enforcement needs to be part of the conversation, as I welcome collaboration, it is perplexing why the Sheriff's department would manage licensing and compliance. This is an extremely dated approach, as this is typically handled through code enforcement. The state of California already requires federal background checks to ensure criminals cannot obtain licenses.

Lastly, San Diego County has permitted operational cannabis businesses for the last five years. To my knowledge, there have been no compliance or criminal issues to date. As time and data have shown in jurisdictions across the country, crime does not increase when regulated cannabis markets are introduced. Evidence is mounting that regulated markets create safe access that limits the accessibility to at risk groups such as youth.

In conclusion, I believe that there needs to be a more transparent conversation regarding the cannabis licensing process and potential fees. Given the late announcement of this meeting on May 24, 2022, there is not sufficient time to prepare an informative and thoughtful discussion on this issue. I strongly encourage the Board of Supervisors to postpone this item for discussion at a later date in the effort to create the best ordinance and licensing process for San Diego County and its communities.

Sincerely,

Matthew Nathaniel

Matthew Nathaniel
Director: Expansion
Shryne Group