Upcoming Economic Development Events

April 9, 2019



2019

LONG BEACH REGIONAL ECONOMIC FORUM

Long Beach is enjoying a strong economy and unprecedented growth in real estate development. But can the region support that growth in a time of economic uncertainty?

Join us for a special edition of the Long Beach Regional Economic Forum to hear from experts on real estate markets and economic development, alongside civic and industry leaders.

AGENDA

8:00-11:30am | April 18, 2019

Breakfast & Networking

National & Regional Economic Update

Long Beach Economic Development Blueprint Update

Real Estate Development Update & Discussion

Office Market Update & Discussion

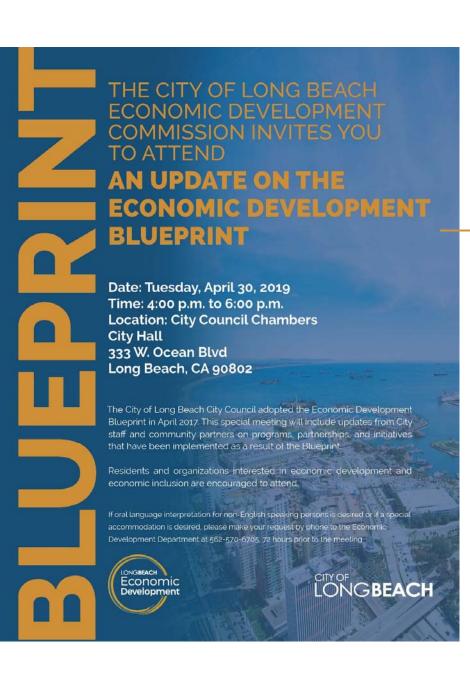
BREAKFAST AVAILABLE THROUGHOUT THE EVENT

Long Beach Regional Economic Forum

Date: Thursday, April 18, 2019

• Time: 8:00 a.m. – 11:30 a.m.

 Location: Long Beach Convention Center, Promenade Ballroom



Economic Development Blueprint Community Update

Date: Tuesday, April 30, 2019

• Time: 4:00 p.m. – 6:00 p.m.

Location: City Council Chambers



Cannabis Licensing Update

Presented to the Economic Development and Finance Committee Tuesday, April 9, 2019

Background on Cannabis Laws

- ➤ Nov. 2016 Medical Cannabis Ordinance (MM)
- ➤ Aug. 2018 Adult-Use Cannabis Ordinance
- > License Types Available
 - > Retail
 - Cultivation
 - > Manufacturing
 - Distribution
 - Laboratory Testing

Cannabis Tax Rates

➤ Nov. 2016 – Cannabis Tax Rates (MA)

City of Long Beach Cannabis Business License Tax Rates									
Business Type	Medical/Adult- Use	Current	Maximum	Minimum ⁽¹⁾					
Dispensary	Medical	6%	8%	0%					
	Adult-Use	8%	12%	0%					
Cultivator	Both	\$12/sq ft	\$15/sq ft	\$0/sq ft					
Manufacturer	Both	6%	8%	0%					
Testing Laboratory	Both	6%	8%	0%					
Distributor	Both	6%	8%	0%					
(1) Pursuant to Measure MA, Cannabis businesses are required to pay a minimum flat tax of \$1,000 per year.									

Cannabis Tax Revenues

GENERAL FUND - CANNABIS REVENUES								
Due Tune	Tov	<u>FY18</u>			<u>FY19</u>			
Bus. Type	<u>Tax</u>		<u>Actual</u>		Estimated			
Dispensary	Gross Receipts	\$	626,130	\$	2,329,341			
Cultivation	Square Foot	\$	517,404	\$	442,565			
Lab Testing	Gross Receipts	\$	80,506	\$	175,288			
Manufacturing	Gross Receipts	\$	500	\$	17,500			
Distribution	Gross Receipts	\$	-	\$	4,750			
TAX SUBTOTAL		\$	1,224,540	\$	2,969,444			
Fees & Penalties		\$	399,000	\$	1,195,000			
TOTAL REVENUES		\$	1,623,540	\$	4,164,444			

Cannabis Applications/Licenses

> 821 Applications Received

- 66 Licenses Issued
- > 534 Applicants Pending
- ➤ 216 Applications Closed or Ineligible

> 244 Proposed Cannabis Facilities

Co-location + vertical integration limits number of facilities relative to applications/licenses

Cannabis Facilities

Summary of Proposed Cannabis Facilities
(as of March 21, 2019)

Facility Status	No. of Facilities				
Issued License	33				
Under Construction	54				
Building Plan Review	67				
Pending Plan Submittal	75				
Application Review	15				
TOTAL	244				

Cannabis Tax Comparison

CANNABIS TAX RATES BY JURISDICTION											
City	Pop.	Re	tail	Cultivation		Manufact.		Distribution		Lab Testing	
		М	Α	M	Α	Μ	Α	M	Α	Μ	Α
Los Angeles /Orange County Comparables											
Long Beach	478,561	6%	8%	\$12/sq ft		6%		6%		6%	
Los Angeles	4,054,400	5%	10%	2% 2%		1%		1%			
Santa Ana	338,247	6%	8%	6%		6%		6%		5%	
Other California	Other California Comparables										
San Diego	1,419,845	0%	5%	0%	5%	0%	5%	0%	5%	0%	5%
San Jose	1,051,316	10)%	10%		10%		10%		10%	
San Francisco	883,963	0%	2.5-5%	1-1.5%		1-1.5%		1-1.5%		1-1.5%	
Sacramento	501,344	4	%	4%		4%		4%		4%	
Oakland	428,827	5%	10%	5%	10%	5%	10%	5%	10%	5%	10%

Questions?