

September 20, 2022

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RE: Comment Letter In Opposition to Urgency Ordinance No. 1699(22) to Suspend the Issuance of Commercial Cannabis Use Licenses

Dear Honorable Councilmembers:

My name is Amy Steinfeld and I represent several cannabis clients who will be severely impacted if the City of Lompoc (City) adopts Urgency Ordinance No. 1699(22) to suspend the issuance of commercial cannabis use (CCU) licenses. In brief, the Urgency Ordinance will have the following impacts:

1. A material negative impact on many existing and new Cannabis Businesses, creating tremendous uncertainty over their continued ability to carry out their planned projects – the lifeblood of their cannabis operations.
2. Thousands of jobs are in jeopardy, potentially impacting tax revenue and business viability throughout the City.
3. The City will be exposed to takings lawsuits and associated damages as a result of the loss of vested, real property rights, the reduction in value of property within the City, and economic losses from inability to process and sell cannabis agricultural crops, most of which are grown locally in the County of Santa Barbara (County).

The Urgency Ordinance is not warranted, and unduly impacts the Cannabis Businesses' significant investments in the City's and County's thriving cannabis sector. The imposition of a moratorium unnecessarily creates conflict among applicants, and between them and the City, without addressing any legitimate, demonstrable problem. For example, the findings listed in the Ordinance are not supported by evidence.

Passage of the Urgency Ordinance would also disregard the millions of dollars which have been spent in the entitlement and building process without appropriate due process. First, it is unclear whether this would apply to all applicants in the process, including those with vested rights. Second, as staff notes: "Applicants invest tens of thousands to millions of dollars in improvements to proposed buildings for their operation, **before their CCU License is approved.**" Therefore, adoption of a moratorium for an undisclosed amount of time amounts to a taking of vested property rights without just compensation. This imprudent approach to managing the cannabis industry unnecessarily

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exposes the City to litigation and resulting inverse condemnation damages, and it will harm the otherwise vibrant cannabis economy in the City.

The Urgency Ordinance does not establish a productive path to achieve any legitimate goal and is instead constitutionally deficient. Therefore, we respectfully urge the Council not to adopt the Ordinance and instead convene a meeting with the cannabis industry to discuss any concerns, and develop a reasonable path to address any concerns.

Sincerely,

Amy Steinfeld 

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