

Aug 13, 2020

Placerville City Council
3101 Center Street
Placerville, CA 95667

Re: Expansion of Cannabis Dispensary Permits
Alternative to Starting Cannabis Dispensary Application Process Over

Dear Mayor and City Council Members:

We would like to submit a supporting letter to the document we collaborated on and submitted with; Cannatopia , Element 7 & Reserve House. In that letter we joined together to urge the City Council to expand the potential number of cannabis permits in the City of Placerville to five.

As you know, we proposed that the Council allow all 3 City Manager chosen applicants and the Top 3 HdL scored applicants to be awarded permits. This will create a Win/Win scenario that allows the City to permit the applicants the City Manager was appointed to choose but also agree to Mr. Driscoll's recommendation to award the top HdL scoring applicants and eliminate the threat of the lawsuit that the Council deems serious enough to alter course at this stage.

We continue to feel this to be the best option but we also wanted to show major support for the letters submitted by Sacred Roots & Reserve House. We are taking this opportunity to go into more detail on how we suggest best to proceed to keep the City safe from any and all litigation threats but also allow us all to move forward.

As you are familiar, on July 16, 2020, the Council held a meeting to hear four appeals of the City Manager's January 9, 2020 selection. After the Council deliberated, it voted to start the application process all over again allowing the original 13 applicants to re-apply and waiving application fees.

During its deliberations, the Council expressed concern over perceived HdL scoring issues and the potential for future litigation from appellants who felt it was unfair they did not have the chance to correct their scores in a Phase 2 appeal. We understand awarding permits in regards to scores while having had appeals to the HdL scores created a sense of vulnerability to the City, so we agree with Sacred Root's recommendation to allow appellants to be granted to go through the same Phase 2¹ appeal presented to Chuck's and Reserve House should they want to. Also noting that anyone who did not appeal their score, the City's decision or who did not appear at the July 16 hearing would not be allowed to proceed with appealing the scores or decisions made by the City of Placerville.

This option would considerably reduce time and expenses and allow the opportunity to 3 of the appellants to appeal their scoring. This would likely only be taken up by Trez as they would be the one needing to benefit from a score increase to change any of the standings of the top scorers. This creates fairness since appellants appealed fairness of the score adjustments and this will offer them the same opportunity they have asked for and will no longer have a case for litigation.

¹HdL feedback for Phase 3 chapters was not released and no parties appealed these scores or have the information in order to appeal. Appeals given were phase 2 only and should only be for Phase 2, to keep it fair if any appeals are actually submitted.

We also feel strongly that all of the permits that the City chooses to award should be the same business model they submitted in their initial application. Especially, but not limited to, those being chosen as a Top Scored candidate since they were awarded points for their proposed model of business and will be awarded a license off their score.

Some applicants may have canceled their leases on their buildings, which earned them points. Or some applicants have new business partners... All of us had to secure a building long before submitting our application and continue to have the overhead of these fixtures since it is what we proposed to the City. A change in location is a substantial change to their application and should disqualify them from being awarded a license because until this date, no changes to our applications are allowed. All applicants had competition to secure a building long ago and the overhead we have all endured over this extensive process has been a substantial cost on all of our budgets. A fresh start without competition and a granted license not based on their proposed location is simply unfair to the rest of us. We ask to remember this stipulation when setting forth your decision to move forward with permits. Should you also agree to increase the number of permits please honor the process and applications we submitted and promised to deliver to the City.

In conclusion: We saw the areas in which the City is vulnerable to litigation and we have addressed a process to move forward that would eliminate these vulnerabilities. We strongly urge the Council to adopt this far more palatable alternative than the overwhelming and treasury draining choice to start the entire process over while waiving much needed fees. We plead with the council to let us work together and work to resolve this weight of a lengthy process ahead, lawsuits and over all a major disservice to the resources that could be given directly to the community and chose a new resolution, hopefully selecting options 1 & 2 presented below.

1. Increase the number of permits to provide for the City Manager's choices (Sacred Roots, Chuck's Wellness Center & Reserve House) together with the Top scored applicants (Sacred Roots, Element 7 & Cannatopia). With certain stipulations and criteria, honoring the submitted applications and processes to date. Maximum permits would become 5 but potentially less should some no longer qualify.

Eliminating vulnerability to lawsuits from either side of the party, Win/Win scenario.

2. Allow Sacred Roots, Chuck's Wellness Center & Reserve House to keep their previously awarded permits and allow the appellants Element 7, Cannatopia & Trez the opportunity to submit the same appeal awarded others in Phase 2, allowing them to dispute any corrections needing to be made to their HdL scores. Should no Appeals be submitted then the current top ranked scores would remain the awarded applicants.

Eliminating unfairness allegations and litigation vulnerability due to those not awarded this process.

Should these options be unsatisfactory to the Council, and proceeding to restart the process remains as your conclusion, we ask that we are allowed an opportunity to give input on the fairness of changes that some companies are allowed to make. Considering many will be starting fresh with different or new buildings, new investors or partners, while others will have held on through the long haul committed to the course that was laid in front of us in 2018/2019, proving

our investments a waste of time and resources, while adding in substantial new costs and risk in working with the new process that has yet to be created by the City of Placerville.

Demonstrated by the fact that four competing applicants have found common ground in submitting a letter, we collectively believe that the City of Placerville stands to gain far more by allowing the cannabis permitting process to move forward, rather than backwards. We believe that through collaboration, a better outcome can be achieved for all.

Sincerely,

Annie Aubrey
Annie Aubrey (Aug 13, 2020 14:52 PDT)

Kimberly Cargile

Annie Aubrey

Conscious Consulting & Yoga Inc.
dba: Chuck's Wellness Center
1318 Broadway
Placerville, CA

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