

Dear Mr. Traina,

We are in receipt of your letter dated May 3, 2023 concerning the City of Manteca's purported "corruption" in the cannabis application process. After reviewing your letter, we submit the following response to clear up any misunderstandings, inaccuracies, and/or discrepancies stated in your letter.

First and foremost, the application and scoring process has not started at this juncture; as such, your concerns as to potential issues have not come to fruition (nor are they even likely too) and thus are nothing more than rash hypotheticals. The City has had and will continue to have an open, objective, and transparent process – from the numerous community workshops, updates and discussions at City Council and Planning Commission meetings, and ultimately, the possible selection of a cannabis permit for an applicant. Thus, it would be inappropriate and premature for the City to speculate and/or offer conjecture as to any potential sites at this time as the process needs to play out as approved by the City Council.

Second, and critically, Mayor Gary Singh does not personally own and/or have a personal interest in any property that is up for consideration for a feasible cannabis permit. As he noted at the last City council meeting that approved the application process (on March 7, 2023), he recused himself (out of an abundance of caution), as while there is no actual and/or potential conflict of interest at this juncture, based on the draft map that was provided, there is a possibility that a parcel where his family has an interest could potentially be considered as part of the process based on the approved restrictions. To be clear, the Mayor will not be submitting an application for a permit. In sum, his actions to date are the opposite of "corruption", and do not amount to "fraud".

Third, any candidate is welcomed to retain any legal counsel, consultant, and/or other vendor to assist them with the application process. The City, however, will not weigh applications (one way or another) based on the size and/or perceived prestige of any law firm and/or outside agency who assists an applicant with the application process, and/or whether or not an applicant elects to utilize a lawyer and/or consultant (one way or another). That is not part of the scoring criteria.

Fourth, the scoring system was published and noticed consistent with state law *before* it was approved by the City Council on March 7, 2023. To date, the City has and will continue to welcome any feedback on the scoring criteria. Information on the City's cannabis efforts can be found here (<https://www.manteca.gov/departments/office-of-the-city-manager/cannabis-program>) and here (https://manteca-ca.legistar1.com/manteca-ca/meetings/2023/3/1565_A_CITY_COUNCIL_23-03-07_REGULAR_MEETING_AGENDA.pdf).

Fifth, the City wants to clarify that the City is not imposing a "tax" on cannabis at this juncture (as you state), but instead, entities that receive a permit will be subject to a community benefit agreement.

Sixth, regarding "Section D: Proposed Location," the general theory behind the scoring criteria is that, all else being equal, residents typically prefer that cannabis businesses be located further away from sensitive uses (e.g. schools, daycares, etc.) than the state minimum. This is why buffer distances are referred to as minimum distances. Often, residents will complain that 600 feet is not far enough from schools, daycares, and youth centers, etc., particularly given student paths of travel. Similarly, residents are frequently unhappy when a location is selected that abuts their residential property. Many people do not want to live next door to a cannabis business. These are very reasonable concerns. As a result,

awarding more points to applications that exceed minimum buffers is a fair, objective, and defensible methodology from a policy standpoint.

That said, the scoring criteria for Section D is included in **Phase II**, which is primarily intended for quality assurance. For your own edification, the vast majority of vetting/selection typically occurs during **Phases III and IV** of the application process (which do **not** include consideration of Section D scores). As a result, Section D will **not** play a deciding role in the application selection process. Even within Phase II, Section D accounts for less than 10% of the overall points awarded. The idea that Section D was added to favor specific properties and/or applicants is patently false.

Seventh, as to allocation of points, **none** of the scoring criteria (Sections A through H) assign specific weights to subcategories. Therefore, it is unclear why you call out “Section D: Proposed Location” for this reason. If anything, “Section D: Proposed Location” provides greater detail/transparency on scoring than any of the other sections.

Finally, each phase of the application process allows for applicant appeal. If an applicant has complaints related to the use, scoring, transparency, and/or any other issues related to Phase II, they will have an opportunity to argue their case in front of an impartial third-party Hearing Officer.

We hope this offers some clarity as to your concerns. We welcome any further feedback and/or comments throughout this process.

Sincerely,

Toni Lundgren
Interim City Manager