

WEST HOLLYWOOD PROGRAM

40 Licenses

- Adult-Use Retail
- Medical
- Consumption Lounge (Smoking, Vaping, Edibles)
- Consumption Lounge (Edible Only), with Ancillary Smoking
- Delivery
- Special Events Not Currently Allowed
- Merit Based Selection, instead of First-Come First-Served, or Lottery
 - Business Plan, Design, Security, Experience, Innovation, Social Equity, Community Engagement, Operations
- Received 325 Applications for 40 Licenses, Top Scoring Applicants Announced in 2018
- 7.25% Gross Receipts Tax on All Adult-Use Cannabis, No Tax on Medical
- Screening Fee of \$9,880 per application. If selected, additional application fee of \$4,035

LOUNGE EXAMPLES ORIGINAL CANNABIS CAFÉ (REOPENING AS HIGH TIMES CAFÉ)



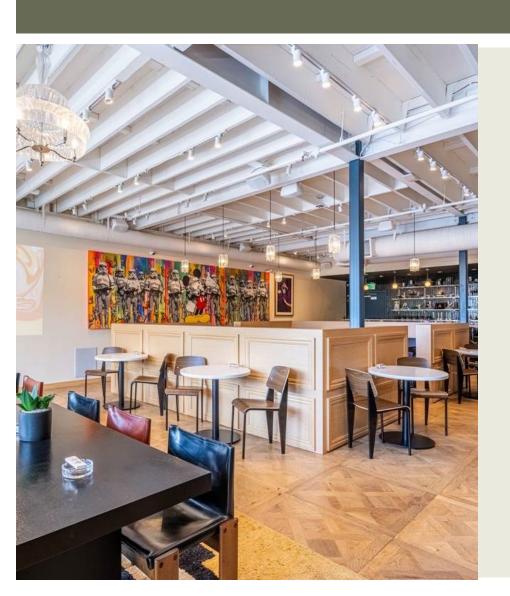






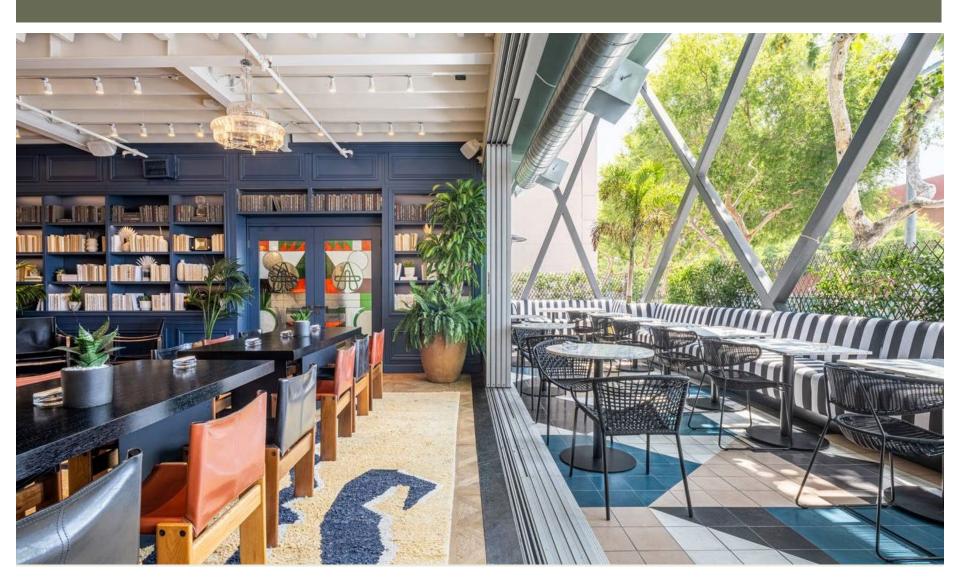
- Standalone Lounge (no dispensary)
- Attached Restaurant
- Full Consumption
 Lounge (smoking allowed everywhere)
- Outdoor and Indoor Smoking

LOUNGE EXAMPLES THE ARTIST TREE



- Lounge Attached to Dispensary
- Food Delivered in from Nearby Restaurant
- Lounge with Ancillary Smoking (smoking only allowed in 50% of the lounge)
- Smoking Indoors and Outside
- Regular Performances, Yoga
 Classes, Art Classes

LOUNGE EXAMPLES THE ARTIST TREE



OTHER UPCOMING LOUNGES

- Aeon Botanika (Opening Q4 2022)
 - Attached to Dispensary, Full Smoking Lounge, Completely Indoors, Treatment Rooms, Moroccan Theme
- Fantom Flower (Opening Q4 2022)
 - Standalone Lounge, Ancillary Smoking, Completely Indoors, Live Entertainment, Separate Downstairs Restaurant with Alcohol
- The Woods (Opening Q4 2022)
 - Attached to Dispensary, Ancillary Smoking, Indoors and Outdoors, Food Delivered From Adjacent Business, Tropical Garden with Koi Ponds
- PleasureMed (Opening Q1/Q2 2023)
 - Attached to Dispensary, Full Smoking Lounge, Completely Indoors,
 Attached Restaurant with Alcohol

SIGNIFICANT LOCAL (WEHO) REGULATIONS

Weho Specific Requirements:

- Educational Components (Staff and Customers)
- Ventilation/Filtration Systems (Odor Control)
- Security Integration Into Design
- Neighborhood Security Patrol
- Soundproofing Required

Application Rating Components:

- Social Equity (Hiring, Pay, etc.)
- Design Quality
- Community Engagement

Other Allowed Uses:

Ancillary Cultivation and Manufacturing

CHALLENGES

- Hours: State (10PM) v. Local (2AM)
 - West Hollywood would like to allow longer hours, but state regulations don't allow that
- Sale of Non-Cannabis Food and Drinks
 - State regulations don't allow non-cannabis food and beverages to be sold on-site. Can be delivered in.
- Patron Intoxication (education is key; educate new patrons on how much to consume), may lounges provide discounted rideshare
- Odor (Smoke) (High quality ventilation systems are key, requirements that outdoor areas be closed if they become problematic)
- <u>"Left-overs" and "To-Go" Items</u> (Should patrons be allowed to take their leftovers with them? West Hollywood allows this)
- <u>Federal Tax Structure</u> (Businesses can't write off their expenses, like other restaurants or bars, which makes profitability more difficult)

CANNABIS AND HOSPITALITY INTEGRATION IN WEHO

Cannabis is being integrated directly into hospitality uses, and also into the City's larger hospitality industry

- Cannabis Businesses Adjacent to Hotels
- Located on Major Hospitality Streets (The Sunset Strip)
- Adjacent to Other Hospitality Uses (Bars, Restaurants, Entertainment Venues)
- Consumption Lounges as Restaurants and Entertainment Venues

FINAL THOUGHTS

- West Hollywood wanted Consumption Lounges to be as high quality as other businesses in the City
- Significant regulations and license conditions related to odor, security, and business operations are important
- Very few complaints or issues with the businesses that have been open
- Popular consumption lounges can generate significant revenues
- Helps to draw people to nightlife areas
- Be flexible, willing to help the businesses, and make regulatory changes

