



# CITY OF COSTA MESA

# RETAIL CANNABIS TAX & REGULATION MEASURE

## FACT SHEET

**Measure Q** – the City of Costa Mesa Retail Cannabis Tax and Regulation Measure – would allow the City Council to adopt rules permitting cannabis retail uses within the City. If adopted by a majority of Costa Mesa voters, the Council can enact a gross receipts tax on recreational cannabis sales, from four-to-seven percent, which could **generate up to \$3 million annually** to support City 911 emergency response, public safety and essential services.

Facing a revenue shortfall due to the COVID-19 pandemic, and after extensive conversations with stakeholders, the Costa Mesa City Council voted to place **Measure Q** on the November 3, 2020 ballot. Any revenue from **Measure Q** would stay local and go entirely to the City's general fund, available to preserve the City's existing local public safety and quality of life services.

Funds from **Measure Q** would help ensure funding for core public services including:

- 911 emergency response
- Fire and Police services
- Emergency operations and disaster preparedness
- Homeless and housing services
- Road and infrastructure maintenance
- Small business support
- Parks, recreation and open spaces



### MEASURE Q WOULD REGULATE CANNABIS IN COSTA MESA

Costa Mesa voters approved Measure X in 2016, which allowed certain non-retail cannabis uses (i.e. manufacturing and distribution) in the City, subject to the approval of a Marijuana Business Permit and Conditional Use Permit. Under Measure X it is currently illegal to operate a cannabis dispensary or business that sells or delivers cannabis products in Costa Mesa. Amending Measure X to allow for the sale of cannabis cannot be done by the City Council—it must be decided by Costa Mesa voters – and that's why **Measure Q** was placed on the ballot.

**Measure Q** would allow the City to develop rules for cannabis storefront dispensaries and non-storefront delivery services that best serve the residents of Costa Mesa. The City is dedicated to ensuring that any retail dispensary would follow strict rules and regulations including requirements from the State's Bureau of Cannabis Control. These regulations must include restricting all retail uses to commercially-zoned properties, as well as in the Green Zone for delivery only. Retail cannabis would be prohibited from being located within 1,000 feet of schools, playgrounds, child care centers or homeless shelters. Storefronts would be required to utilize exterior building lighting, video monitoring, and security guards. Any tax imposed by **Measure Q** would only be levied on those retailers who are selling cannabis in or from the City.

## MEASURE Q WOULD HELP ENSURE FUNDING FOR CORE PUBLIC SERVICES

The City of Costa Mesa proudly provides an abundance of programs and services to its residents, including public safety, parks and recreation programs, youth and senior services. The City's dedicated leaders and staff are continuously working to improve residents' quality of life by keeping the City safe and clean, cementing Costa Mesa as the ideal place to live, raise a family, and run a business for generations to come.

Like many cities across the country, Costa Mesa has been significantly impacted by the worldwide coronavirus pandemic (COVID-19), which has impacted the City's short- and long-term finances. While the City was able to adopt a budget that addressed the projected shortfalls for the current year, future revenues are uncertain.

The City is looking at options to offset these revenue losses and securing the City's financial future in order to continue to provide the high-quality services residents deserve and depend on . If passed by a majority of voters, revenue from **Measure Q** could be used to preserve these services that strengthen our community and keep Costa Mesa an idyllic destination for families and visitors alike.

The up to \$3 million in new funding from **Measure Q** would help the City to address serious maintenance needs, including keeping our community and open spaces clean and well-preserved, and better address the homelessness epidemic.

By maintaining critical public safety and community services, we'll preserve our quality of life that is needed to attract and retain the local businesses that are the backbone of our economy, keeping jobs local and our community employed.

## TRANSPARENCY AND ACCOUNTABILITY

If **Measure Q** is passed by a majority of Costa Mesa voters, all funds generated will remain under local control and for the benefit of the Costa Mesa community.

If approved by voters, all generated revenue would go solely to the City for services residents and businesses rely on every day. Transparency and accountability are an important part of this measure. It requires annual independent financial audits, and public disclosure of all funds.

## WHAT'S NEXT

For additional information on **Measure Q**, the Retail Cannabis Tax and Regulation Measure, please visit our website [www.CostaMesaMeasureQ.com](http://www.CostaMesaMeasureQ.com).

