



December 23, 2022

Riverside Planning Commission,

My name is Matthew Nathaniel, and I am both a resident of downtown Riverside and a business professional in the cannabis industry, currently serving as Director with the Shryne Group. I would like to begin by thanking you for the recent discussion on December 8th in an effort to put forth the best ordinance for the City of Riverside. While this is a lengthy process, it's exciting to be moving closer to legal, regulated cannabis in order to provide safe access to local consumers.

Having a great deal of experience with cannabis licensing, I want to express the importance of establishing the foundation for a smooth and efficient process. This begins with decisions regarding zoning and sensitive receptors. Cannabis businesses are heavily taxed, have stringent regulations, and limited traditional marketing options. This is why it's essential for cannabis retail stores to be located in commercial zones in areas with high foot and vehicle traffic.

First there is the consideration of sensitive receptors, and how they should be defined. I encourage the city to be clear on the definitions of sensitive uses. When searching for properties, it is difficult for operators to make decisions if the definitions are ambiguous and not clearly stated. Typically, sensitive uses include schools (K-12), registered day care centers, and youth centers. Schools (K-12) and licensed day care centers are easily identifiable. However, "youth centers" are difficult to define. To maintain clarity, only locations that cater specifically to youth under the age of 18 are generally considered sensitive receptors. For example, churches aren't considered a sensitive receptor, unless it has a licensed daycare or preschool that operates daily on premises. Other locations such as universities and hospitals simply don't cater specifically to youth under 18 years old, and are not considered sensitive receptors.

Next, distance separation, or buffers, from sensitive receptors need to be examined. California state law requires a 600 ft separation from sensitive receptors. And while the city has discretion to modify the distance to more than 600 feet, it's vitally important to consider the amount of properties in commercial areas that will actually be available to a cannabis retail store and also be a viable location for a successful business. Looking at a map, one might think that if there are only 14 businesses allowed, there are plenty of locations. However, as you can see on the map provided by staff, the vast majority of compliant commercial properties are located along the Riverside Freeway (91) on Magnolia and Indiana, as well as downtown. There are a few spots at Van Buren Blvd and Arlington, at University and the 215, and at Canyon Springs and the 215. There are also other ways to measure these separation distances, such as path of travel from door to



door, which more accurately represents reality than property line to property line in a straight line.

This is a narrow market already, and as anyone experienced in this industry will tell you, most of the locations that appear available on a map aren't actually available. Most already have a business on site, while others simply prefer not to work with a cannabis business. This greatly reduces the real options for cannabis retail stores, and creates a predatory real estate market for landlords, making it exponentially more expensive to secure and hold a property for an applicant. With these market conditions, I encourage the city to allow the 14 proposed retail stores to be allowed across the city and not place limits by ward. I also encourage you to consider the impact of sensitive receptors, separation distances on the real estate market, and how location can either set a business up for success, or condemn it to failure.

Riverside needs to have a good mix of businesses with strong, proven track records of success to ensure that the businesses can open in a timely manner, and will be able to follow through on community benefits, as well as deliver strong tax revenue to the city. These are the type of businesses that will have the highest standards of product safety and on-site security to ensure safe access for consumers, and improved safety in the neighborhood.

I am happy to answer any questions at your convenience, and invite you to a tour of the Shryne Group's flagship facility. This is a unique opportunity to see full vertical integration in a single location including tissue culture, cultivation, manufacturing, distribution, and retail. The behind-the-scenes perspective illustrates the different safety aspects of the product life cycle. Feel free to reach out if you have any questions, and would like to schedule a brief call or tour.

I look forward to continuing to work toward the creation of an ideal licensing process for the City of Riverside. Thank you for your time and consideration.

Sincerely,

Matthew Nathaniel

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