

EXHIBIT F

Industry Meeting Summary

SMOKE SHOP INDUSTRY MEETING NOTES

Following the Planning Commission hearing on January 15, 2025, staff held a meeting to present information about the proposed text amendment and invite feedback from smoke shop owners and operators and members of the community who may be affected by, or have an interest in, the proposed text amendment.

The meeting occurred in City Hall Council Chambers on Thursday, January 23, 2025, from 9:00 A.M. to 11:00 A.M. Approximately 40 smoke shop business owners and operators as well as tobacco and vapor product distributors attended the meeting. The following is a list of areas of concern and support, as well as general comments and recommendations that owners and operators shared during the meeting:

Concerns

- The amortization requirement would force businesses to shut down which would impact families and could result in increased unemployment rates
- The amortization process conflicts with Section 15-404-A (Continuation of Legal Non-Conforming Uses) of the Fresno Municipal Code (FMC)
 - Existing Smoke Shop operators felt they should be “grandfathered in” and permitted to continue operations after adoption of the proposed text amendment; regardless of compliance with applicable location restrictions
- Existing Smoke Shops should not be required to obtain a CUP
 - Operators must obtain multiple licenses from various governmental agencies. Requiring another application and license is too much
- CUP application fees are too high
- The CUP process should not implement a lottery system
- Businesses which close under the amortization process will result in lost businesses tax revenue to the City
- The amendment does not include resources/assistance available to businesses which must close or change business operations under the amortization process
- The limit on the number of Smoke Shops permitted citywide (49 max) is too low
- Enforcement
 - Loitering requirements are difficult for operators to enforce; especially within a shopping center
 - The State already regulates and inspects. The City should lean on the State for enforcement
- Security Cameras – some property owners may not allow installation of exterior security cameras
- Training – some operators felt that complying with existing State law was adequate and that requiring all employees undergo additional training is excessive.

Suggestions/Recommendations

- Instead of Amortization and CUP requirements for Existing Smoke Shops, the proposed text amendment should include Cancel and Transfer requirements similar to those included in the Responsible Neighborhood Market Act (Section 15-2706 of

SMOKE SHOP INDUSTRY MEETING NOTES

the FMC), which regulates establishments that sell alcoholic beverage for off-site consumption

- Under this recommendation, Existing Smoke Shops would be allowed to continue operations indefinitely and New Smoke Shops would be required to obtain an approved CUP in accordance with applicable location restrictions and regulations including requirements to obtain, cancel, and transfer tobacco retail licenses from existing smoke shops
- Under this recommendation, the number of Existing Smoke Shops within City limits could incrementally decrease as New Smoke Shops are approved
- All operators should be required to use a Point-of-Sale system (POS) that requires I.D. checks for sales

Support

In general, Smoke Shop owners/operators were not opposed to:

- Allowable hours of operation from 8:00 A.M. to 10:00 P.M included in the proposed text amendment
- Visibility/window transparency requirements
- No persons under the age of 21
- No illegal drugs or gambling
- Annual inspections
- Cigarettes should be displayed/stored behind the counter and out of reach

Miscellaneous Comments

- The goal is to shut down businesses; not regulate
- The City should have placed a moratorium on the issuance of Zone Clearances and business licenses for new Smoke Shops following initiation of the proposed text amendment
- Additional regulations make it very difficult to run a viable business and earn a living.
- The rules and requirements should be simple and easy to follow. What's proposed is overregulation
- Instead of adopting new regulations and application requirements, the City should continue with inspections and enforcement of operators selling illegal tobacco and cannabis products and/or engaged in criminal activities which has resulted in the closure of several businesses
- The City should provide a list of products that are legal vs. illegal
- Current inspections and citations for selling prohibited products (e.g. flavored tobacco) are inconsistent
- Operators feel that code enforcement should not violate landlords.
- City staff (e.g. Code Enforcement and PD) should be trained in identifying products that are legal and illegal to avoid unnecessary citations

SMOKE SHOP INDUSTRY MEETING NOTES

- Illegal cannabis products that businesses are being cited for selling are legal CBD products
- When businesses are cited for violations, general employees should not be cited & fined
- Operators expressed a desire to talk to councilmembers and felt that the City Council should meet with the business owners before considering the text amendment
- The Text Amendment will result in black market sales of products
- The City should retain a third-party consultant to analyze the impacts
- If a business is fined for selling prohibited/illegal product, wholesalers supplying the products should also be fined

**CITY OF FRESNO
PLANNING AND DEVELOPMENT DEPARTMENT**

INFORMATIONAL MEETING

SMOKE SHOP TEXT AMENDMENT

The City of Fresno Planning and Development Department will conduct an informational meeting regarding **Text Amendment Application No. P23-03410**. The proposed text amendment, as initiated by the Fresno City Council, proposes to amend the Citywide Development Code relating to terms and definitions and the sale of tobacco vapor products. The purpose of the Amendment is to establish regulations for Smoke Shops.

The purpose of this meeting is to present information about the proposed text amendment and invite feedback from smoke shop owners and operators and members of the community who may be affected by, or have an interest in, the proposed text amendment.

Meeting Information

Date: Thursday, January 23, 2025

Start: 9:00 a.m.

End: 11:00 a.m.

Place: City Hall Council Chambers, Second Floor, 2600 Fresno Street,
Fresno, CA 93721


For additional information, contact Phillip Siegrist, Planning Manager, Planning and Development Department, 2600 Fresno Street, Fresno, California 93721-3604, by phone at (559) 621-8061 or via e-mail at Phillip.Siegrist@fresno.gov. *Si necesita información en Español, comuníquese con Valeria Ramirez al teléfono (559) 621-8046 o por correo electrónico a Valeria.Ramirez@fresno.gov.*

SIGN IN

Smoke Shop Text Amendment Meeting

Thursday, January 23, 2025

9:00 AM Fresno City Council Chambers

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Nicolas Diaz			
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Sam Asu	559-736-3641		

Smoke Shop Text Amendment Meeting

Thursday, January 23, 2025

9:00 AM Fresno City Council Chambers

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Gurmeet Singh			

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Smoke Shop Text Amendment Meeting

Thursday, January 23, 2025

9:00 AM Fresno City Council Chambers

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