



CITY COUNCIL STAFF REPORT

Cont. to 4.11.12

DATE: ~~March 21, 2012~~ NEW BUSINESS

SUBJECT: DISPOSITION OF AVAILABLE PERMIT TO OPERATE A MEDICAL MARIJUANA COLLECTIVE / COOPERATIVE

FROM: David H. Ready, City Manager

BY: Department of Planning Services

SUMMARY

On February 6, 2012, the City Manager revoked the medical cannabis regulatory permit for Cannahelp Corporation. On appeal, the City Council upheld the revocation on March 7, 2012. The City Council now has the opportunity to determine whether to award the available permit to a qualified collective or cooperative. At its option, the Council may limit consideration to those applicants which submitted in 2009, invite new applicants to apply for the permit, or decline to re-issue the permit.

RECOMMENDATION:

Direct staff to solicit updated applications from those 2009 applicants who have indicated an interest in the available permit.

STAFF ANALYSIS:


Following revocation of the Cannahelp permit, and responding to Council direction of March 7, 2012, staff contacted the nine non-permitted applicants from 2009:

- Cannahelp
- Farmacy Collective
- West Valley Patients Cooperative
- Happy Relief Center Collective
- Palm Springs Compassionate Care
- Desert Valley Patients Collective Association
- Greenway Nature Care Center
- CAPS Collective Apothecary
- Herbal Solutions

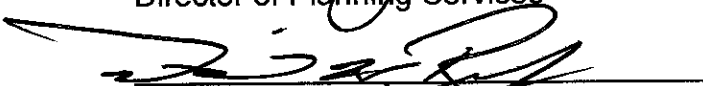
Staff requested each of the above applicants to notify the City no later than March 20, 2012, of their interest in submitting revised applications for possible award of the available permit. Staff will report at the Council meeting how many of these applicants responded.

Staff anticipates that most or even all of the applicants from 2009 could propose new addresses for their applications, should the Council limit the permit to these prior applicants. If the Council elects to seek new applications, staff recommends establishing a short timeframe within which the City will accept new applications (a thirty-day period was set forth in the original ordinance). If the Council elects to “table” the issue and not award the currently available medical cannabis regulatory permit, the two existing permit holders would continue to provide medical cannabis to their members.


FISCAL IMPACT: None



Craig A. Ewing, AICP
Director of Planning Services



David H. Ready, City Manager



Thomas Wilson
Assistant City Manager

March 29, 2012

To: David Ready
 City Manager
 Palm Springs

From: Harold Vanasselt
 Jefferson Media

Re: Further Investigative Findings in Proliferation of Medical Marijuana Dispensaries in Palm Springs; Analysis and Recommendations of Jeffersonian Design

In California there is now one medical marijuana clinic for every 2700 people. That comes to a staggering 11,000 dispensaries statewide of which about 95% are unlicensed. Thirty six of these have been raided and overdone with media sensation; another couple of dozen were audited by the IRS "using an obscure provision of the federal tax code" that went nowhere; and the "state's four U.S. Attorneys sent at least 150 letters to landlords telling them to evict their tenants or face seizure of their property" not knowing that many of the landlords where grower/operators themselves. According to the LA Times, all those efforts by the feds were capped by the "Federal Deposit Insurance Corp. has pressured banks to close accounts linked to marijuana". The feds never put up a fight; they just gave the appearance.

Statewide there is no order in this new frontier mandated not only by vote of the people, but by the simple fact there will likely be as many marijuana dispensaries as there are outlets which sell cigarettes and alcohol. There is no effectively organized "operating fee/tax" like a bed tax from which a city could immediately benefit as it deals with the direct consequences of a state wide vote, with no help from the state or the feds. The state's Board of Equalization doesn't know how much it collects on marijuana sales tax. The Legislature of this fine state "has been unable to enact" controls, leaving it all up to the City of Palm Springs to handle the fast growing number of unlicensed dispensaries in this world class tourist destination.

Since it is all up to the cities/municipalities, the City of San Jose has supported a few activists who collected enough votes for a referendum to call the law "unworkable". Since last November, city officials have been quietly and effectively meeting with the activists. First on the city's agenda: official increase in collectives. Four months later they're still pretty quiet in San Jose.

Now the City of Palm Springs finds itself in a similar predicament in which an action/response is required in what can be clearly defined as an out of control consequence of the popular vote, as two more dispensaries have opened shop since last week. (All in plain view, and not all in industrial areas. Many are clustered around the two clinics that have valid permits. They all know about each other as do those who shop for variety in shopping mall style)

In the absence of an effective state and federal authority in managing the lawfully mandated distribution of medical marijuana, and with the county in a complete state of legal denial, it is up to the leadership of Palm Springs to take the only step it can by recognizing, like San Jose, this simply can't be wished away emotionally, but must be addressed with Jeffersonian vigor. The crucible for change is in place; the effective efforts of San Jose and our own DA demonstrate that the medical marijuana event can be addressed, and eventually contained in fashion beneficial for all concerned.

A great place to start is by taking a 30 minute tour which this Jeffersonian is ready to provide

MAR 29 2012

March 22, 2012

To: David Ready

City Manager

Palm Springs

From: Harold Vanasseit

Jefferson Media

re: Proliferation of Unlicensed

Medical Marijuana Dispensaries; Investigative Findings, Analysis and Recommendations; and other related issues

Your rapid personal reply to my inquiries, regarding the above issues, indicated your office took my presentation very serious in spite of perhaps being unorthodox. The fact that the disputed "third medical marijuana permit" was still "available" in a Desert Sun report, along with the fact that the city council meeting to "kill" this issue was cancelled, indicates the City of Palm Springs is ready to consider options previously not entertained.

A good focal point to address the proliferation of unlicensed medical marijuana dispensaries would be to review the recent campaign by District Attorney Paul Zellerbach conducting an effective sting against a few dozen unlicensed contractors arrested in Riverside County. The gentleman prosecutor was not beating his political war drums, but skillfully and effectively seeking resolve: "This is not about punishment; I just want to see them getting their license." By intermittently exercising these stings is an effective way for the DA to level the playing field for all contractors. No doubt, the proactive DA has helpful literature on hand to distribute to those arrested in the stings to help send the unlicensed contractors in the right direction.

By utilizing an enforcement template as demonstrated by the DA, it is very possible to engage ALL unlicensed dispensaries in similar fashion. However, before this tactic can be effectively and uniformly engaged, there is one gargantuan obstacle that, at this writing, may be politically and emotionally impossible to overcome: Issue business permits to all that apply; and let the market decide how many dispensaries are viable to meet the unprecedented demand! In Constitutional Capitalism there is no other workable solution! The City of Palm Springs can set precedent in the continuing fashion that it seeks, to readily and willingly assist the city's high volume of cannabis patients/clients/consumers. In the absence of the lawfully required participation of the Department of Public Health, the city can request recommended protocol for the dispensaries from that agency, and temporarily employ those public health protocols in the city business permit process until such time the molasses machinations of California's Department of Public Health can be effectively engaged in the process of following California's Codes as they are intended.

About two thirds of dispensaries contacted have expressed interest in a form of contribution such as 10% "special permit tax", much like a city's hotel bed tax, that would generate three times what hotels produce; and there is no slow summer season. With the death of redevelopment monopoly money, the government of Palm Springs is the first to face an opportunity to cash in on what can be described as the equivalent of a casino on tribal land: the proliferation of medical marijuana dispensaries that can add one third to the total of taxes going to a city with the makings of Desert Hot Springs, which is already invaded and surrounded by a handful of mom and pop stores. There is no turning back from all this. Just ask the Sheriff of Humboldt County: "Without the marijuana industry there would be no sheriff department." Like our practical DA, instead of just punishment, assist the cannabis businesses to get greenhouse agricultural permits allowing special utility rates. Anything to get them started and keep them going to pay into city tax.

MAR 22 2012 04

March 20, 2012
(first in a series)

Indio Free Press
presents

*sponsored by
Jefferson Media

California's War of/on Medical
Marijuana (Whose war is it, anyway?)

In the last California election, the effort to legalize marijuana lost by a few percentage points. A month before the election, the polls indicated it would pass by landslide proportion. Instead, at the eleventh hour, there was a media blitz launched, rife with fearmongering, by high ranking law enforcement and other notables. One would suspect the tactic originated from within the campaign, but it did not; it was inspired by the medical marijuana lobby. Initially, the tactic, if successful, would supposedly reduce competition. The point being that there is NO competition between ordinary street "swag" and higher grade medical marijuana, liking it to comparing Pabst and Corona. The real effect of that defeat to legalize marijuana is to lessen the complex and unexplored territories the medical cannabis industry must now travel. Given the legal chaos that presently exists, it would appear we have arrived at the impasse readily predictable by conditions of this event. To wit:

With the climbing number of appeals courts making diverse rulings, and many attorneys keeping busy fighting cities to open lawful medical marijuana dispensaries in civil courts, it is time for California's Supreme Court to step in as it has before. If California's High Court can order a busload of judges to troubled Riverside County's court system, it can responsibly respond to take control and enforce the law by ordering municipalities to cease their unlawful efforts to usurp the California Health and Professions Codes which gives that authority only to California's Department of Public Health which is responsible for writing the rules which will be enforced by County Health Departments for operation and occupancy requirements. All the city/municipality is supposed to do is enforce building codes and issue the business license. The Department of Public Health is empowered to "license drugs", not the city. Many health issues, such as regular inspections for mold or fungus, is the sole responsibility of the Department of Public Health, not the city.

Two years ago it was estimated the City of Los Angeles had 400-500 unregulated medical marijuana dispensaries. Today that number is well over 1000 clinics; the one and only reason being is that there is a market for many more! A similar predicament exists in Palm Springs and surrounding valley which has, at last count, at least 60-70 unregulated dispensaries operating either as a delivery service or operating dispensary, or both. In Palm Springs, a city which "has tried its best" in providing for cannabis patients, is similarly under a flood of several dozen unregulated clinics cleverly disguised as health and wellness businesses which appear closed. All that is needed for access is to place your medical marijuana ID on the darkened window and you're in. As these clinic operators are empowered by challenging the law, it is of no use to arrest them, as they, and their fan club clients, will simply relocate and inspire others to open clinics because there is a market - undeniably so! Undoubtedly, it would be advisable to drop charges of illegally operating a dispensary against any now so charged and expunge these records, for those doing the legal fingerpointing are in violation of the law themselves by the criminally incompetent violations of California Health and Safety Codes!

It is time for the Cultural War to end; and this is as good a time as any. We are allowed to choose, as individuals, who to vote for; and the right, an inalienable right, to choose our own poison if we so desire. Thomas Jefferson did, as he and George Washington grew commercial hemp and smoked its cousin, Cannabis Sativa. As for me, it lowers my killer blood pressure - a lot; and I really like that - a lot!

MAR 21 2012 05

March 12, 2012

MAR 13 2012

To: Executive Staff
City of Palm Springs

re: Highly Irregular Revocation of
Regulatory Permit Lawfully
Assigned to CannaHelp Collective,
a Lawfully Sanctioned and Law
Abiding Medical Marijuana
Provider

From: Harold Vanasselt
Investigative Publisher
Indio Free Press

My marketing/public relations firm, Jefferson Media, has been retained by Stacy Hochanadel, owner/operator, CannaHelp Collective described above.

Due to initial findings of government malfeasance by unlawfully revoking Mr. Hochanadel's Lawfully Sanctioned Regulatory Permit, this is no longer a public relations issue, but an outright declaration of war by Jeffersonian Decree: "When government becomes so inept, or corrupt, it must be abolished".

(For the record: Inept government can be abolished; corrupt government must be overthrown!)

My findings reveal an ongoing effort to deny Mr. Hochanadel Due Process. The latest effort was a long-predetermined city council vote revoking his Regulatory Permit lawfully sanctioned by State Law, a Direct Violation of his Civil Rights. (Strangely, this did not make the Desert Sun news, as the news of Rancho Mirage denying a dispensary did the same day.)

For nearly three years Mr. Hochanadel operated one of three city approved dispensaries, to include contributing to creating industry standards sorely absent. Only recently Mr. Hochanadel's landlord unlawfully evicted CannaHelp under false pretenses. As soon as CannaHelp was forced off the premises, the landlord, a Mr. Rice, started hooking up his own growing equipment to the hundreds of thousands of dollars worth of electrical modifications and other specialty remodeling forced to be left behind after the eviction of CannaHelp. Today, about three months later, with store front signs clearly ready to operate, is Palm Springs Safe Access. How convenient!

Meanwhile as Mr. Hochanadel tries his very best to relocate in the time allowed, he is further robbed by City Council stealing his Regulatory Permit prematurely, and giving it to Mr. Rice who must have set this up some time ago with members of city council conspiring to commit this convenient crime!

This can go only one of two ways:

- * Notify the Grand Jury of allegations of official malfeasance; notify the DA's Public Integrity Unit for Violations of Penal Codes; notify the FBI for Civil Rights Violations not only of Mr. Hochanadel and staff, but one thousand patients of CannaHelp as well; as these investigations are ongoing file a multi-million dollar civil suit, in the most dramatic fashion, against both Mr. Rice and the City of Palm Springs.
- * or, simply, reinstate Mr. Hochanadel's Regulatory Permit and give the gentleman assistance in his trying effort to relocate to continue to serve the best interest of the community, as I try to convince Mr. Rice it would be highly advisable to forfeit his illegally seized growing and dispensing operation, and hand it and the building over to CannaHelp organization as payment due for crooked damage done or otherwise he'd be investigated and face the consequences.

This communication is intended and submitted as a Redress of Grievance, gifted under the First Amendment and requires an official response. It is also intended as part of a larger effort to end the medical marijuana war in

California exhibited by the widely diverse appeal rulings in the courts, and by typical unlawful conduct such as exhibited by the debacle in Palm Springs alleged herein. In addition, cultural drug warriors such as the DEA invade this state's legal dispensaries and will now have their illegal operations challenged herein, for they violate Jeffersonian State's Rights!

If California's Supreme Court is empowered to respond responsibly by ordering a busload of judges to troubled Riverside County's court system, in addition to tripling the size of the county grand jury because of all the crooked ongoings in government, the California Supreme Court can and will be petitioned to act responsibly and immediately intervene in what can only be seen as unmanaged social/legal turmoil rife with political temptation and potentially volatile situations such as is described in Palm Springs herein.

The Supreme Court would be irresponsible to wait more than a year before bringing this medical marijuana war before the court to rule on the diverse lower court rulings which are stoking this war. Unification of law is a must!

Meanwhile, in this territorial war on California medical marijuana, the City of Palm Springs and its Executive Staff now have an opportunity to exercise their responsibilities by expeditiously contacting Mr. Hochenadel and offer his firm, Cannahelp Collective, the assistance lawfully required.

Your consideration and participation would be highly regarded



Existing Applicants



913 Crossley Road
Palm Springs CA, 92264
Office 760 327-2504

RECEIVED

MAR 19 2012

**PLANNING SERVICES
DEPARTMENT**

March 15, 2012

Craig Ewing

Director of Planning Services:

Dear Mr. Ewing

Re: Statement of Interest

I am writing this letter to inform you of Cannahelp's interest in resubmitting our medical cannabis collective/cooperative application for the regulatory permit .

Thank you for the opportunity to resubmit our application.

Thank You for your time.

Sincerely

Stacy Hochanadel

RECEIVED
CITY OF PALM SPRINGS
2012 MAR 21 AM 10:46
JAMES THOMPSON
CITY CLERK



3-14-2012

Dear Mr. Ewing,

Herbal Solutions would like the opportunity to open a Medical Cannabis Collective within the City of Palm Springs. We believe that our Collective would be the best fit for Palm Springs and would appreciate the opportunity to demonstrate that to the City Council.

Please contact me if you have any questions.

Sincerely,

Mark Adams

100 Oceangate 12th Floor
Long Beach, CA 90802
Phone: 562-209-0111

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CITY OF PALM SPRINGS
2012 MAR 21 AM 10:46
JAMES THOMPSON
CITY CLERK

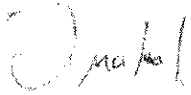
March 14, 2012

To Whom It May Concern:

Caps is submitting this statement of interest to be eligible to receive a permit for the medical marijuana collective. CAPS is interested in receiving the permit and previously submitted the necessary paperwork and has been working to try to get the permit.

Sincerely,

CAPS Team



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CITY OF PALM SPRING
2012 MAR 21 AM 10:46
JAMES THOMPSON
CITY CLERK

RECEIVED

MAR 19 2012

**PLANNING SERVICES
DEPARTMENT**

March 14, 2012

Mr. Craig Ewing
City Of Palm Springs
Department of Planning Services
3200 East Tahquitz Canyon Way
Palm Springs, CA 92262

Mr. Ewing,

Please accept this note as my statement of interest to revise and resubmit my medical cannabis collective/cooperative application for a new review by the City Council of Palm Springs.

Thank you for your consideration.



Janice Haroon
310-650-7879
Palm Springs Compassionate Care (MC009-004)
3567 W Third Street
Los Angeles, Ca 90020

RECEIVED
CITY OF PALM SPRINGS
2012 MAR 21 AM 10:46
JAMES THOMPSON
CITY CLERK



New Requests for Consideration



Safe Access

505 East Industrial Plc Suite A
Palm Springs, CA 92264
760.778.1309
www.psaccess.org

March 13, 2012

City of Palm Springs
Mayor / City Council / City Manager
3200 East Palm Tahquitz
Palm Springs, CA



Re: Application of Business License / Palm Springs Safe Access, 505 E. Industrial Place Suite A, Palm Springs, CA 92264

Dear City Council,

My name is Alice Jensen and I am a former employee and member of Cannahelp. I am an active medical cannabis patient and former owner of Jensen's Carpet Care. I am a strong advocate of Medical Cannabis and wished to assist Stacy Hochanadel in supporting Cannahelp. Upon my several months of employment at Cannahelp as assistant manager, I noticed many occurrences that transpired at Cannahelp that were unethical, against city code and frankly, illegal. I quit Cannahelp and the experience left a very bad taste in my mouth.

Over the months, I decided that it is people like me that need to set the example and when I heard that Stacy was evicted from his location, I got together with a few former patients and we decided to start a cooperative that would live up to the expectations of proper conduct and business ethics.

I have teamed up with two strong advocates from San Francisco and secured the lease of 505 E. Industrial Place in Palm Springs and have spent over \$100K dollars on costs related to securing a lease, improving the cosmetic aspect of the dispensary, formation of a new Inc. cooperative (PS Safe Access, Inc.), etc. and are looking to secure the now available medical cannabis city business.

I have surrounded myself with strong advocates that not only support the cause of safe access as well as have the business and ethical background to follow-through to the standards of the cause and your city ordinance.

I am formally requesting that the city council vote to allow PS Safe Access, Inc. the ability to submit an application for a business license.

Thank you again for your time and consideration to this matter and I look forward to working with the city on moving this cause forward.

Sincerely,

Alice Jensen

Co-Founder
PS Safe Access Cooperative, Inc.



Palm Springs Safe Access

505 East Industrial Plc Suite A
Palm Springs, CA 92264
760.778.1309
www.psaccess.org

Monday, March 19, 2012

Steve Pougnet
Mayor of Palm Springs
3200 East Tahquitz Canyon Way
Palm Springs, California 92262

Dear Mayor Pougnet

My name is Robert Van Roo. I sincerely hope my previous letter found it's way to you. As I said before I've relocated here to Palm Springs due to numerous requests of previous members of Cannahelp.

I was present for the March 7th city council meeting and understand now that the license was not available. I hope that with this next city council meeting the license might become available for new applicants.

I heard your response to Ginny Foat's comments and understand how hard you both worked to get the ordinance passed. I would like to use the rest of this letter to give you a greater understanding of who we are as an organization.

The mission of our organization is simple: to deliver a comfortable experience in a clean and modern facility, offer outstanding service alongside quality medicine, to always stay up to date on the most technologically advanced products, and maintain affordable solutions for our patients. We are dedicated to evaluating and implementing the most personalized solutions specifically designed for the needs of each individual member. Continually evolving and adapting with the rapid changes taking place in the medical cannabis movement in both the scientific and political realms is a staple of our philosophy. We will also work to protect our members' right to safe access to their medicine while also providing laboratory tested Cannabis to provide safe, clean, effective, and reliable medicine to those who need it most, our members.

We are committed to synergistic goals of serving our members, our community, and creating positive social change. The goal is to focus our energies on the health of our members from a holistic personal viewpoint and simultaneously providing access to and information on healthy lifestyle alternatives for the entire community.

We believe in change, both socially and environmentally in all its varied forms and expressions. While it may first be noticed in our visual aesthetic and vibrant energy when you walk through our doors, this positive and progressive change will become ever more apparent in the many ways that we will serve our community. This community is recognized as not being limited to just our active members but includes all residents of our City.

We are compelled by these challenging times to show what medical cannabis can truly do when a cooperative is operated on an ethical platform run with core principals of compassion. These changes will come in many forms, starting with significant donations of the cooperative's revenues to benefit health and welfare organizations, such as Desert Aids Project and local other local charities. We anticipate providing free services including wellness classes, acupuncture, massage therapy, yoga, and counseling. These benefits will be available for both our members and anyone from affiliated organizations that we support. We passionately believe that the benefits of medicinal cannabis and the resources created by a nonprofit cooperative and made available to the community at large can act both as relief for those in need and as a conduit for facilitating greater change - funding the enrichment of our community and the lives of its citizens.

These goals can be accomplished by eliminating the greed that seems endemic to our movement. Rectifying such injustices requires us to act and operate under the same set of principles and open acceptance upon which this City itself operates. Just as the City of Palm Springs is progressive, tolerant, open and accepting of all people without regard to their race, creed, sexual orientation and personal beliefs, we too hold true to these principals.

Our most valuable resource is our community, and we look forward to an open dialogue with the City and its residents to create a cooperative that supports the goals of affiliated charities and community organizations dedicated to the support of the individual citizens of this City. Our hope is to combine with the efforts of many existing organizations that support and service this community. We look forward to becoming a contributing partner so that together we can succeed in accomplishing our mutual goals of a stronger, healthier community - a better and more prosperous Palm Springs, CA.

As I said in my last correspondence, I hope that we can meet in person so I can explain in length my intentions. If granted the license I will prove over time my ethics are true. I intend to enrich and contribute to your already vibrant city.

Please afford me a meeting with you at your convenience so I might introduce myself and answer any of your questions, as well as take any guidance and suggestions you have to offer which I will hold in the deepest regard. I know now how much you put into this effort and want to implement your vision as much as possible.

Yours Truly,

Robert Van Roo
Co Founder PS Safe Access Cooperative, Inc.



Palm Springs
Safe Access

RECEIVED
CITY OF PALM SPRINGS
2012 MAR 19 PM 4:51

505 East Industrial Plc Suite A
Palm Springs, CA 92264
760.778.1309
www.psaccess.org

Wednesday, February 8, 2012

Steve Pougnet
Mayor of Palm Springs
3200 E. Tahquitz Canyon Way
Palm Springs, CA 92262

JAMES THOMPSON
CITY CLERK

Dear Mayor Pougnet:

First, I would like to congratulate you on your re-election as mayor of Palm Springs. Your service to the City is well documented.

My name is Robert Van Roo. I am part of the medical marijuana movement. I have recently relocated to Palm Springs due to numerous requests of previous members of Cannahelp. I have secured the lease of the previously licensed location, remodeled the building with a very modern edge, and have structured the goals and overall agenda of a new non-profit to take the former one's place. I have the hope and intent of gaining both your and the City council's blessings to reopen at this location as Palm Springs Safe Access.

The circumstances of Cannahelp were most unfortunate, leaving the City with a scandal and Michael Rice, the owner of the building, with a permanently changed space suited only for the specific use. Both the City and Mr. Rice were attempting to help bring much needed relief to the community. As a member of the movement, I feel personally responsible to rectify this situation. The building located at 505 East Industrial Way went through rigorous construction/retrofitting/ and regulation to qualify for and obtain one of the licenses previously issued in Palm Springs through Ordinance #1758. The building, after all of the changes, is potentially rendered worthless to any other potential renters outside of our use. A scandal the City may be able to weather, but Michael Rice might not ever be able to recover.

As a gay male, I know from personal experience the irrefutable benefit Medical Cannabis has had for my community struggling with the HIV/AIDS pandemic. As a politician who signed into place a historic ordinance in Palm Springs, #1758, I believe you see the immense benefit medical cannabis can have if regulated. A benefit not limited only to those suffering from illness and pain; but also the City, the State, and someday hopefully the country.

Your City has the potential with this ordinance to set a standard for the rest of the country. Fifteen years after prop 215 there are now 16 medical states with many states following suit. Yet few cities have been as progressive in adopting a well-crafted ordinance. I feel we have an opportunity here. This opportunity can only be capitalized on, however, if like-minded people work together. With your advice, I hope we might be able to accomplish this goal. The path will not be an easy one. Nevertheless, I hope you might be willing to guide me and work with me to creating a safe place for our members and allowing us to be open safely in Palm Springs, while mutually benefiting the City with contributions to organizations and new community projects.

Our space is available for viewing by you and all City council members. Due to the violations of the guidelines of Ordinance #1758, I presume the former operator's license is no longer available to him. I hope to apply for this license, as it appears to be in limbo, and apparently available. I hope to obtain the license for our operation in the permitted location, and prove to Palm Springs that with pure ethics and compassion the ordinance can work.

I hope that we can meet in person so I can explain in depth my intentions. If afforded the license I will prove over time my ethics are true. I intend to enrich and contribute to your already vibrant city. Just by stepping into our lobby, I hope, anyone can tell right from the beginning we are not like others in our field. Please afford me a meeting with you at your earliest convenience so I might introduce myself and answer any of your questions as well as take any guidance and suggestions you have to offer, which I will hold in the deepest regard.

Yours Truly,

Robert Lawrence Van Roo
Cell: (415) 694-3754
"May my actions speak louder than my words."

Additional Material
Item S.D. 16
3/21/12

March 16, 2012

City of Palm Springs
Planning and City Council
3200 East Palm Tahquitz
Palm Springs, CA

Re: Medical Cannabis Permit

To: Steve Pougnet, Mayor

Dear Mr. Pougnet,

My name is Michael Rice, and I am the owner of 505 E. Industrial Place, Palm Springs, the former location of Cannahelp, Inc. I have incurred costs and expenses in excess of \$211,000.00 in complying with City requirements for the use of my building as a permitted dispensary and growing location for medical marijuana. This has of course, caused great hardship. I brought my building up to the code requirements of the City, modifying the electrical, floor plan, lighting, HVAC, parking lot, landscaping, security and even fire sprinkling the entire building. The building is in full compliance with all applicable ordinances and is the logical location for the 3rd collective.

As you are aware I was forced to evict my former tenant due to failure to pay rent, reimburse amortized tenant improvements, allowances and equipment funding. The \$211,000.00 figure does not include back rent and other related expenses of over \$200,000.00 my former tenant failed to pay. I am nonetheless still a strong supporter of the ordinance. This is despite the fact that as a building owner I face additional risks and costs for allowing this use of my building. These costs include increased insurance costs, inability to refinance or obtain new financing on the property (lenders shun properties with this use). There is also a looming threat of federal seizure of my property, implied from the threats that have been made to other building owners in other areas of California, based on a possible inconsistency between current federal and state law on the subject of marijuana.

As I have invested so much money to date on this use, my property is now ideal for only one use, Medical Cannabis. Since I am willing to take the additional risk and cost and feel strongly about this cause, I have recently leased the property to one of the former managers of Cannahelp, Alice Jensen. She has formed a new cooperative, named PS Safe Access, along with two experienced partners, with the goal of caring for the patients and members that my former tenant is unable to care for. She is no longer connected in any way with my former tenant.

Alice Jensen along with her two partners has invested extensively in remodeling and improving the dispensary area of the property. PS Safe Access looks to be a quality group, and it promises to benefit the City its members and patients. They have worked from the approved plans and have upgraded all flooring, walls, and fixtures. They have been ready to open for two months now yet have been waiting for the City's approval to do so and have attempted on several occasions to apply for the now floating license.

I am asking that the City Council allow PS Safe Access to apply for this license. I am sure after further investigation by the City; you will see that this group is the ideal replacement for the Cannahelp disaster.

I look forward to bringing this request to vote at your next council meeting. I will be in attendance and am available to answer any questions the council may have regarding my request. I am including a letter of introduction by a principal member of P.S. Safe Access written to the mayor in early February because it quite clearly states his position.

Best regards,

Michael Rice

A handwritten signature in black ink, appearing to read 'M. Rice', with a long horizontal flourish extending to the right.

158 Desert Lakes Drive

Palm Springs, CA

(760) 202-4046