

## Argument for Measure I

With the passage of Proposition 64, which legalized adult-use cannabis, local governments were given the responsibility to provide oversight and regulate the legalization of cannabis business within their communities.

In the City of Capitola, Proposition 64 passed by more than 70%, indicating our community's support for bringing adult-use cannabis out of the shadows and into regulated, safety-focused businesses for those who choose to participate. Establishing a cannabis tax is a commonsense component of any such regulation.

Earlier this year, after a robust public process, the City Council unanimously adopted an ordinance that allows the City to ensure public safety while overseeing this growing industry. To prioritize safety and visibility, the local ordinance will only allow up to two retail cannabis stores in the Regional Commercial zone district, located on 41<sup>st</sup> Avenue and Clares around the Mall. The ordinance also creates buffer zones around schools and parks, and requires best-practice controls to ensure the stores are safely operated.

The ordinance to legalize cannabis businesses will not take effect unless and until this tax proposal is approved by the voters of Capitola. If approved by voters, the tax rate will be 7% in Capitola, the same as Santa Cruz County.

The tax is an important part of the City's ongoing commitment to fiscal responsibility. It was carefully crafted in public forums to find the right balance between generating needed revenue while creating certainty for this emerging industry. Funds collected will be directed toward priorities set by residents such as maintaining long-term financial health and funding essential City services such as sidewalks, streets, and emergency response.

Measure I will provide additional funding to support the quality of life for our residents and our city.

Please join us in voting YES on Measure I.

/s/ Michael Termini, Mayor of Capitola

/s/ Jacques Bertrand, Vice Mayor of Capitola

/s/ Stephanie Harlan, Capitola Council Member

/s/ Kristen Petersen, Capitola Council Member

/s/ Peter Wilk, Capitola Treasurer