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Law Office of Daniel S. Miller
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Attorney for Petitioner WISDOM APPARATUS

FILED
Superior Court Of California,
Sacramento
06/19/2018
emedina
By _____, Deputy
Case Number:
34-2018-80002913

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SACRAMENTO**

WISDOM APPARATUS, a California
corporation,

Plaintiff & Petitioner,

v.

LORI AJAX, Chief of the Bureau of
Cannabis Control, City of Victorville, and
DOES 1 through 10

Defendants & Respondents.

CASE NO.

Assigned to
Dept.

PETITION FOR
(1) Peremptory Writ,
(2) Writ of Mandate,
(3) Declaratory Relief

Petitioner and plaintiff WISDOM APPARATUS ("WISDOM") brings this petition seeking alternative and peremptory writs of mandate, pursuant to Code of Civil Procedure section 1085 and declaratory relief against defendants and respondents and alleges as follows:

1. Wisdom seeks to compel respondents, including LORI AJAX, Chief of the Bureau of Cannabis Control ("BCC") to issue a Temporary Cannabis Event License ("LICENSE") to WISDOM so that it can host the 2018 Chalice California Festival at the San Bernardino County Fairgrounds ("CHALICE FESTIVAL"). WISDOM applied for a LICENSE on May 1, 2018 and has provided and/or is capable of providing all of the necessary documents and approvals necessary for the issuance of the LICENSE. BCC has failed to exercise its mandatory duty to issue the LICENSE and, despite telling

BY FAX

1 WISDOM it had until July 13, 2018 to withdraw the application, the BCC denied the
2 LICENSE on June 13, 2018.

3 PARTIES

4 2. Wisdom Apparatus ("WISDOM") is a California corporation in good
5 standing that for the last 2 years has hosted an event called the CHALICE FESTIVAL at
6 the San Bernardino County Fairgrounds. WISDOM is the applicant for a Temporary
7 Cannabis Event License to whom BCC owes the duty to fairly exercise its discretion to
8 approve or deny the application.

9 3. Respondent LORI AJAX is the Chief of the Bureau of Cannabis Control
10 ("BCC") which is a state agency responsible for issuing licenses pursuant to Business
11 and Professions Code § 26200 (e).

12 4. Respondent City of Victorville is a real party in interest since it has
13 refused to either grant authorization for the event and/or recognize the sovereign
14 immunity of the DAA to have events like the CHALICE FESTIVAL on the
15 FAIRGROUNDS.

16 5. Does 1 - 10 are persons or agencies whose identity and interest in this
17 proceeding is currently unknown to plaintiff and are therefore named by these
18 fictitious names.

19 INTRODUCTION

20 6. The CHALICE FESTIVAL is the California's largest Art, Music and
21 Cannabis festival attracting more than 35,000 people to the High Desert Region of
22 Southern California during a three-day period in July each year. Chalice California is
23 in its fifth year of operation, with the past two years being held at the San Bernardino
24 County Fairgrounds ("FAIRGROUND") in Victorville. To date, there have been no
25 arrests, hospitalizations, incidents of violence, or other issues reported at the event, or
26 due to the event in the surrounding communities. In addition to being an incident free
27 event, CHALICE FESTIVILE has benefitted the local economy and has brought in an
28

1 estimated \$33,580,635 in positive economic impact to the local economy.¹

2 7. The FAIRGROUND is State Property and is under the sovereign
3 jurisdiction of the 28th District Agricultural Association ("DAA"). As a DAA, the
4 Fairground is a "state institution" created by statute and is governed by a volunteer
5 Board of Directors, who are state officers appointed by the Governor. Food &
6 Agricultural Code §§3951, 3953, 3956, 3959. The DAA's governmental purposes are to:
7 Hold fairs and expositions to exhibit all of the industries, resources, and products of
8 every kind or nature of the state; and to construct, maintain, and operate recreational
9 and cultural facilities of general public interest. Food & Agricultural Code § 3954. A
10 DAA, when operating within this governmental capacity, enjoys immunity from local
11 city and county regulations. *Borne v. City of Del Mar* (2001) 86 Cal.App.4th 1346, 1358;
12 see 56 Ops.Cal.Atty.Gen. 210. This immunity further "extends to those private entities
13 with which [a DAA] leases or contracts in order to put on consumer product
14 exhibitions and shows." *Bame v. City of Del Mar* (2001) 86 Cal.App.4th 1349 at 1358.

15 8. On May 1, 2018, with the approval of the 28th DAA and
16 FAIRGROUND, WISDOM submitted its application for a LICENSE.

17 9. Business and Professions Code § 26200 (e) states:

18 This division does not prohibit the issuance of a state temporary event
19 license to a licensee authorizing onsite cannabis sales to, and consumption
20 by, persons 21 years of age or older at a county fair or district agricultural
21 association event, provided that the activities, at a minimum, comply with
22 the requirements of paragraphs (1) to (3), inclusive, of subdivision (g), that
23 all participants are licensed under this division, and that the activities are
24 otherwise consistent with regulations promulgated and adopted by the
25 bureau governing state temporary event licenses. These temporary event
26 licenses shall only be issued in local jurisdictions that authorize such
27 events.

28 10. Between May 1, 2018 and the present, the organizers of the CHALICE

¹ Chalice California 2017 SAFEIC Report, attached as Exhibit L.

1 FESTIVILE have been working to with the BCC to obtain the LICENSE. During that
2 process, the BCC in an email dated May 14, 2018 stated "I also noticed that the local
3 authorization that you provided is from the actual fair grounds that the event will be
4 held at. We are going to need authorization from either the city or the county in which
5 the event will be taking place."

6 11. WISDOM, the CHALICE FESTIVAL promoters, and the FAIRGROUD
7 have all informed the BCC that FAIRGROUND enjoys immunity for events at their
8 property that are designed to carry out the DAA's express governmental purpose,
9 including events like the CHALICE FESTIVAL.

10 12. Despite its belief that the only local approval required is from the
11 FAIRGROUND, WISDOM, the CHALICE FESTIVAL promoters, and the FAIRGROUD
12 have attempted to obtain local approval from the City of Victorville. On May 23, 2018,
13 Geoff Hinds, Chief Executive Officer of the 28th DAA, requested that Chalice California
14 be placed on the agenda for the June 5, 2018 Victorville City Council meeting, so that the
15 Council may receive information and consider authorizing the event. A copy is attached
16 as Exhibit 2.

17 13. Keith Metzler, City Manager of Victorville denied the DAA's request by
18 letter dated May 31, 2018. Mr. Metzler stated that the City did not desire to "formally
19 agendize the matter." A copy is attached as Exhibit 3.

20 14. WISDOM is informed and believes that on June 1, 2018, Victorville
21 contacted the BCC and informed it that Victorville would not grant local approval for
22 the CHALICE FESTIVAL. Victorville made this contact with BCC despite the fact that
23 attempts were still being made to resolve the issue of sovereign immunity with
24 Victorville and the BCC and/or obtain local approval from Victorville by proactively
25 petitioning the local government for assistance.

26 15. On June 1, 2018, WISDOM was informed by the BCC that WISDOM's
27 application was still active and they had "the option to withdraw this application prior
28 to July 13, 2018, the first day of the event, in order to prevent the Bureau from denying

1 the license." A copy is attached as Exhibit 4.

2 16. On June 5, 2018, WISDOM, the CHALICE FESTIVAL promoters, and
3 member of the 28th DAA attended Victorville's June 5, 2018 City Council Meeting
4 despite being improperly denied being put on the agenda. During the public comment
5 period, they spoke about the CHALICE FESTIVAL and again requested to be put on
6 the agenda for the next Council Meeting. That request was denied.

7 17. On June 8, 2018, Christine Vana, Staff Counsel for the DAA sent a letter
8 to the Mayor and each Council Member specifically requesting to be put on the June
9 19, 2018 agenda. The letter also provided information regarding the sovereign
10 immunity of the FAIRGROUND. A copy is attached as Exhibit 5.

11 18. On June 13, 2018, the BCC denied WISDOM's application. A copy of the
12 denial is attached as Exhibit 6.

13 19. During the course of attempting to obtain this LICENSE, WISDOM has
14 learned that the BCC has failed to treat applicants for a Business and Professions Code
15 § 26200 (e) license equally, has issued a temporary cannabis event permit for an event
16 that was not held at a county fair or district agricultural association event, and has
17 failed to provide applicants with clear policies necessary to obtain a license.
18 Specifically, the BCC improperly granted a state temporary event license to Trans
19 High Corporation for an event held at the Cal State Expo, which was neither a county
20 fair nor a DAA event.

21 20. Business and Professions Code § 26200 (e) limits state temporary event
22 licenses to events held at either a county fair or district agricultural association event.
23 Given this restriction, there are only 74 possible locations for cannabis events to take
24 place. However, should the BCC be allowed to continue to ignore the DAA's
25 sovereign immunity and require local approval other than the DAA's, there are only
26 two possible locations where DAA could have cannabis events to fulfill part of their
27 state mandate. The myriad city and county bans on cannabis events is having a direct
28 impact on the DAA's ability to carry out its purpose. Bans on cannabis events at

1 county fairs or DAA events must take into account the regional impact of such a ban.

2 **JURISDICTION AND VENUE**

3 21. This Court has jurisdiction to issue writs of mandate pursuant to Code
4 of Civil Procedure section 1085

5 22. Venue is proper because BBC's main office is located in this county, and
6 petitioner's application was denied in this county. CCP § 393(b) and CCP § 401.

7 23. Petitioner has a clear, present and beneficial right to the performance of
8 BBC to issue a temporary license for the event.

9 24. Petitioner has no plain, speedy and adequate remedy at law.

10 25. Petitioner has exhausted all available administrative remedies. BBC
11 does not have procedures to appeal a denial of a temporary license.

12 **FIRST CAUSE OF ACTION**

13 **Peremptory Writ of Mandate**

14 **Against all respondents**

15 26. Petitioner realleges and incorporates by reference all allegations set forth
16 above.

17 27. Petitioner has met all requirements under the law for BCC to issue a
18 temporary license to petitioner, but BCC has failed and refuses to issue the temporary
19 license.

20 28. The only reason BCC has given for its failure to issue the temporary
21 license is that BCC believes that the City in which the Fairground is located must give
22 approval for the event before the BCC may issue the license.

23 29. BCC's reason is based on an incorrect interpretation of the law and is
24 contrary to the law. Based on the sovereign rights of the DAA/FAIRGROUND,
25 authorization from the DAA/FAIRGROUND on which the event will be held is the
26 only authorization needed for the BCC to issue the temporary license under the law.

27 30. Petitioner is damaged by the BCC's failure and refusal to issue the
28 temporary license.

1 event and issuance of the license.

2 40. Petitioner contends that under the law, the BCC may issue a temporary
3 license to petitioner, regardless of whether the local city authorizes the event; and to
4 the contrary petitioner contends that based on the sovereign rights of the
5 DAA/FAIRGROUND, authorization from the DAA/ FAIRGROUND on which the
6 event will be held is the only authorization needed for the BCC to issue the temporary
7 license under the law. Petitioner further contends that if the agency regulations
8 provide otherwise, the regulations must be held to be invalid because they are
9 contrary to the above stated law that gives sovereignty in these matters to the
10 DAA/Fairgrounds on which the event will be held.

11 41. Respondents disagree with petitioner's contentions.

12 42. Petitioner therefore requests that the court make a declaration of the
13 rights and duties of the parties under the laws of the State of California, and declare
14 that the BCC does not need to get approval from any county or city to issue a
15 temporary event license as long as the DAA/FAIRGROUND where the event will be
16 held has approved of the event.

17 **PRAYER**

18 **WHEREFORE, Petitioner pray for judgment as follows:**


- 19 1. Under the First Cause of Action, that this Court issue [either a peremptory writ
20 of mandate or alternative and peremptory writs of mandate] commanding
21 Respondent BCC to issue a temporary event license for petitioner's event at the
22 San Bernardino County Fairgrounds.
- 23 2. Under the Second Cause of Action, Petitioner requests that the court make a
24 declaration of the rights and duties of the parties under the laws of the State of
25 California, and declare that the BCC does not need to get approval from any
26 county or city to issue a temporary event license as long as the
27 DAA/FAIRGROUND where the event will be held has approved of the event.
- 28 3. That this Court grant Petitioner such other, different, or further relief as the

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Court may deem just and proper.

DATED: June 18, 2018

Law Office of Daniel S. Miller


Daniel S. Miller, Esq.,
Counsel for Petitioner
Wisdom Apparatus.

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VERIFICATION

I, Doug Dracup, am an officer of petitioner WISDOM APPARATUS in this action and am authorized to sign this verification on its behalf. I have read the foregoing Answer and it is true of my own knowledge except as to those matters stated on information and belief which I believe to be true.

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct.

Executed this 18 day of June, 2018



Declarant
Doug Dracup

Exhibit 1

CHALICE CALIFORNIA

Festival Economic Impact Calculator (FEIC) Report

Using SAFEIC reporting criteria: Tourism events attract new money into the impact region – The Victor Valley and surrounding area – and create direct and indirect impacts through re-spending of the initial injection. Economic impact studies, and calculators, attempt to answer the question: "If the event had not taken place, what would the loss of economic activity to the impact area have been?" The results presented in this report were produced using SAFEIC criteria, specifically for cultural festivals and events.

SAFEIC is designed to provide credible, conservative estimates of the economic impact of festivals and events - and is open to all organizers of events and festivals from small to large. The reliability and validity of results rely, crucially, on data entered into the SAFEIC. This data includes:

- Defining the impact area;
- Attendee numbers; and
- Organizer data on non-local sponsorship and earned income

Based on the entered data and the underlying model, SAFEIC results show that Chalice California had the following economic impact on the High Desert Region of Southern California in 2017:

- Total spending on accommodation by festival visitors in the host economy was
 - \$2,700,000
- The total amount spent by festival organizers in the host economy, not including local sponsorship, was
 - \$1,820,000
- Taking into account outflows and the multiplier effect, the total economic impact of the festival on the host economy was
 - \$33,580,635

The economic impact figure represents the additional expenditure that the host economy would lose if the festival or event had not taken place. As such, it does not include spending by local

residents (who are likely to have spent the money in the town or city, even if the event had not taken place), or spending by organizers that was sourced from local sponsors.

This report uses critical elements and quantitative data to generate a conservative impact estimate. The three main outcomes outlined above are the results of those inputs.

Disclaimer for printed (SAFEIC) Report

Please note that this report is not a comprehensive economic impact assessment (EIA) nor should it take the place of a full EIA. The sole purpose of the SAFEIC Report - is to provide a credible, conservative estimate of the economic impact of festivals and events. The reliability and validity of results is solely dependent on the data entered into the SAFEIC. As a result the SACO takes no responsibility for either the inputs or the results generated from usage of the SAFEIC; nor can the SACO be held legally or otherwise responsible for the information generated by the SAFEIC. The SACO accepts no liability for the information generated by the reports or the presentation of its results to interested parties as the SACO is unable to independently verify the initial input data.

Information, ideas and opinions expressed on this report should not be regarded as professional advice or information nor the SACO's official opinion. Calculator reports supplied are for indicative values only, and the SACO shall not be responsible nor liable for any inaccuracies or miscalculations arising out of defects or incorrect use.

BACKGROUND

The City of Victorville is home to an estimated population of 122,235 residents according to 2016 census data. In 2008, the US Census designated Victorville the second fastest growing city in the country. Victorville has experienced incredible growth in a short time due in large part to the support of its elected leaders regarding sustainable economic growth throughout the community. The traditionally business friendly council and supporting policies has continued to attract business to the area at a steady clip.

Victorville, taken with the population of neighboring communities including Hesperia, Apple Valley, Adelanto and unincorporated communities governed by San Bernardino County - known collectively as the Victor Valley - is conservatively estimated to have a population of more than 400,000 residents.

During last year's Chalice Festival, the population of Victorville increased by one third, every hotel within 50 air miles was reportedly sold out and several restaurants ran out of food. Despite this incredible influx, the San Bernardino County Sheriff's Victorville Station Spokeswoman reported that there were no serious incidents or arrests.

This report is intended to further corroborate numbers that have been independently reported regarding the positive economic impact of the Chalice event on the City of Victorville and surrounding communities.

A. Description of Chalice California

Chalice California is the world's largest Art, Music and Cannabis festival attracting more than 35,000 people to the High Desert Region of Southern California during a three-day period in July each year. Chalice California is in its fifth year of operation, with the past two years being held at the San Bernardino County Fairgrounds in Victorville. To date, there have been no arrests, hospitalizations, incidents of violence, or other issues reported at the event, or due to the event in the surrounding communities.

Methodology: Spending by local residents, producers and sponsors, (that is people and organizations in the impact area) is not counted as part of economic impact. This is because their spending does not represent "new" money coming into the area, and if the festival or event had not taken place, their spending is still likely to have occurred, albeit on something else.

| | |
|--|-----|
| Main Event: Number of Days | 3 |
| Supplemental Days Pre and Post in Impact Area | 2 |
| Total Event Days Combined | 5 |
| Avg. Visitor Length Of Stay Not in Paid Accommodation | 2.5 |
| Nos. of Nights Stay of Avg. Paid Accommodation Visitor | 2.5 |
| Population of Local Community | 4 |

B. Description of Audience/Attendee

This section takes a deeper look at visitors and audience of the Chalice California event: How many came to the event, how many were local and how many came from outside the impact area.

Methodology: The Data in this section is based on the total number of daily tickets sold. Visitors from out of the area were determined using a data search of online tickets sold, and an analysis of the zip codes in which tickets were purchased in/from. Tickets purchased more than 50 miles from the Event Location Zip code of 92395 were considered Non Local Attendees.

| | |
|--|--------|
| Total number of attendees | 30,000 |
| Percent Attendees Non-Local | 80 % |
| Total number of Non-Local Visitors | 24,000 |
| Percent Visitors Staying in Paid Accommodation | 50 % |
| Total number of Visitors Staying in Paid Accommodation | 12,000 |
| % Visitors in Hotel/Paid Accommodation Primarily for Event | 45 % |
| Total number of Paid Accommodation Visitors DUE to Event | 5,400 |
| Total Visitor Paid accommodation Room Nights | 13,500 |
| Percent Visitors not In Paid Accommodation | 50 % |

| | |
|---|--------|
| Total Visitors not staying in Paid Accommodation | 12,000 |
| % Non Paid Accommodation Visitors Primarily for Event | 45% |
| Total non-paid Accommodation Visitor Days | 13,500 |

C. Visitor Non-Ticket Spending by Day

Spending is divided into two categories: Spending per person per night on accommodation (for those who stayed overnight in paid-for accommodation) and spending on other things (such as food and drinks, shopping and souvenirs within the local economy).

Note: spending on event ticketing is not included here – (counted as part of organizer earned income, if applicable)

| | |
|---|-------|
| Average Paid Accommodation Room Rate/Night/Person | \$200 |
| Non-Accommodation Per Person Spending/Day | \$25 |
| Per Person Spending/Day Paid Accommodation Visitors | \$225 |

D. Visitor Non-Ticket Total Spending

This section provides the total attendee spending over the festival or event period for accommodation, daily expenditure on food, travel, drinks, souvenirs and a combined figure.

This section includes spending by non- local artists, vendors, and other non-ticketed

| | |
|---|-------------|
| Total Paid Accommodation Visitor Spending for Accommodation | \$2,700,000 |
| Total Paid Accommodation Visitor Non-Accommodation Spending | \$337,500 |
| Paid Accommodation Visitor Total Combined Spending | \$3,037,500 |
| Non-Paid Accommodation Visitor Total Spending | \$750,000 |
| Total Visitor Non-Ticket Spending | \$3,787,500 |

E. Non Local Vendor, Artist and Producer Spending

This section includes spending by non- local artists, vendors, and other non-ticketed attendee's, and provides an analysis of their economic impact. (Note, due to the high number of out of area vendors at the Chalice California event, these numbers report higher than industry averages).

| | |
|--|--------------|
| # of Non-Local Artists and Producers | 500 |
| Average Length of Stay of Artists | 3.5 |
| % of Non-Local Artists etc. in Paid Accommodation | 50% |
| Number of Artist Visitor Non-Paid Accommodation Days | 875 |
| Number of Artist Visitor Paid Accommodation Days | 87,500 |
| Per Day Spending of Non-local Artists/Vendors not in Paid Accommodations | \$50 |
| Per Day Spending for Paid Accommodations by Artists | \$200 |
| Total Spending by Artists not in Paid Accommodations | \$43,750 |
| Total Spending by Artists for Paid Accommodations | \$17,500,000 |
| Total Other Spending by Paid Accommodation Artists | \$4,375,000 |

| | |
|--|---------------|
| Total Spending by artists, vendors and producers | \$ 21,918,750 |
|--|---------------|

F. Non Local Media Visitor Spending

This section defines the impact of paid and unpaid media attendees of the Chalice California Event.

| | |
|--|----------|
| % of Visiting Media Staying in Paid Accommodations | 50 % |
| Total Spending by Media Not in Paid Accommodation | \$3,750 |
| Total Spending by Media for Paid Accommodation | \$25,000 |

G. Total Visitor Spending Totals

| | |
|--|--------------|
| Total Paid Accommodation Visitor Spending for Paid Accommodation | \$2,700,000 |
| Total Paid Accommodation Visitor Non-Paid Accommodation Spending | \$337,500 |
| Total Combined Spending for Visitors with Paid Accommodation | 3,037,500 |
| Total spending for Visitors with Non-Paid Accommodation | \$750,000 |
| Total Spending by Artists and Producers | \$21,918,750 |
| Total Spending by Visiting Media | \$32,500 |
| Total Visitor Non-Ticket Spending | \$25,738,750 |
| Non-Local Sponsorship Funding from outside impact area | \$0 |
| Total Earned Income | \$3,500,000 |
| Earned income from (non-local) visitors and producers | \$2,800,000 |
| Total non-local organizer revenue | \$2,800,000 |
| Total Organizer Spending on Event (from non-local sources) | \$2,800,000 |
| Percent Organizer Revenue Spent Locally | 0.65 |
| Total Organizer Amount Spent Locally | \$1,820,000 |
| Total Visitor, Producer & Media non-ticket spending | \$25,738,750 |
| Local Capture Rate for Visitor, Producer & Media Spend | 0.72 |

H. Indirect Multiplier Effect Impacts

SAFEIC uses an output multiplier (based on the size of the impact area) that captures the re-spending of the new money in the host economy, and the data entered to calculate the total economic impact of each event.

This figure answers the question: If the festival or event had not taken place, what is the financial loss that the impact area would have suffered.

| | |
|--|--------------|
| Local Output Multiplier | 1.65 |
| Total Economic Impact: Chalice California 2017 | \$33,580,635 |

Exhibit 2



Honorable Mayor Gloria Garcia
Victorville City Hall
14343 Civic Dr.
Victorville, CA 92392
May 23, 2018

Dear Mayor Garcia,

On behalf of the 28th District Agricultural Association/SBC Fair, as well as countless residents and business owners in Victorville and the surrounding region; we would appreciate the opportunity to address the council with a presentation and conversation regarding Chalice California and similar events held at SBC Fair, at your June 5th, City Council Meeting.

As we discussed at our Meeting on May 10th, the SBC Fair has created a rigorous vetting and review process prior to agreeing to host an event of any kind. Since its inception this process has been reviewed and approved by our board, and has been copied and duplicated at many other Fairs and venues throughout the State. Our decision on what events will be contracted, and hosted at SBC Fair is guided by a four-way measure that considers the following four Items:

1. Legality
2. Safety
3. Financial Impact
4. Community Impact

In considering events and opportunities that are presented to us, we thoroughly and rigorously evaluate each event based on all four of these measures. In addition, we also do our best to ensure that we can partner with Victorville and the surrounding communities so that any event hosted on our property benefits both the City of Victorville, as well as the region as a whole. The SBC Fair is proud of its history of hosting and producing safe, and successful events, proud to offer events that have benefitted Victorville, its residents and its business community and has enjoyed working with the city for more than 70 years.

In regards to the Chalice California, we certainly understand that this issue is not black and white, and that many folks have significant differences of opinion on what they perceive this event to be. We would like a chance to provide more information about what we have seen over the past two years of hosting Chalice, and approximately 15 other events of its type; and a chance to answer your questions, and to dispel any rumors. No matter one's opinion of Cannabis, there can be no doubt however that this festival has proven to be one of the safest events on record, and is an event that provides much needed, significant economic impact into our entire region, with significant positive and no reported negative impacts to the City of Victorville or surrounding communities. Each year, Chalice California, and other events like it sells out every hotel room within 50 air miles of the Fairgrounds in Victorville, bringing guests who eat in our restaurants, fill up at our gas stations, and utilize the services of our local businesses.



This year's Chalice California is expected to attract nearly 45,000 attendees, with many coming from out of state, and some even from other countries. This expected attendance is increased over the number that attended last year where it is estimated that the event created more than \$30 million of direct economic impact for businesses in our community. Not only does this event, and events of its type create massive economic impact, they also serve as a catalyst to attract thousands, but also provides an opportunity to showcase the City of Victorville and the entire High Desert region to thousands of festival attendees who may have never visited before.

We will gladly go into more depth regarding the positive community impacts created by events of this type, the past safety record of the events that have previously been held in both the City of Victorville and the region; as well as the lengths we go to ensure the attendees and the surrounding community are safe. As you are aware, the State of California has created a very detailed review process for the participation in this space, and we would like the opportunity to brief the council on this process. Our goal is to provide the council information on the extensive vetting process any event producer, and participating organization must go through in order to assure that these events are legal, safe, and provide the most positive experience possible; a process that includes review and input by the Victorville Police/San Bernardino County Sheriff's Department, and multiple other levels of review locally and at the State level.

As part of this discussion, we would also respectfully request that you consider including on the June 5th Agenda, a discussion and line item for consideration and possible approval of either an amendment, a variance or an exemption for state property located within the City of Victorville to allow for the continued hosting of State approved cannabis events.

We look forward to a healthy discussion and ultimately hope we can work with the city to create the best opportunity for all parties, especially the continued success of local businesses during these events.

Sincerely,

Geoff R. Hinds
CEO

CC: Victorville City Council
CC: City Manager Keith Metzler
CC: 28th District Agricultural Association, Board of Directors

Exhibit 3

CITY OF VICTORVILLE



760.955.5000
FAX 760.245.7243
vville@ci.victorville.ca.us
<http://ci.victorville.ca.us>

14343 Civic Drive
P.O. Box 5001
Victorville, California 92393-5001

May 31, 2018

Geoff Hinds, CEO
28th District Agricultural Association
14800 7th Street
Victorville, CA 92395

Re: Response to letter dated May 23, 2018

Dear Mr. Hinds,

On May 23, 2018, Mayor Gloria Garcia received your letter requesting that the City Council consider including as a part of its agenda on June 5, 2018 a discussion item for consideration and possible action regarding an upcoming event at the San Bernardino County Fairgrounds referred to as Chalice California. The Mayor has asked that I review the letter and consider the appropriateness for this item to be discussed. As you know, Victorville has recently given great consideration to the laws approved by the State of California commercializing cannabis for recreational use. The subject has been deliberated quite extensively by the Victorville Planning Commission and the Victorville City Council, and with the cooperative efforts of both the Planning Commission and the City Council, Victorville has adopted an ordinance prohibiting all commercial aspects of cannabis within its jurisdictional boundaries excepting permission for residents to grow six cannabis plants indoor to their residence and allowing for the transport for medicinal purposes through our jurisdiction using local streets.

Upon receiving and reviewing your letter, I have determined that there is not a desire for the Victorville City Council to formally agendize this matter. Therefore, at this time, the City of Victorville will not be issuing a letter supporting cannabis themed events at the San Bernardino County Fairgrounds and therefore does not support such an activity. It is my understanding that a permit application for the Chalice event has recently been submitted to the Bureau of Cannabis Control (BCC). Because the requisite City of Victorville approval letter will not accompany such application, I anticipate the event permit will not be issued by the BCC. As such, I expect the planned Chalice event will not be held at the San Bernardino County Fairgrounds, as that would be an unpermitted, and therefore unlawful, event.

If you have any questions please don't hesitate to contact me at (760) 955-5029.

Sincerely,

Keith C. Metzler
City Manager

**cc: Victorville City Council
Victorville Planning Commission
Sophie Smith, Deputy City Manager
George Harris, Deputy City Manager
Rick Bessinger, Police Captain
Andre de Bortnowsky, City Attorney
Sue Jones, Public Information Officer**

Exhibit 4

From: Robison, Karen@DCA <Karen.Robison@dca.ca.gov>

Sent: Friday, June 1, 2018 11:38 AM

To: Ryan Heil <rheil@axcessent.com>

Subject: RE: Chalice - EVNT-18-0000005-APP

Wishing you a great weekend also.

This application is still active in the off chance that Victorville decides to give approval for this event. You have the option to withdraw this application prior to July 13, 2018, the first day of the event, in order to prevent the Bureau from denying the license. Send me an email requesting the withdrawal of the application if that is the route you would like to take. If the license is denied, you will be required to answer "yes" and disclose that this license was denied on future applications.

Karen Robison

Licensing Analyst

(916) 465-9237

www.bcc.ca.gov

<https://cannabis.ca.gov>

Exhibit 5



June 8, 2018

Jim Cox, Mayor Pro-Tem
City Council of Victorville
14343 Civic Drive
Victorville, CA 92393

Re: San Bernardino County Fairgrounds Request for June 19 City Council Agenda Item-Chalice California

Dear Mr. Cox,

The California Department of Food & Agriculture, Fairs & Expositions Branch (Branch) provides policy and fiscal oversight of fifty-two District Agricultural Associations (DAAs) throughout the state. As legal counsel for both the Branch and the DAAs, I am writing on behalf of the 28th DAA, also known as the San Bernardino Fairgrounds (Fairgrounds). The 28th DAA respectfully requests that the City Council of Victorville place Chalice California on its June 19, 2018 meeting agenda. Chalice California is a cannabis event that has been held on the Fairgrounds for the past two years.

Pursuant to recent cannabis legislation, if a DAA wishes to host a cannabis event with cannabis sales and/or consumption, the event promotor must secure a state temporary event license issued by the Bureau of Cannabis Control (Bureau). Business and Professions Code § 26200(e). For Chalice California to feature these types of cannabis activities on the Fairgrounds, the City of Victorville must authorize the event before the Bureau will issue a license.

By letter to you, dated May 23, 2018, Geoff Hinds, Chief Executive Officer of the 28th DAA, requested that Chalice California be placed on the agenda for the June 5, 2018 Victorville City Council meeting, so that the Council may receive information and consider authorizing the event.

Keith Metzler, City Manager denied the DAA's request by letter dated May 31, 2018. Mr. Metzler stated that the City did not desire to "formally agendize the matter." In addition, Mr. Metzler stated that the City of Victorville further declines issuing authorization for any cannabis event on the Fairgrounds, citing the City ordinance that prohibits commercial cannabis activities within its jurisdictional boundaries.

Thereafter, public comment at the City Council's June 5, 2018 meeting was offered by numerous representatives of Chalice California, the 28th DAA, and community business owners. Again, the request to be placed on a future agenda was denied, despite a motion by Mayor Pro Tem Jim Cox, seconded by Council Member Blanca Gomez, to receive further information at the June 19 meeting. The remaining Council Members did not offer any reason as to why the event should not be placed on the next meeting agenda.



28-DAA/City of Victorville
Chalice California
June 8, 2018

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While the City of Victorville does have an ordinance that prohibits commercial cannabis activities, that ordinance should not be the basis upon which the City denies authorizing cannabis events on the Fairgrounds. The state Fairgrounds enjoys sovereign immunity from the City's ordinances, including Victorville's cannabis ordinance.

As a DAA, the Fairgrounds is a "state institution" created by statute and is governed by a volunteer Board of Directors, who are state officers appointed by the Governor. Food & Agricultural Code §§ 3951, 3953, 3956, 3959. The DAA's governmental purposes are to: Hold fairs and expositions to exhibit all of the industries, resources, and products of every kind or nature of the state; and to construct, maintain, and operate recreational and cultural facilities of general public interest. Food & Ag § 3954. A DAA, when operating within this governmental capacity, enjoys immunity from local city and county regulations. *Bame v. City of Del Mar* (2001) 86 Cal.App.4th 1346, 1358; see 56 Ops.Cal.Atty.Gen. 210. This immunity further "extends to those private entities with which [a DAA] leases or contracts in order to put on consumer product exhibitions and shows." *Bame*, 86 Cal.App.4th at 1358.

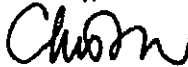
Chalice California falls within the 28th DAA's statutory purpose to hold recreational events exhibiting all industries and products of the state. Because the 28th DAA is operating within its statutory purpose, the Fairgrounds is immune from the City's ordinance. As such, the City's ordinance prohibiting commercial cannabis activities should not serve as the basis for withholding authorization for Chalice California.

The required City authorization for Chalice California involves reconciling the State's and the City's interests pertaining to cannabis events. The 28th DAA Board of Directors has determined that Chalice California, and cannabis events generally, has garnered strong public interest, as demonstrated by the number of attendees and significant revenue the event historically brought to both the City and the Fairgrounds. Currently, it is unknown what the City's concerns are regarding Chalice California, because it has declined to place the event on a City Council agenda for discussion. The City's ordinance should not be the basis to decline to have an open dialogue between the 28th DAA and the City Council.

In the spirit of cooperation between two governmental entities, please reconsider the 28th DAA's request to place Chalice California on its June 19, 2018 agenda. While it is within the City's discretion whether to authorize the cannabis event or not, that decision should be made following an open dialogue between the City and the DAA. This opportunity would allow the DAA to provide further information, hear the City's and public's concerns, and offer potential solutions to address those concerns.

I look forward to receiving a response from you regarding the June 19, 2018 meeting agenda. If you have any questions, please contact me at (916) 654-1393 or christine.vana@cdfa.ca.gov.

Sincerely,



Christine Vana
Staff Counsel



28-DAA/City of Victorville
Chalice California
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Cc: John Quiroz, Branch Chief, CDFA Fairs and Expositions
Lisa Hogue, President, 28th DAA Board of Directors
Jim Cox, Mayor Pro-Tem, City of Victorville
Blanca Gomez, Council Member, City of Victorville
Jim Kennedy, Council Member, City of Victorville
Eric Negrete, Council Member, City of Victorville
Andre de Bortnowsky, City Attorney, City of Victorville



Exhibit 6

6/15/2018

Re: Denial of Temporary Event License

Reply all | Delete | Junk | ...

Re: Denial of Temporary Event License

Daniel, Veronica@DCA <Veronica.Daniel@dca.ca.gov>

Reply all | ...

h.trungliss@gmail.com; Bryan Buhriga, chalicecalifornia@gmail.com

You forwarded this message on 6/15/2018 4:03 PM

Dear Wisdom Apparatus,

The Bureau of Cannabis Control (Bureau) has received your request for a Cannabis – Temporary Event License. After review of your application and supporting documentation, your application is denied because you do not qualify for a temporary event license at this time. You have not been authorized by the local jurisdiction to conduct the commercial cannabis activity for which you have applied.

If you have any questions regarding this matter, please contact the Bureau at (833) 768-5880.

BCC Record ID, EVNT-18-0000005-APP

Thank you.



Veronica Daniel
Staff Services Manager II, Licensing
www.bcc.ca.gov
<https://cannabis.ca.gov>

