

Received  
Watsonville  
City Clerk

### Impartial Financial Analysis of Measure L

Measure L authorizes the City of Watsonville to impose a Cannabis Business Tax not to exceed 10% on gross receipts from retail sales of cannabis, 2.5% on gross receipts from the sales of cannabis, and \$20 per square foot for grow area of cannabis cultivation. Funds generated by the tax will be used to fund services such as public safety services to include police and fire and community services offered by Parks and Community Services.

I estimate the approval of this tax measure will generate between \$1.7 and \$1.9 million if cannabis manufacturing, processing, and dispensaries are all allowed in the future.

The projected revenues appear accurate based on my analysis on estimates. In this analysis I relied on the best data available at this time; however, actual revenues may be more or less than City staff's estimates due to increased or decreased activity in activities generating type of revenue due to changes of demand of the product and in the general economy.



08/16/2016

---

Administrative Services Director, City of Watsonville