



September 10, 2015

Mayor Mark Burton  
City of Manhattan Beach  
1400 Highland Avenue  
Manhattan Beach, CA 90266

Re: Proposed Tobacco Retail License Ordinance

Dear Mayor Burton:

I write on behalf of the American Petroleum and Convenience Store Association (APCA), a grassroots organization of independent gasoline and convenience store owners located throughout the state of California. APCA shares the goal to keep all tobacco products out of the hands of minors and supports local tobacco retail license (TRL) ordinances as an enforcement tool to penalize retailers that break the law.

We have reviewed the draft TRL ordinance and the August City Council meeting video at which the City Council provided further direction to staff on the ordinance and we have the following comments and concerns.

**Grandfathering of existing tobacco retailers**

It is our hope that you adequately protect the interests of the all existing tobacco retailers within 1,000 feet of a school or youth-oriented facility or within 500 feet of another tobacco retailer with the addition of a grandfather clause that will do two things:

1. Exempt tobacco retailers operating lawfully on the effective date of the ordinance; and
2. Allow for the sale of the business to another individual, through an arm's length transaction, of a tobacco retail business operating lawfully on the effective date of the ordinance to be exempt from the sales restrictions. The new owner would be required to apply for and obtain a new tobacco permit.

The inclusion of a grandfather clause will allow current business owners to continue to operate their businesses and sell their businesses to a third party, preserving the value of these stores for business owners. Franchisees and independent retailers have much and in many cases all of their retirement wrapped up into the value of their stores. So to devalue their stores is to destroy their entire investment and retirement.

**Flavored Tobacco Ban**

We are opposed to the proposed provision that would ban the sale of flavored tobacco (except tobacco and menthol) in all retail outlets unless they are age restricted. Tobacco is a key category for retailers that drive foot traffic and incidental sales within stores. The inability to

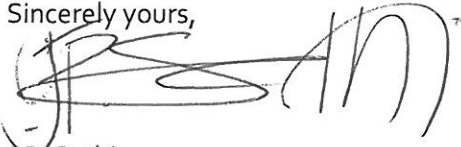
sell even flavored tobacco has a significant financial impact on a store. Retailers operate on thin profit margins and the loss of important products can mean going out of business. This

provision also creates an uneven playing field for existing businesses as customers can easily go to smoke shops in Manhattan Beach or retailers in neighboring cities to purchase flavored tobacco.

If the Council is determined to ban the sale of flavored tobacco in non age restricted retailers, we ask that you add a provision for the continued sale of mint and wintergreen flavored products at all retail establishments in the City.

We appreciate the opportunity to comment on the City's draft ordinance and look forward to working with the City Council and City staff to develop a tobacco retail license that keeps tobacco out of the hands of minors and protects the business interests of law-abiding tobacco retailers that will be impacted by this ordinance.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'J.P. Sethi', with a stylized flourish at the end.

J.P. Sethi  
Chairman

cc: Manhattan Beach City Council  
Sona Coffee  
City Attorney

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CITY CLERK'S OFFICE

2015 SEP -8 AM 10: 24

**Manhattan Grocery**  
**1111 Manhattan Avenue**  
**Manhattan Beach CA 90266**

September 2, 2015

Manhattan Beach City Council  
1400 Highland Avenue  
Manhattan Beach, CA 90266

Re: Proposed Tobacco Retail License

Dear Mayor and City Council Members,

I was unable to attend the August 18 City Council meeting but wanted to share with you my concerns regarding the proposed tobacco retail license ordinance, specifically, limiting access to tobacco products by restricting the sale of flavored tobacco products and the grandfathering-in of existing retailers.

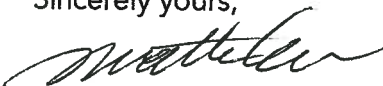
I have owned Manhattan Grocery for the past 12 years. When I purchased the store, I knew I would be able to sell tobacco. This was an important factor in my decision to buy the grocery store. Tobacco sales comprise about 10% of my sales. The ability to sell tobacco is important to the overall success of my store. Most of the customers that purchase tobacco (tourists and local employees in downtown MB) end up buying other items at my store. If I am unable to sell tobacco, I will lose these sales and my revenue will plummet.

I have a long-term lease other fixed costs that I am obligated to pay each month. I cannot afford to lose the income from tobacco and the ancillary sales it generates. That is why I am urging you to allow existing businesses to continue to sell ALL tobacco products including flavored tobacco.

If I am fortunate enough to someday retire and decide to sell my business, the value of my business will depend upon the ability of the new owner to continue to sell tobacco. That is why it is also important to grandfather existing tobacco retailers in perpetuity.

I hope that the Council will support local, independent businesses like mine and delete the flavored tobacco sales restriction and grandfather existing tobacco retailers from distance and density restrictions. Thank you for your consideration of my concerns.

Sincerely yours,



Matthew Kim