


**CITY OF HERMOSA BEACH
MEMORANDUM**

Date: January 28, 2020
To: Honorable Mayor and Members of the City Council
From: Ken Robertson, Community Development Director 
Subject: Supplemental Information, Item 5(a)

As directed by City Council at the November 12, 2019 meeting, staff facilitated discussions with tobacco retailers at a meeting with Beach Cities Health District and through staff visits. A summary of comments from Hermosa Beach Tobacco Retailers is attached for your reference.

Summary of Comments from Hermosa Beach Tobacco Retailers

January 21st – Scheduled Meeting at City Hall

Two tobacco retailers and one resident attended the meeting. Retailer feedback included the following comments:

1. Overall retail concerns about declining store sales due to increasing internet sales and delivery services. It was noted that customer store visits allow the retailer to verify age before selling tobacco products, unlike internet sales.
2. Lack of ability to sell tobacco products would reduce their total sales and would also reduce the value of their businesses, making it more difficult to sell business in future.
3. Tobacco sales restrictions are confusing to customers since the products are legally sold in California and throughout the Country.
4. Concern about paying for the annual Tobacco Retailer License and not receiving an entire year of tobacco sales ability.
5. It is difficult to operate a business with rising staff costs and high rents in the area.
6. Concerned about future due to high expenses, loss of flavor tobacco and related sales. Stated loss of customers due to flavor ban.
7. Both retailers agreed that if a tobacco sales ban was proposed, it was requested that the City give them as much time as possible it would become effective.

January 23rd - Retailer Visits

Due to low meeting attendance, staff visited the other Hermosa Beach tobacco retailers to notify them of potential policies and discussion of tobacco sales ban. Retailer feedback included the following comments:

1. Rents are high, any restrictions are not good.
2. Currently 20% of sales are tobacco sales and accompanying sales with tobacco. When flavor and menthol ban went into effect, store's overall sales were reduced by 10%.
3. One smoke shop was concerned with lost ability to sell electronic smoking devices. Also very concerned about potential ban on tobacco sales. Stated they recently signed a new 5-year lease.
4. One convenience market mentioned concern about loss of additional sales of items purchased with tobacco products would impact in addition to loss of tobacco sales.
5. One gas station mini-mart mentioned tobacco flavor ban and accompanying retail and gas sales has cost the business \$1,000 per day. The retailer said those sales were now made in another city.
6. Smaller, neighborhood markets located near the beach in the Walk Street Neighborhood and Sand Section Neighborhood (6 of the 16 Hermosa Beach tobacco retailers) stated business-impact concerns due to community and visitors' demands for tobacco and the other sales made at time of tobacco purchases.