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April 5, 2025

Mayor Rachel Farac and Members of the Novato City Council  
City of Novato  
922 Machin Avenue  
Novato, CA 94945

Dear Mayor Farac and Council Members,

As always, we appreciate the Council's willingness to hear from the Downtown Novato Business Association (DNBA), and we're grateful for the ongoing partnership we enjoy with the City. We're writing to share where our membership stands on the question of allowing cannabis retail storefronts within the Business Improvement District (BID). After many discussions on the subject, our members are genuinely divided on this issue. Rather than take a position we don't have consensus on, we think it's more useful to give you an honest picture of the three perspectives we're hearing.

**Supportive, with conditions.**

One group points to the many well-run dispensaries across the Bay Area — beautifully designed, professionally staffed, and well-maintained — and sees no reason a similar operation couldn't be an asset to downtown Novato. Their support comes with an important caveat: the City would need to set clear standards for operators and ensure only reputable, high-quality businesses are approved.

**Only in Zone B & C of the BID map and cap it at one.**

Many members feel that if cannabis retail is permitted, it should not be located on Grant Avenue but rather be limited to Zone B & C on the BID map, keeping prime downtown locations available for the restaurants, retail shops, and personal service businesses that anchor a healthy commercial district. There is also broad agreement across this group — and honestly, across much of our membership generally — that the total number of cannabis storefronts in the BID should be capped at one, at least initially, to allow the City to assess the impact before any further approvals.

**Opposed entirely.**

A meaningful portion of our membership feels cannabis storefronts simply don't belong in downtown. Their concerns are around the type of clientele these businesses may attract, the impact on our homeless issue in downtown, and the potential for increased crime in the vicinity. They also point out that most other cities in Marin have made the deliberate choice not to permit cannabis storefronts — including Tiburon, Mill Valley, Corte Madera, Belvedere, Larkspur, and Sausalito — and feel that Novato should give serious thought to why so many of its neighbors have arrived at that conclusion. They ask Council to take seriously the investment existing small business owners have made in this neighborhood and what's at stake for the character of the district.

**A note on timing.**

We also ask Council consider holding off on any final determination on this issue until the final report from the Economic Development Strategic Plan consultant can be submitted and carefully evaluated. The Good Cities consultant has been specifically engaged to take a strategic look at what kinds of businesses and industries are the right fit for Novato's future. It seems prudent to have that analysis in hand before moving forward with a decision of this significance.

**A gap in the data.**

We also want to note something that stood out to us regarding the community survey feedback and staff presentation to the Economic Development Advisory Commission (EDAC) on April 2nd. From what we can tell, the analysis focused exclusively on the consumer perspective — there was no mention of how existing Novato businesses feel about this -- specifically their thoughts about where storefronts should or shouldn't be located relative to other businesses in the BID and beyond. We are asking whether a targeted survey of Novato business owners might be warranted before a final decision is made. Their feedback is likely to offer additional points the residents/consumers may not consider.

We recognize this isn't a simple decision, and we trust the Council to weigh it carefully. We're happy to discuss this further or facilitate a conversation with our members if that would be helpful. Thank you, as always, for including the DNBA in this process — it means a great deal to our business community.

With appreciation,

The DNBA Board of Directors

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