



SOUTH COUNTY

Cannabis company, rejected for a third time, takes Chula Vista to court again for failing to follow its licensing rules



A marijuana leaf at a cannabis operation in Gardena in 2019. (Associated Press)

The court had found Chula Vista wrongfully scored the business' applications and ordered it to reprocess them

BY TAMMY MURGA | REPORTER

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CHULA VISTA — After a court concluded that Chula Vista had twice wrongfully rejected Caligrown’s cannabis license applications, the city reprocessed them again — and again issued another denial.

The company, owned by Coronado resident Laura Wilkinson Sinton, is now arguing that the city is once more violating its own permitting rules and is asking the court hold the municipality accountable.

“It is plain the City considers itself to be above the law and above this Court,” attorneys for Caligrown said in a court memo. “Despite already having been rebuked by the Court of Appeal for wasting its limited resources and arbitrarily violating the law, the City has continued to act with defiant impunity.”

The city declined to comment because of the litigation.

A hearing is scheduled for Feb. 16 in San Diego Superior Court.

Chula Vista’s ordinance allows up to eight storefront retailers or no more than two in each district. To obtain one, applicants have to go through a two-phase process with thorough vetting and criminal background checks. The first phase involves background checks by the city’s police chief and finance director. The topmost qualified applicants in each district are then given a phase-two application slot, where they must present security plans and construction drawings and pay more fees.

An appeals court in July 2022 ruled that the city had violated its own laws when it rejected Caligrown’s applications for storefronts in Districts 1, 3 and 4. The city was then ordered to reprocess them. A judge in May 2023 gave the city 60 days to comply with the initial court order.

The city notified Caligrown in a Sept. 29 letter that it had rescored its phase one applications and that the company had received top rankings.

However, the city still rejected the business from moving onto the second phase because “the maximum allowed number of storefront commercial retail cannabis licenses for Council Districts 1, 3, and 4 have been issued, and there are no available storefront cannabis retail licenses in those Districts,” Sarah Schoen, the city’s finance director, said in the letter.

While the case was ongoing, however, the city in April awarded a second and final license to Herb N Joy in District 3, according to a city license certificate. The city had also been issuing licenses amid the lawsuit with Caligrown.

According to court documents, attorneys representing Chula Vista argue that the city has already complied with the court order by rescinding their previous scoring of Caligrown’s applications and reprocessing them. They add that the city was not ordered to revoke the licenses of other cannabis retailers and that it cannot issue more anyway because “no licenses are available, having been issued to other applicants.”

Caligrown attorney David Demian said the company is still entitled to proceed with license issuances regardless of the impacts the city claims it may have on other issued permits because the city knew it had yet to score Caligrown’s applications.



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