

From: ["Scott Anderson" <sapdesigns@yahoo.com>](mailto:sapdesigns@yahoo.com)

To: [CannabisEIR <CannabisEIR@santacruzcounty.us>](mailto:CannabisEIR@santacruzcounty.us)

Date: 10/28/2017 4:05:52 PM

Subject: Comments regarding commercial cannabis permits in summit area

To whom it may concern,

My family owns our home and resides in the Summit area of Santa Cruz County. I am a California CPA, a local business owner with over 100 employees and a University of California Santa Cruz faculty member in the Economics department. My undergraduate degree also included extensive coursework in environmental studies. For the last two years I have been researching federal and state laws regarding medicinal and recreational cannabis with a focus on income and sales tax compliance. This research has resulted in a wide understanding of substantially all aspects of this industry (albeit not deep understanding). I also have personal acquaintances that are very active participants in this industry (growers, distributors and investors) and through these relationships I am quite familiar with risks and the environmental impact at stake. It is with this background on the topic at hand that I would like to provide you objective comments regarding proposed permitted commercial production in the Summit area (note that objectivity is a duty of my profession).

First, the area's fire and public safety resources are already strained to effectively support current residential populations in a forested area amidst a drought cycle. Public resources have been tested and generally performed as expected to date but current resources are potentially inadequate to manage long term risks associated with the existing levels of illegal production in the area. Expansion to include commercial growing of cannabis will most certainly pose significant health and safety risks to the environment and residents of the area that the county has not specified how they would manage via provision of public services.

Second, I need not mention the impact of the recent Bear Creek fire but I must, as commercial production of cannabis poses significant fire risks similar to those that likely started this fire. Butane manufacturing methods pose a significant fire risk that many people unfamiliar with the industry are completely unaware of. Local fire department resources would seem to need to be expanded. Note that many residential properties in the area are not insurable via common carriers due to existing fire risks. This is a good indicator of the current state of our area.

Another risk often overlooked is the volume of un-permitted electrical work associated with cannabis manufacturing. Does the county have plans and resources in place for inspections of all permitted and un-permitted growing and manufacturing facilities in the area? Is the county planning to subpoena PG&E records to identify properties that are likely to have unpermitted manufacturing in the area? Once identified, understanding the likelihood of these illegal growers to bear arms, what is the county's response going to be to manage this fire and safety risk?

My objective opinion is that the county has failed to adequately consider risks associated with the current levels of illegal activity in the Summit area, and has far from adequately considered the risks associated with expanded permitted cannabis business in this area. My recommendation is to adopt policies and procedures and dedicate resources in the near term to start to softly manage current illegal cannabis industry activity before risking opening a floodgate of new activity that the county is ill-equipped to manage.

Additionally, I would suggest that the county project tax revenues as a result of the permitted commercial production to determine what additional public resources could be dedicated to the area as a result of legalized expansion. It is imperative for local governmental entities to consider resource plans prior to granting permits. Resource management plans would ideally be in place prior to resource constraints becoming hugely detrimental to the safety of community.

Sincerely,

Scott Anderson, CPA
Sapdesigns@yahoo.com