

## **Cannabis Draft EIR Public Comments from September 6, 2017**

**Matt Johnston** – welcomed everyone Described purpose of meeting and introduced staff.

**Erika Leachman** (Amec Foster Wheeler) – Gave brief overview of document and process for providing input.

**Valerie Corral** - Director of WAMM

Recognizes great accomplishment in creation of this environmental document. The broad sweeping vision is masterful and we are grateful for response in addressing issues that have arisen since and prior to legalization. It is not lost on us that the answer to controlling problems associated with unregulated cannabis is to create more inclusive regulations. She posed the following questions:

1. In what ways will small businesses be encouraged to participate considering the challenges associated with costs of meeting regulations?
2. What policies can we put into place to insulate cottage industry who otherwise haven't the financial means to participate?
3. Difficult to ignore that cannabis is being viewed in a singularly different manner outside a normal agriculture context. Cannabis industry is primed to be a rich man's playground.
4. Please address reasoning behind distinction between cannabis farming and any other agricultural endeavor concerning the fire access, greenhouse construction, water storage, etc.

**Brett Miller**

Important to be inclusive. F-1 occupancy, which no other county in the State of California is requiring, and from what he sees it's for manufacturing airplanes, down to incinerating waste and massive production. Realizes it includes hemp products but that's from when hemp was large industry, not like small-scale medical farming. He feels it belongs in PG miscellaneous group U where agricultural building, greenhouses, and things like that would be. Water tanks and other things pertain exactly to the agriculture that it is. He feels 80% of Santa Cruz mountains will be devastated and taken out of the market and put into the black market because these people are going to continue doing this as the EIR has pointed out. Changing the tax things is something that should be looked at that chases away industry from Santa Cruz to other areas. Overtaxing it would be another hurdle that will affect what goes on here locally. Sixty to eighty percent of the Santa Cruz mountains won't be able to afford to put 20' wide roads in or 120,000 gallon water tanks and they're not building large scale aircrafts or doing anything that any other agriculture isn't doing.

**Christine Jennifer**

President at Suncrest Nurseries in Watsonville. I believe that it's necessary that there be a clear distinction between nursery cultivation and flowering cultivation. As a plug and liner supplier, they would like to be able to maintain a mother stock in order to propagate but the mother stock flower

never flowers and would not be sold. The distinction between mother stock from our sellable plugs and liners needs to be made in order to keep our mother stock from being counted as part of our canopy.

One comment referring to MMAQ-1.2 regarding greenhouse odors. Considering that nursery production never goes into flower and presumably then there's no odor, a commercial air scrubbing or filtration system is not necessary for odor control. In order to mitigate the undue and unnecessary financial hardship for our company and perhaps others, we think there needs to be clear distinction between the impact of nursery production and flowering cultivation.

Our second comment is according to the EIR pages 3-11 it implies that the Fire Marshal would require up to 120,000 gallon storage tank for greenhouses. This concerns us as this would inhibit us from ever entering into this market. Keeping in mind that we want to minimize our footprint an undue hardship on a 27 year established agricultural company who are already growing thousands of varieties of horticulture plants, we already grow liners and we are already in compliance with the existing fire code. So again, that refers back to my main essential point is that we believe there needs to be more of a differentiation, a clear distinction between nursery production and flowering cultivation. Looking at the definition of the F-1 Factory Industrial group, this 120,000 gallon water tank or water tank system would be necessary for any moderately hazardous structure or structures of sites including indoor grow rooms and greenhouses and again we think there needs to be a clear distinction that nursery production and greenhouses is not included in this. In nursery production of cannabis clones at an established nursery that is already growing and producing hundreds of thousands of liners per month does not present an additional fire hazard. So that's our concern which mainly speaks to our greater concern that what could potentially, because it's not clear yet, potentially could be an excessive amount of perhaps additional compliance and regulatory issues could actually completely inhibit an established nursery operation from entering the market and create a hardship on our business and on our business planning and operations which we report to a Board of Directors, shareholders who've been with the company for even decades before our company was there. We have to decide how we are going to invest and how we are going to go forward.

### **Pat Mahlow**

We are doing this because if we don't have inclusion, we have exclusion. The only way to be able to put in place anything that has the environmental protections, the neighborhood protections, protections for those using these products as well as protection of existing industry and the people who are making a living off that, we need to be successful by getting these little challenges ironed out. What he's fearing is that we're going to hit a point where we're almost there but we don't do it in time and so we have a major secondary impact of everyone doing whatever they want. Doesn't know if EIR mentions and studies the timing in which a lot of these stuff has to happen. Currently, we're working on a solution for the start of State temporary licensing and so how people who are in this processing can stay in this process because they will require one of these temporary licenses to do business in the regulated market while they're in the process of getting regulated and that's not just for the January 1<sup>st</sup>

date, that's also for the eventuality when we get the perfect ordinance and then we have to go through the normal process at the County of getting that license. So if from the beginning of the ordinance we are still going to need permission to operate or else we'll at just start new businesses in a year and a half when we get our permits.

### **Mary Jo Walker**

This is a huge project that the Planning Department had to undertake. I think they are doing a good job. How are these comments going to be relayed to the Board of Supervisors? (Paia then explained the process.) I am not in agreement with many folks in the room. I stand up for the environment and that's not often popular. I think this should happen on agricultural land. That's where we grow things in this County, not in the mountains. The mountains are not suitable for farming. The timber production zones and the rural agricultural zones are not, you know, it says rural agricultural, but I live on a rural agricultural, I live in a community that has RA and we're talking about chickens running around in the backyard, we're not talking about a farm. I don't think they should be in TP and RA. I'm not anti-pot. I don't use it myself but I may in the future. If I come down with a disease that needs it or, I also admire the entrepreneurial spirit of people. I'm pro-capitalism. They all have boundaries. We have to have boundaries in certain things and Agricultural land, that's where we grow crops and it's easy to control there. Let me tell you why, in addition to just that. I've got a list of things. These are things I just came up with in five minutes of sitting down. Rat point. Rodenticide. It's going to, people might now know this but most of the water that we're drinking here in downtown Santa Cruz comes from our hills, comes from our mountains and if there's rodents, rodenticide rat poison, I'm going to call it rat poison, that's what it is that's washing down into our creeks at any time, maybe it's from our irrigation water, you're going to be drinking it. And it's killing our wildlife. So raise your hand if you're okay with rat poison in your drinking water down here. Water usage is another thing. Water usage - if we think we have a water shortage right now, it's going to get worse because there's water, it's a high water thing. Crop - fire danger. How many times have we heard about fires from pot growers, marijuana growers, explosions from manufacturers? Maybe they're unregulated, I admit that, but you almost never hear about fires down in agricultural farm or a rose farm thing. Tree cutting in, you know, the timber production zones have trees on them. They have timber on it. To grow a farm there, you've got to cut down trees, right? We think of ourselves in this community as loving our redwoods. Well, there's going to be a lot of those coming down if we're doing to be growing farms up in there. It's steep, it's shaded. And finally regulation. I know that people say here that if you broaden the umbrella of what can be grown that will bring in regulation. Well, I live in the mountains and it can be the wild west up there sometimes. We are not protected sometimes, you know, by the Planning Department, by the Sheriff's Office. Sometimes we're on our own. And I don't think it belongs up there. There's going to be land that's way back there that the Planning Department and the Zoning Department is not going to be able to regulate. I live through it. I know what it's like so, I'm sorry everybody in the room, but that's what I believe.

### **Mig Rivera**

I'm represent Gaiaca. We are a cannabis waste revitalization company. We are based out of Monterey County and we service clients all over the state currently. Our sole goal is to reduce the environmental impacts of this industry as a whole. We work with the State to categorize the different streams of waste that are coming in. We work with operators in assisting them with their compliance of waste management. We are not a waste management company. We do not compete with them. We've had this discussion with many different municipalities. We work solely to pick up, remove the liability along with the potential mismanagement, of any kind of cannabis waste material and we process it to the State's highest regulations. I just want to, I'm just here to, first off thank the staff for taking on this daunting task of creating an EIR and more than anything applaud all of the operators that are willing to step into the light and move into a regulated market. It's very difficult. It's very expensive. And we're here to help. Our company is here to help

### **Gwen Benjamin**

Thanked staff for making comprehensive EIR and making it so accessible to the public. It's very important when looking at these issues to look at article by article and specifics and (inaudible) and not just to rely on anecdotal evidence from living in a particular locale. I think there's much more environmental justice that can be done through cannabis than can be done when regulating it just in an ag zone. Thank you.

### **Colin Disheroon**

I am the owner of Santa Cruz Naturals, which is a dispensary and cultivation operation based out of Aptos. I have not read thoroughly through the EIR so excuse me if I am bringing things up that were addressed. He then posed the following questions / comments:

1. Does the EIR consider impacts that could be created if laws in Santa Cruz County end up pushing cannabis into ag land where actually cultivating cannabis is not suitable? I know there's a misinterpretation that cannabis should be grown in our ag areas here which I know unfortunately won't work because cannabis and strawberries don't grow well side by side. Cannabis and grapes grow well side by side despite the trials (inaudible) mold issue. So has that been considered?
2. Can cannabis be a way to bring other agricultural businesses back to life in areas where they have otherwise gone fallow?
3. Could this be considered a beneficial use of allowing cannabis in these areas?
4. Can appealing(??) cannabis in the Santa Cruz mountains create a niche market that would increase land and product value in the County?
5. Can small organic cannabis farms in Santa Cruz County actually create a model for low impact and even fully sustainable cannabis farming that can be applied to other parts of the state or nation?

6. How our practices here for organics could do the same that it did some years ago when Santa Cruz started the organic movement.
7. Did the EIR consider the economic potential of licensed cannabis, that licensed cannabis could actually bring revenues that could repair and increase fire access in areas that otherwise may not have had revenue to do so? One example right now is I live on a road that is less than 20' wide. There's a massive slide out on the property. Our road association can't afford to repair it. It's in very bad condition and one of the things I am considering bringing to the table is how can we cannabis operators come in and pay for this to be restored. Because otherwise that area may be pretty inaccessible to fire trucks. So, can cannabis reduce a fire impact because of that?
8. Did the EIR also consider that the devastating fire impacts that could continue to perpetuate should businesses operating on roads less than 20' wide and have less than 120,000 gallons of water storage may create? If Cal Fire is going to impose this code then it's very likely that they will be shooting themselves in the foot because just like one of our previous speakers said, we don't hear of any sort of big fires happening in the agricultural areas because they're regulated. That's why. So, can regulated cannabis farms in areas on less than 20' wide be a reduction in environmental impact caused by fire?

### **Jeff Mordall**

1. Is any other county in the state of California applying the F-1 Factory Industrial fire code to cannabis cultivation, cannabis trimming, cannabis drying or non-volatile manufacturing? Any other County in the State of California?
2. Is any other County in California requiring 20' wide fire roads for cultivation, drying, trimming and non-volatile manufacturing?
3. And is any other County in the State of California requiring 120,000 gallons of water storage?
4. Then, in Santa Cruz, is the F-1 fire code being applied to any other agricultural product in Santa Cruz? Cultivation or processing? Does any other agricultural product have that fire code applied to it? Then, here's a scenario. If I wanted to build a greenhouse on my 50 acre SU zoned parcel or a TP zoned parcel and I wanted to build a greenhouse with electricity and fans and some other basic greenhouse equipment and I told the County that I wanted to grow tomatoes, would F-1 occupancy be applied to my greenhouse permit to grow tomatoes? All other greenhouses in Santa Cruz seem to have the fire code classification of Group U – Miscellaneous. That also seems to be in Cal Fire, the State fire code that's being referenced for how to go about doing the fire code and in the Group U – Miscellaneous fire code it specifically lists agriculture buildings and greenhouses in Group U. So my question is why was Group U not analyzed in this EIR? Why was this not, why was the decision to apply F-1? And my understanding is also there's a long history with Group U through multiple efforts through the Cannabis Licensing Department came to that same conclusion that Group U was the appropriate classification but for some reason others in the County have been adamant in sticking to F-1. What is the reasoning on that? Why wasn't F-1 occupancy code the exact wording listed in the EIR so people could actually read what F-1 is actually designed for?

I'll read a few of these and see if anyone thinks that this applies to cannabis cultivation or is similar. There's aircraft manufacturing, electric generation plants, refuse incineration, to name a few. There's no other agricultural cultivation on here. It does list hemp and tobacco but it doesn't say what it is, if that's the cultivation so it just doesn't seem to apply. And while we're talking about F-1, there's also a typo or misrepresentation in the EIR that has to do with food processing. I'm quoting right now the actual California Fire Code on F-1. It says specifically food processing in commercial kitchens, not associated with restaurants, cafeterias or similar dining facilities more, I stress more, than 2500 square feet. That is the actual code. For some reason in the EIR when it describes, and by the way, it kind of cherry picks and makes their own definition for F-1. It's not actually quoting the California Fire Code but it, for some reason it says that F-1 applies to food processing establishments, commercial kitchens under 2500 square feet so I'd like to request that that actually gets cleared up. That's a very misleading, we'll call it a typo. So in reality a manufacturing and food processing, if it's under 2500 square feet, it seems that F-1 should not be applied if we're going to actually quote the Cal Fire fire code. As far as, just one point, I want to make sure I'm kind of responding to someone else's comment tonight, just want to make the point that it's illegal, unregulated grows that area causing the fires. The Loma Prieta fire has now been determined that that was an unmanned, unmonitored generator that was running with janky wiring, that was what caused that fire. In a regulated licensed cannabis industry sites would not be allowed to use generators and they would have all their wiring done to Code. So there's a lot of just propaganda and such that needs to be undone around the stigma of growing cannabis. Another comment that's kind of rhetorical but why does it seem that it looks more and more like the F01 fire restriction is just a form of political shenanigans and why does it look like this may actually be a pre-meditated political strategy to ban cannabis in the Rural Residential community? People who paid in, about 900 people paid \$500 in registration fees, into a system thinking full well that we were all on the same team working together trying to include everyone and more and more it's starting to look like this is an intentional premeditated....

And is it true that the Board of Supervisors, the five people who are going to vote on an ordinance, is it true that the Board of Supervisors are the ones who have the final say on what fire code is applied to cannabis? I want to make that clear as well because there's a tendency politically to blame these decisions on other, like blame it on Cal Fire, it's not us, but my understanding is that it's the Board of Supervisors who has the final vote and say on what the fire code is and how it's applied to this and I just want to make sure if that is a true statement or answer that, that it's the Board of Supervisors who have the final say or it's at the discretion of the Board of Supervisors what the fire code is.

### **Kevin deJardine**

Representing a small collective here in the County. At the end of the day the EIR and the County claims that cannabis is going to be an agricultural commodity so why would limiting production on agricultural zoned properties such as Commercial Ag zoned properties be considered? There's no other crop in California that's grown on a commercial ag zoned property that they're told you can only grow two percent of your overall property. I understand it's because of the stigma associated with marijuana. The many, many years of that stigma being reinforced, but all that really does is limits the property

owner, the business owner, the County's tax revenue, and the expansion of the industry. That's initially what those properties were zoned for – commercial ag production. Marijuana, at the end of the day, is going to be considered an agricultural product so why wouldn't these same guidelines be applied? Stigma. Also, the setback of 100 feet from public right of ways for the commercial zoned agriculture properties, we understand, and we would like to note that there should be a differentiation between indoor cultivation and the outdoor greenhouse cultivation. The indoor cultivation on the commercial ag properties, the 100 foot setback, we understand it's intended to limit sight lines, odor control, security issues, which are big issues for greenhouse people but for indoor operations you're behind a locked wall, a locked fence. Most of the time, most facilities will have twenty-four hour security so many of the factors that greenhouse people experience are mitigated because we are in a closed controlled environment. We don't have the problem with animals, deer, rabbits, gophers. We don't have to deal with any of that. Our pest management is much more limited because we don't have the exposure. So we would just like to see that considered when adopting the regulations because there's major differences between the two. They are complete different animals. The regulations should reflect that. The F-1 occupancy, it's going to kill so many of us. So many of these people just, it's, we understand again the intent but the 120,000 gallons just, the feasibility of trying to pull that off in most situations it just isn't there. The 20' wide roads. I can probably take you and show you 20 spots on Upper Green Valley Road and Hazel Dell Road that are County maintained roads that aren't even 20 feet wide. So the fact that you would require a private property owner to have a 20' wide road. I've never seen a 20' wide fire truck. When I pulled building permits in the past, it was a 12' road because that's what they require with the minimum turnaround radius and if those are met then the intent it just isn't there. The impact isn't there with the intent. So those are our big points we'd like to see addressed.

### **Jim Coffis**

I understand that these public comments are to address the adequacy of the document and then to raise any questions we had with your conclusions or definitions. Let me try and stick to that. I was surprised to see that only perhaps a paragraph or so was devoted to the issue of residential grows, garage grows as you called them in the document. As I understand it, you were trying to establish a baseline and like I say, this is the most definitive attempt that I've ever seen to try and put your arms around what's going on here. However, I think by dismissing or not really focusing on the extent to which indoor residential grows occur in the County kind of, I'd call that a missed opportunity to really define what the baseline is and what the existing situation is. The other issue on that same vein is that, as I understand it, as I saw your conclusions, and to me to be common sense, is that the more permissive you make the regulations, the more people that you will be regulating. And conversely, the less people who would be operating in an unregulated situation. And so if you take 100% of cannabis activity that's going on now and 50% of it is going to remain unregulated, that's a significant environmental impact. And you note that. But you sort of note it in passing because the significance of that impact of the continued unregulated activity, whether it's indoor residential or Bonny Doon neighborhoods or public lands, that amount of unregulated activity is pretty significant. And so, there

needs to be, we either need to address how we can get more of those people regulated or we need to have some plan on how we're going to address that. And I think the fact that today happens to be the anniversary of, the 80<sup>th</sup> anniversary of the beginning of prohibition on marijuana. It started in 1937. So for 80 years we have not solved that problem. Amec Foster Wheeler would come up with a solution let alone the County on how you're going to mitigate that issue that you're going to create by leaving people unregulated. Finally, we will submit comments regarding the F-1 occupancy and some of the other issues that were addressed, but I'd finally like to end with saying that we are, you know, most of us are environmentalists and we're not interested in seeing rat poison washed down to the drinking water but to think that cannabis production, you know, to think that 2% or 1 ¼% of the property in the County that could be used, or is being used for cannabis production contributes near as much as the home gardens of the rest of the population to the pesticide and rodenticide problem is a red herring. Thank you.

### **Brenda Chadwick**

Praised the C4 committee for their work. Applauds the County for addressing this problem. I know your company personally because I am grower profile number two. I've concentrated my efforts so far for the past couple years on two things. One is Home Occupation and the ability to have a commercial opportunity in their residence. So we have Home Occupation as an ordinance with the County where you can commercially have a business as long as it does not exceed 20% of your square footage. My cannabis garden is the size of a personal medical garden. It's 100 square feet. And prior to building my enclosed room inside an enclosed garage, both locked, I did get a permit from the County to upgrade my electrical. I've been very responsible and when I built my garden it was at the beginning of the recession. And I couldn't find a job. I had medical issues. I used, I decided that we were in a survival mode. I needed to sell some of my excess from our personal garden. I continue to do this. I've never sold anything to other than to a licensed dispensary and I don't see why there can't be a permitting process. It's very simple. You were all at my home. How hard would it be to look at that and decide, "Okay, is this within the guidelines or is this not within the guidelines?" Alright. The other area that I feel very strongly about, and I will, I have a lot of comments on a lot of things. I question the baseline. In the alternatives that were considered and discarded. Number 1 – Residential Cannabis Alternative. Demand for this alternative currently exists in the County as roughly 10% (25 applicants), of registrants with known locations are seeking licenses in R-1 zone districts. Well, I think that that only includes the registrants who were not anonymous. So I'd be interested in the total number of registrants, how many were in, if they said, because I know a lot didn't, how many were in this R-1 zoning area? So that's number 1. Number 2. It talks about 500 square feet of canopy per site. Well, I have always talked about the home occupation which is 200 square feet or less. So I think that's a little bit misleading. So the reason why this alternative was discarded is that it would not meet the key program objectives of number 4 – Prevent impacts of cannabis cultivation and manufacturing sites on children and sensitive populations, and number 7 – Ensure compatibility of commercial cannabis cultivation and manufacturing sites with surrounding land uses, especially residential neighborhoods / educational facilities. Even accounting for the well-managed nature of some known garage grows, thank you, what

is the difference between a 100 square foot personal medical cannabis garden and one that I have? So. The other interesting thing, and I don't know if it's a typo or not, but out of the 11 grower profiles, 3 were listed as urban, one mountain and 7 south county. All were in District 2. How's that? That's a typo? Okay, might want to correct it. So the last thing I have to say is, so as far as the baseline. In the middle of the registration Governor Brown signed authorization for the Type 1C specialty cottage license. That would have been an avenue for so many people in the county who are on smaller parcels to get into the registration process. When that ended, the original registration fee was quite high so in the middle of the registration period, the registration fee was lowered. This Type 1C Specialty Cottage License was signed and I said at the Board of Supervisors meeting "Why don't we just put a hold here and make sure people know that there is a lower registration fee and there is a small license type that might be available. So I think that pertains to the baseline that is being used. Thank you and I'll provide written comments to you.

### **Richard Nathanson**

I live up on Summit Road in Santa Cruz County. I have been a resident of Santa Cruz County for 17 years. I'm also a licensed pest control advisor with the State Department of Pesticide Regulations. University trained in biologically based pest control. Also I'm a cannabis cultivator. I'm encouraging that the Environmental Impact Report take a good look at encouraging the use of biologically based pest control, that we educate, possibly regulate and help the growers here in this county be models like other agricultural commodities in the State, i.e. the Lodi wine grape growers who have done an excellent job to educate their growers on the use of pesticides. There's more to integrated pest management than using ladybugs and predatory mites. It is a science and it is a detailed science. But I think it's real important that in the Environmental Impact Report we address this issue so that we don't have residents of the county erroneously claiming that we're using rodenticides in our production systems because if some of these people would come visit the farms and see how hard we work and how back-breaking efforts we take to not use adverse chemicals they would be proud of the way we are treating the environment possibly versus other commodities in the state. There's a reason that conventional strawberries are listed as a dirty fruit. So I think we need to address this integrated pest management issue in depth. That it's necessary to, as we in the cannabis community are looking to brand our cannabis here in Santa Cruz County and I think we're on the road to doing that. So thank you so much and once again, let's look at this a little more in-depth so people don't make these kind of claims that are erroneous.

### **Dan Churjatis??**

I'm an attorney. I do land use. I work with Purple Lotus Patient Center and also Kevin deJardine and his wife, Sarah. I've done a little bit of work now in Santa Cruz with the cannabis community and it's a great bunch of people. I've worked with them with the referendum and just generally have done business down here and in San Jose and you've got a great bunch of producers and operators who would like to operate clean and under a well-regulated system. I mean, this is kind of where it was

born in California. With that being said, I think Santa Cruz is a little behind now. I've been doing business in San Jose since 2013 under regulated cultivation and dispensary system. We actually were permitted in 2015 with a combined dispensary and cultivate site and we're actually building out more cultivation space as we speak. All permitted through Planning, Building, Code Enforcement, Zoning, down there in the City of San Jose. I think they set up a great system down there and maybe the Board might want to look to other places and just get to moving because these people do need their local authorization in order to be in the game. At the State level, I'm sure this is maybe obvious to staff but it really needs to be known. But, going down to more specific points, I would like to see for proposed Chapter 7.128 regarding the cultivation program you've got to decrease the setback from the public right of way from, I think it's as much as 200 feet in some areas. Definitely decrease that setback. Also, you've got to increase the allowable canopy percentage. I see 1.25% and 2% and I just think that's a little arbitrary. I think the California state program already places limits, maximum limits, and they're not even going to be handing out their Type 5 cultivation licenses, which are the largest ones, for like a year, some odd years. So I think they already limited that pretty good at the state level. And now the Board's going to have the advantage of the State coming in, you know, and really helping out here, too. So timing may be good but you've got to get moving. Now as far as other measures within proposed 7.128 that already mitigate potential negative consequences from cultivation sites. I can just read off a list. So cannabis cultivation shall not be visible from any adjacent public right of way. That's 7.128.110 subdivision G, subsection 4, little e. No lighting for cultivation purposes except necessary for security shall be visible at cultivation sites from sunset to sunrise. No on-site advertising. No business identification signs. Applicant shall ensure impacts on sensitive species and habitat are minimized. No license may be issued to cultivate cannabis indoors, this is the indoor specific one, where plants or lights are visible from public right of way and adjacent private right of way with public access or habitable structure. I think it's legislated already for and you really want to give your staff discretion. Empower staff to make these decisions and if there's some sort of exception within the proposed ordinance that allows the staff to have discretion. They're going to know. Planning people are smart people in the County. So I think if the Board just entrusts staff to make these right decisions. And I think the last thing was, we're going to need clarification on some of these setbacks and sensitive uses like the streams. You can go on GIS and do the lines and see the feet but we don't really know exactly where this starts on the property. So we have done a pre-site inspection, which went very well. But we weren't able to see the exact measurements on some of these sensitive uses so having clarification on that would be very nice as well. I thank you for your time.

### **Megan Rhorchovsky**

I live in District 5 in the mountains. Many awesome things were said by first, right off the bat, Valerie and other speakers but I wanted to ask a couple of specific questions about points that were made. So it was concluded that small grows create less of an impact, which is kind of, yeah, duh. So we're wondering on our end, why is there still an acreage limit? You know, ultimately after the EIR is set and everything and then decisions are made, so because that would impact small grows and currently profitability gets lower and lower every year and you know with all the taxes and fees and everything

on top of that it just, going, also touching on what other people said is it seems that initially Santa Cruz County was wanting to encourage small grows to continue to be able to sustain. However, with all the fees on top of everything, it makes us the lesser the profitability it makes it harder for us to compete with these bigger grows that area going to be coming in according to regulations. Another thing that people talked about was the 120,00 gallons of water. Where would we pull that from? And it's also not feasible for many of us to heave it on our properties. It's a lot of water. And I wonder, in relation to fire departments, how the Fire Marshal, like what they would have to say about that and how plausible that is for individual, independent farms to have that. There was a point about terracing and that terracing would not be allowed. I wonder if terracing already exists, how would that be regarded? And then as far as fire hazards and having generators and power at all in greenhouses, I wonder about a solar powered independent system. As far as we've found, solar systems do not, are not, dangerous as far as having a fire hazard compared to a generator. Those are just a few specific points I wanted to bring up so thank you so much for your time.

### **Kathy Toner**

I also live in the mountains. Like others here, I have only scanned, I'm surprised anyone has been able to get through your very comprehensive report. I've only scanned the document. So what I have right now is some impressions and some questions. We will be spending time, myself and others, looking into it and hopefully getting some more written comments in the next couple of weeks. I want to say I've been listening to a lot of the comments and I really respect everyone that's come up here and told their story from their own perspective. I think it is interesting how we can look at the same data and reach such different conclusions. And I think that's the challenge that you face and that this County faces and that we all face in this community is how to find the middle ground and the ground that really looks at inclusion and exclusion which has been talked about from a broad county-wide perspective, not from the perspective of one industry, as important as that industry might be to some people. So one of the questions that I have, and the other thing I want to say up front is, that I'm thinking of this, we're trying to think about this, I have my own experience, which I'm happy to share living in the mountains in Bonny Doon and very negatively impacted myself. And I know for others they see a different reality. But I think we have to look, pull the lens back and look at the cumulative effects, which is what your charge was. So in that spirit one of the questions that I came up with when I did my quick scan of this amazing document, I don't know how you pulled it off, was that the core assertion or assumption seems to be that if you want to get people out of the shadows and into the regulated system. But I don't, it may be in there somewhere but I don't see the evidence to back up the model that if, as an analogy, if you move the goalpost that somehow that will bring people out because we had a registration process here and from the numbers that I see anywhere from 1800 to 10,000 sites are commented on. But I think, very important, it talks about 760 people registered. And it was a friendly, open, anonymous, inclusive, transparent process. So why now would people who would not step forward then step forward later? So I think, I don't know where the evidence is for that assumption or that assertion. And I also think, and the people in this room are not those people, that to my understanding. The other question I have that I think that the final report would I hope would

address better is dealing with the economics of this issue. There is mention in there in the little bit I saw on the allure of the black market. And you've seen this in Colorado and Oregon and someone just spoke about the difficult profit margins on small sites. So the economics don't add up for me. Why would folks step forward and take on all the costs of taxes and all the costs associated with being regulated if the economics take them in a different direction? Which takes me to my third point about the issues of, in the mountains, when I moved up there 17 years ago one of the first things I learned was you just get along with your neighbors because if you get along with your neighbors you can get away with anything you want on your property. And it's a very difficult model, the one that's being proposed in this EIR, that I see or that this EIR is suggesting. I do not see how the numbers are going to add up to make that enforceable. I think the taxes and the costs would have to be so high and divert resources from other important issues in this county. So I think those negative economic, social, health, environmental impacts would not be mitigated. So I just ask you to look for the evidence to back up that model because we do know that these factors combined, to me, do not add up to that chain of assumptions holding up. And I also think that, I respect people have their perceptions and how they see these things, but it seems, and again, I had a very cursory read of just very few sections of this incredible report, but I don't, it seems like a lot of the data sources come from folks within the industry. And they have their point of view and they have their data sources but I want to encourage you to really look at whether you have looked at all the available data sources to look at the negative impacts as well as the positive impacts that this could have. I want to thank you all.

### **Phil Tripani**

General Manager at Purple Lotus Patient Center in San Jose. I just wanted to mention that it's a beautiful thing to actually be able to have a job in this industry that's growing so fast so that I can actually support a family and be a part of this industry so heavily. It's truly a beautiful thing. Something that I think would really benefit everybody in this room that I'm here to speak about tonight is decreasing the setback of the growing area to the public right of way to 50'. Also increasing the allowable canopy percentage for the indoor cultivation sites to 3 – 10%. I think those would definitely benefit everybody in this room and it's something that everyone can stand behind and really be a part of. Once again, I really appreciate you guys giving the opportunity to stand up on this platform and speak to you guys and I thank you for your time.

### **Sarah deJardine**

I am the cultivation manager with Purple Lotus Patient Center over in San Jose. I just wanted to say that we understand that a few bad apples, i.e. for example the Loma Prieta fire, have created a huge hurdle for the rest of us to overcome along with years of stigma. The 100 – 200' setbacks from the public right of way is too much and the canopy limitations are too stringent on the commercial ag zoned property. This will eliminate many of the small 5-10 acre commercial ag zoned properties as potential sites for licensing. As long as sight lines, security and odor control requirements are met then the setback of 100' only hurts landowners, cannabis businesses and county tax sources. Commercial ag property's intended use is ag production, especially for indoor operations where all of the above issues

are non-factors. At least, we'd like to see a differentiation between indoor and outdoor setbacks. F-1 occupancy puts unrealistic requirements on small businesses who will stay black market to avoid such requirements. Thank you for your time.

### **Colin Disheroon**

Sorry for taking a second stab at this but I wanted to make a couple of comments with regard to economics. Just this morning our dispensary received a letter in the mail from the State of California just to clarify that as of January 1, 2018 we will start requiring to pay an additional 15% of tax at the retail level and so you have 15% plus the county is 7% tax plus the 8.25% State sales tax and that's 30.25% tax right out of the gates. And if I have to buy my products from licensed cannabis cultivators and those licensed cannabis cultivators are being forced to essentially exist in ag land, which most of it is in the marine layer. They are dealing with serious botrytis issues right now because of the fog and the summer fog. I'm currently serving on a committee right now with the Monterey County Farm Bureau that's a cannabis committee and it's comprised of cannabis cultivators and they are all saying the same thing. Many people are walking away from their crops right now because they're losing it to botrytis. The County of Monterey also charges \$15 per square foot tax so that causes a serious issue where cultivators in Monterey County are either shutting down or their profitability is going into the ground because they're not able to make any money so they're going to have to charge really high rates for their cannabis. And what then happens to the whole system? Once all of the economics of the taxation rates in various counties come into effect and cultivators aren't allowed to reasonably cultivate in areas where they're high and drier and they don't have the problems with botrytis. What happens to the system at that point? Will my business have to go out of business because I can't afford to pay for the products and I can't afford to charge the prices that people are going to have to pay in order to assume those taxes? And so if I go out of business then this whole system falls apart. And I'm afraid that we are heading that direction with the way this fire code is coming in and the taxes and pushing it into places that already have serious issues with being able to cultivate the crop appropriately. Thanks.

### **Brett Miller**

I want to try a second stab, too. He brought up a good thing and I worry that you're not paying your \$9.25 an ounce tax. It could get you in trouble. So you are missing a point. The taxes on cannabis flowers will be up over 40% and the tax on leaf will be around 222%. A little bit high for a commodity considered medicine and now switching over. I think that's probably going to be a difficult reality since over 50% of, or no, I'm sorry, 48% of California's regulated cannabis market is concentrates from the leaf that they are now going to be taxing upwards of 200%. You know, from 50-200% depending on what people ask for value-wise. That said I imagine they'll be trying to sell it with the mold problems. One other thing I wanted to ask about is, where can people smoke cannabis? And how is that going to have an impact on things? If you buy the cannabis in Santa Cruz but you can't smoke it in the park and you can't smoke it in your car and you can't smoke it in your hotel room and you can't smoke it in your rental, where do you smoke it? I think that's something that needs to be addressed. I know it's being

addressed on the state level. I was in Colorado and saw it on the back of the taxi car and on the billboards and on the street and I said, well, where would a tourist use this commodity? And they're like, oh, yeah, no, no answer for that one so I think that's something to maybe address in the EIR as well. It's like, can we have safe access facilities or safe access locations and can we look at this tax economy chasing things out of Santa Cruz and making people have to work outside of Santa Cruz. So that was something I brought up before. It's just, people having to go to Monterey and stuff.

### **Aziz**

I operate a cultivation site in District 4, north of Watsonville and I live on site there and I kind of want to reiterate what a couple of people in the back were saying about clarifying setbacks. As far as the bird flies in District 4 of Watsonville is like through a forest, past a mountain lion, over a stream and 600 feet can kind of be a close distance for that. If there could be some more clarification on drug treatment facilities, parks, obviously schools are a much more sensitive subject than a drug treatment facility or a park or something like that along those lines. So if there could be more clarification on that that would be awesome. Thank you.

### **Sally Shepherd**

I just wanted to speak for the cancer survivors of the world. Yay. The medical marijuana community has been extremely helpful for me in my recovery and in my treatment and when I hear folks talk about the taxes and all the levels of taxation there, it smells of a sin tax to me and I totally get that with alcohol. And as a former smoker I believe they should be taxed heavily but marijuana is not the same. It's not a sinful thing. It's a helpful thing. So please don't make it difficult for those of us who really count on it. And I also want to say thank you. I know what you guys are doing is very hard work. This is a difficult thing and there's a lot going on here but I see the taxation is not going to help these folks that are trying to help us. And all of the regulation and treating them differently from other ag industries doesn't make sense to me. Thank you.

### **Eve Marie McGrath**

I was hit by a car five years ago and put on so many medications. I ballooned up to 350 pounds and couldn't walk and pretty much didn't want to be here anymore. The dispensaries in this town made CBDs available to me and pain medication available to me. I was told by 4 or 5 surgeons that I would never walk again and I am. All Santa Cruz labs, kind people, Greenway, all these people gave me free medication. I was participating in a grow at one time. It was incredibly costly. There was a lot of attention to making sure that we took care of the environment, didn't add to the spider mites and mess up the environment around and I really believe that most of the people are sharing information about this and very dedicated to being a force of positive change. I myself am a cancer survivor as well. I have helped at least 15 women who were breast cancer survivors and other kinds of cancer, specifically brain cancer, and I have also shared an electromagnetic field machine with these women. But I've shown them how to grow just a few plants to take care of themselves, CBDs. My own sister was on huge amounts of phenobarbital until we started her on certain strains and she can talk now

because she's not overmedicated. Before, she really couldn't even talk. So I'm really clear about the medical benefits of it. I'm standing here in front of you still in a lot of pain but with a little help I go out and dance frequently and get better and better and better and have had great support from the people. I don't find in this community any thugishness or harshness, nothing but generosity and I would really hope that you would look at the rules that you're making and implement them so that we can be a community that really supports each other. The land prices here are already incredibly challenging. Families with lots of money are buying up all of the single family homes and putting them on Air Bed and Breakfast and this cottage industry is the one way that many people can afford to keep Santa Cruz Santa Cruz. And sometimes to participate in doing jobs like being nurses and janitors and just regular old jobs and still being able to put their kids through college or maybe take a vacation once every three or four years. That's really where the economics are at and I thank you to consider it.

### **Person Didn't State Their Name**

I'm so glad I can do a stab two. I feel a lot less nervous this time around. One thing that struck me that I wanted to mention is the mitigation, the transportation fee that you're proposing could be put on any worker in the cannabis industry. That just seems a little unfair for a town and county that relies so much on tourism. Are we having any kind of transportation tax for people coming into the county to enjoy the weekend? So, and that same transportation tax for any rental that's done? You know, people coming in and out in their cars? And okay, if you have a transportation fee. So I'm really basically being forced out of my business in my home and I'm going to have to drive somewhere to work if I can even find a job at 65. I want to thank the previous two speakers. That is the reason, I don't know anybody here that got involved in cannabis for profit and based just on economics. It's a magical, medicinal (inaudible) that we are going to find in the future solves so many medical problems. I'm glad that it's being regulated because then we can study it and then we can really use it to its' full potential. Thank you.