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Subject: Cannabis Regulations Environmental Review and Expansion in Santa Cruz County

To: Santa Cruz County Board of Supervisors and Matt Johnston, Planning Department

As a resident of the 2nd district in Santa Cruz County, I am quite concerned about the expansion of commercial cannabis cultivation and manufacturing in the RA areas Santa Cruz County. In my view the EIR leaves many unanswered questions and raises many doubts.

The EIR claims that the No Project Alternative has the most significant impacts and that the Most Permissive Alternative is the Environmentally Superior Alternative. The Most Restrictive Alternative is between these two, but probably more towards the worst side from an EIR perspective. I am not sure how all the underlying assessments were determined and on review, I do not agree with some of them. However, I realize that I may not understand all of the assumptions and considerations.

That said I see a major gap in the EIR assessment: The EIR seems to assume a single transition at one point in time to the chosen alternative. There is no consideration of a staged approach - e.g. starting off with Most Restrictive, gaining experience, and then deciding if, how, and when to go further. Such an approach might score significantly better, since insights and experience could help with the longer-term rollout.

The EIR also seems to assume that existing, non-compliant grows cannot be eliminated, reduced or transformed into more environmentally beneficial alternatives. Using this line of reasoning, California would not have been able to reduce vehicle emissions and lead the way for the country on environmental issues. In a complementary vein, the EIR seems to assume that under a permissive alternative, existing non-compliant growers will voluntarily and quickly comply with all regulation and licensing requirements. This seems very unlikely and unrealistic. I question these claims. I challenge the Board of Supervisors to do the same and demand justification. There is too much at stake for our County.

I will cover my concerns below in more detail. Bottom line: I believe that the County should move slowly and very carefully as it considers expanding cannabis cultivation and manufacturing. I am not convinced that the economic potential is as large as the EIR projects. There are also many potential downside economic costs and environmental and quality of life risks. My first choice, if legal and in compliance with state law, would be to defer expansion in Santa Cruz County for 1-2 years so that we can benefit from the experience that Monterey County and the Central Valley gain in rolling out programs. If deferring expansion is not a legal

option, then I vote to restrict expansion to larger operations in Commercial Agriculture areas. This is variation on the Most

Restrictive Alternative. This would allow the county to work with a small number of well-established commercial agriculture growers.

They are in the best position to comply with all regulations and licensing requirements. After 1-2 years of experience with these growers, the County will have a better understanding of the issues, administrative requirements, costs, etc., and can decide if, how, and when further expansion should be considered.

Here is a more detailed list of concerns, based on a review of the EIR and discussions with neighbors, some of whom have many years of experience in commercial agriculture:

1) Creating 7000+ new jobs seems very optimistic. The current number of unlicensed growers is not well understood. Thus, the existing baseline may be higher than expected. There is also currently a significant shortage of agriculture labor in the County.

This is unlikely to improve in the near future given the current political climate. As a result, cannabis expansion is likely to compete with other agriculture employment. The net increase may be much smaller. In fact, the agriculture and associated job base within the County might substantially increase if the labor supply was increased. An even more constricted labor force may also drive up wages and thus increase costs for farmers, which could hurt the local economy.

2) The economic costs of increased traffic are not quantified in the EIR. While hard to measure, increasing travel times and delays for County residents and businesses have economic impacts. The upcoming construction work will exacerbate these problems. This cost should be quantified and included.

3) The economic costs of increased air and water pollution/contamination/runoff are not quantified. While hard to measure, these factors are likely to lead to higher healthcare costs, which put strain on local healthcare providers and residents. This cost should be quantified and included.

4) Since most growing will be indoors, the risk of fire damage is significant. Indoor grow hazards have burned down structures and spread to nearby homes. Indoor grows have also caused significant property damage. These risks are probably much higher in RA and mountain areas due to hills, unmanaged landscapes and less visible activities.

5) Property values may also decline, particularly in RA areas. Odors, fire risks, water run off, visible bright lights, increased traffic, and commercial activities are likely to make these areas less desirable for families. In addition to reducing the quality of life, this may have an economic impact. This cost should be considered and included.

6) The estimated ~200 acre expansion is quite small relative to existing agriculture production. If this was all concentrated in a small area, it would be relatively easy to manage. However, by including RA and mountain areas, the number of sites and growers becomes large and difficult to license, regulate, and monitor.

7) The Agriculture Commissioner's Office appears to be significantly understaffed today. Working with hundreds of small, new or newly licensed growers will severely strain the staff. Hiring, training and supporting the staff required to support such an expansion seems unrealistically challenging. This cost should be quantified and included.

8) In a similar way, law enforcement will also experience increased demand. The value of cannabis crops may lead to increased crime. Increased legal and illegal production will also require significant staff increases to patrol and ensure public safety. This cost should be quantified and included.

9) Established growers are familiar with existing regulations and maintain staff, consultants and third parties such as PCAs (Pest Control Advisors) to ensure quality and compliance. Rapid expansion is likely to cause a shortage of these advisors and limit their ability to train and ramp up to cannabis requirements. New and small growers are unlikely to procure or even understand the need for such services and advisors, leading to significant impacts.

10) The licensing fees are unlikely to cover all of the associated costs, which so far have not been adequately quantified. This is likely to further jeopardize the success of the expansion.

The EIR appears to minimize many of these concerns and maximizes the benefits of moving forward aggressively. I urge the Board of Supervisors to carefully review and assess these factors as well as the rest of the impacts discussed in the EIR. I also urge the Board of Supervisors to probe the EIR drafters about the assumptions that drive the EIR conclusions. In particular, please ensure that the relative impacts of the alternatives are accurately assessed and that restrictive alternatives, including staged expansion, are properly considered.

Thank you for your time and consideration,

Craig Chatterton  
Resident (RA), 2nd District