

H-2

Damico, Tracy

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**From:** Lelehnia DuBois <lelehnia.lele.dubois@gmail.com>  
**Sent:** Tuesday, February 1, 2022 3:23 PM  
**To:** COB  
**Subject:** Comment on measure S

Greatly appreciate all the options and work done to help show clarity around Measure S. Measure S was a mistake. It sounds like it's something we are all agreeing on.

We are a culture of small farms but in the beginning we had to start at 10,000 sqft or larger to be eligible for legitimacy. There is a sensible way to incentivize the cultures traditional small farms and allow those who had to invest to go big in the beginning but stayed true to our cultures values, by following sustainable and regenerative practices to be given a break, until the market can stabilize. Which it will as federal law progresses.

However, I ask that with relief you also take a deeper look at how tax monies are being used to support and empower the farms behind the culture as well as, lobbying for those farms best interest at a state and federal level. I am in support of the suspension of measure S and/or restructuring of measure S In support of our small farms keeping in step with our cultures values.

Thank you.

Lelehnia Dubois

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With Respect,  
Lelehnia DuBois  
707.672.4254  
[www.lelehnidubois.com](http://www.lelehnidubois.com)  
@humboldtgrace  
#humboldtkindness

**Turner, Nicole**

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**From:** Karla Knappek <karla@honeydewvalleyfarms.com>  
**Sent:** Thursday, January 27, 2022 12:58 PM  
**To:** Bohn, Rex; Bushnell, Michelle; Wilson, Mike; Bass, Virginia; Madrone, Steve  
**Subject:** \*\*\*\*Suspend Measure S - A Plea On Behalf Of Locally Owned Family Farms\*\*\*\*

Dear Supervisors Rex Bohn, Michelle Bushnell, Mike Wilson, Virginia Bass, and Steve Madrone:

Thank you for your expertise in serving as a Humboldt County Supervisor. In interest of being respectful of your time, and knowing allied businesses are also reaching out to you (many of whom are BCC'ed on this email), I will keep this communication brief and centric to the 3-acre farm my husband and I own and operate. [We all know the ripple economics of a failed cannabis industry would be crippling for Humboldt County. I urge everyone to share their story with their supervisor (refer to below link for contact info).] I am happy to communicate further via email or phone. My direct line is 707-616-6344.

*[For those of you who don't know me, I was born in Humboldt County in 1983 to David and Kathy Spreen. I am a Humboldt State University graduate, with a degree in Environmental Science, and minors in Watershed Management and Hydrology. I graduated top of my class. I've worked in the Federal, State, private, and non-profit sectors. I worked at Redwood National and State Parks, Grizzly Creek Redwoods State Park, Scotia Pacific (science side of Pacific Lumber Company, now Humboldt Redwood Company), and Jacoby Creek Land Trust. I have tutored college students, and taught a remedial math class at HSU as a State employee. I served on the City of Eureka Open Space, Parks, and Recreation Commission. I am a Certified Professional Soil Scientist who worked for Winzler & Kelly Consulting Engineers (now GHD) for 6 years, and the Forest Service an additional 6 years. In 2016, in order to afford cannabis permitting and licensing fees without taking on outside investors, I began working as an independent consultant, while pregnant with my first child. I completed permitting and licensing for our farm, while consulting and raising two young children with my husband. This required little sleep and working while the household was asleep. During the permitting/licensing process, I often worked from 10pm to 2am to complete necessary tasks not completed during the day. My husband and I both work 6 to 7 days a week as co-managing owners of Honeydew Valley Farms, LLC.]*

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-If Measure S is not suspended in full, we will have to fill in our 1.5-million-gallon rainwater collection impoundment. The rainwater impoundment is utilized as the sole irrigation water source. The ranch held in the family since the mid-1800's will no longer be able to afford property tax due to cultivation land improvements. CalFire and the

local volunteer fire departments utilize the 1.5-million gallon water source during the fire season. There are likely many other farms that would be in the same situation. The thought of reducing wildfire resiliency for our rural communities is not appealing, especially during drought years.

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-If Measure S is not suspended in full, we lose the opportunity to continue to share regenerative farming practices with our neighbors and colleagues.

-If Measure S is not suspended in full, we lose the opportunity to pass the farm business (and regenerative farming practice knowledge) onto our children, should they so choose.

As a local farm owner and operator, I sincerely thank you for your time and consideration.

**We hope the Board of Supervisors decides to support locally owned family farms during the meeting scheduled for Tuesday February 1, 2022.**

**(Refer below for instructions on "how to comment at the Board of Supervisors meeting".)**

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Use this link: [Find Your Supervisor's Contact Info](#)

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**How to Comment at the Board of Supervisors Meeting**

Link to 2/1/21 Board Meeting Agenda (Meeting Agenda Available Friday 1/28/22): <https://humboldt.legistar.com/Calendar.aspx>

-Email Public Comment: To submit public comment to the Board please email [cob@co.humboldt.ca.us](mailto:cob@co.humboldt.ca.us), provide your name and the agenda item number(s) on which you wish to comment. All public comment submitted after the agenda has been published will be included with the administrative record after the fact.

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Sincerely,



Karla Knapek  
Co-Managing Owner, Hydrologist, & CPSS #324817  
Honeydew Valley Farms, LLC



707.225.0098



707.298.7120



karla@honeydewvalleyfarms.com



PO Box 171 | Honeydew, CA 95545



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# Heather L. Burke, P.C.

*A California professional corporation*

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Heather L. Burke, Esq.  
3354 Redway Drive  
Redway, CA 95560  
Office: (707) 923-3051  
Fax: (707) 820-8282

January 26, 2022

To: The Board of Supervisors, Humboldt County  
Via the Clerk of the Board at [cob@co.humboldt.ca.us](mailto:cob@co.humboldt.ca.us)

Re: *Request to Suspend Measure S Tax to Bring Stability to the Local Cannabis Economy*

To the Honorable Board of Supervisors,

I am a business attorney living and working in Southern Humboldt. Coming out of the cannabis world myself in the mid-90s, I had a front row seat to the constant volatility that legacy cannabis farmers have been subject to since the Compassionate Use Act passed in 1996.

The seemingly never-ending swings in the law and in the market have been detrimental to our legacy farmers in many ways, even when the bubble was at its height. For example, in the past, farmers were often vulnerable to theft without government protection and the high price of cannabis caused by prohibition resulted in an influx of newcomers to the industry and to the region, causing myriad land use and social issues.

But with regulation came the onslaught of land use costs, decimating most farmers' savings at the outset. State and local governments also assessed flat taxes that were arguably reasonable if the price for cannabis were to remain forever at its peak. Now our cannabis farmers face a massive oversupply caused by the state's refusal to implement a cap on the size of cannabis farms, and by jurisdictions such as Santa Barbara who welcomed large-scale cannabis farming with minimal or percentage-based taxation schemes, creative solutions to the California Environmental Quality Act (CEQA) and massive canopy allowances.

Humboldt's cannabis farmers are scrambling to stay afloat in the face of the resulting market crash where cannabis prices are often less than the cost of production. With an immovable per-pound state tax from the state and another immovable per-foot of canopy tax from the County, *the tax burdens alone can exceed the cost of the product itself*. Such a situation is untenable and the future of cannabis farming, and particularly the future of the small family farm, is under threat of extinction. Southern Humboldt—and the entire County of Humboldt—will suffer further economic loss and increased social instability as a result.

To save the economic viability of our region's internationally renowned cannabis farms and to support stabilization of the industry, I join the chorus of stakeholders asking the Humboldt County Supervisors to suspend the Measure S taxes for a reasonable amount of time, forgive the October 2021 tax payment and waive the March 2022 tax payment. The farmers, the cannabis industry and the Humboldt County community need stability now more than ever.

Sincerely,

/s/ Heather Burke

Turner, Nicole

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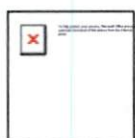
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# Heather L. Burke, P.C.

*A California professional corporation*

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Heather L. Burke, Esq.  
3354 Redway Drive  
Redway, CA 95560  
Office: (707) 923-3051  
Fax: (707) 820-8282

January 26, 2022

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Via the Clerk of the Board at [cob@co.humboldt.ca.us](mailto:cob@co.humboldt.ca.us)

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Sincerely,

/s/ Heather Burke

H-2

**From:** Laura Muzzy <lauramuzzy@gmail.com>  
**Sent:** Tuesday, February 1, 2022 12:09 PM  
**To:** COB  
**Subject:** Comment on Agenda item number H. 2. Re: Measure S Suspension

The suspension of Measure S taxes will be imperative to the survival of the local economy.

I'm relatively new to the cannabis industry, I'm 26-years-old and have lived in Humboldt and Mendocino for twelve years (spending several years in what is now Bushnell's district). In my time as a laborer in the cannabis industry, I have witnessed a fine example of trickle-down economics. We all know that, for decades, cannabis farmers in Humboldt operated under prohibition, meaning that as business owners and operators, they were ostracized from government participation. This included participation in the tax system. Despite their exclusion from formal establishments, cannabis cultivators have represented the backbone of Humboldt's economy since the collapse of the timber industry. For at least 50 years, when Cannabis cultivators were experiencing success, they **lifted the wider community up** with them. Today, we have seen that "a falling tide sinks all ships". The relatively sudden implementation of excessive, unreasonable taxation on cannabis farmers, distributors, processors and retailers alike coincided with extreme market volatility due to legalization. These factors combined with national inflation to create a death-trap for cannabis workers, legacy farmers, and canna-business owners. We are asking you for relief, because it feels as though we are still being punished for activities that are no longer formally considered criminal.

Legalization, *I thought*, was intended to *protect* cannabis producers and vendors. Taxation measures like Measure S have proven less than helpful to the Cannabis Community (save for the 10% of revenue collected from the measure that is redistributed to cultivators through Project Trellis). Legalization certainly appears, from my observations, to have increased the instances of workers' rights violations and human-rights violations in the county and cannabis industry, both because of increased presence of cannabis farmers since the "green rush" and because of stress caused by legalization which

has impacted everyone in the industry. I don't know anyone in the industry who *hasn't* been ripped off, robbed, or found themselves unable to pay their laborers or investors. Certainly all these things happened before legalization, but from what I have observed, the way the county and state has handled legalization has made these issues more widespread. As canna-business owners fail to turn profits year after year as a result of factors that are beyond cultivators' control, conditions for laborers naturally suffer.

Cannabis businesses CAN NOT take out bank loans. They CAN NOT purchase insurance for their businesses. They CAN NOT declare bankruptcy. This is due to federal drug scheduling, and I ask you, our representatives, how can you expect licensed cultivators to produce SO MUCH money for the county, while they are simultaneously facing these additional, unusual challenges (at a time when inflation is negatively affecting every industry in the nation)?

Too many highly-skilled growers have already lost their livelihoods as a result of the excruciating legalization process, and what has amounted to a collapse of the cannabis market. Unreasonable penalization of local growers through taxes and fees has exacerbated the "homeless problem" to a tremendous extent. I know that you receive funding from the state for homelessness services, however these programs are tragically ineffective. Tax-relief for licensed Cannabis employers would provide a better solution homelessness than current homeless outreach and housing coordination services. Additionally this would save the county money in a long-term sense as we could invest funds in things like infrastructure, Cannabis tourism, increased library hours, etcetera--which could reduce expenditures on remedial services like homeless assistance. We have been treating the symptoms, not the root of the issue, by neglecting the needs of cannabis cultivators who want to participate in a legal market. Providing tax relief to canna-business owners and employers NOW will save the county MORE MONEY over time, than any short-term taxation of cannabis businesses.

Humboldt's cannabis is celebrated around the world. The local wealth of knowledge about cultivating high-quality cannabis, is perhaps globally unsurpassed. By charging excessive fees for

cultivation with exorbitant taxation, you are flushing an incredible opportunity down the toilet. Sometimes, it feels like there is so little left to save, compared to the cultural and economic wealth local cultivators were once able to offer in the area. Humboldt is unique because of its low-population density and Mediterranean climate which makes our area ideal for outdoor and mixed-light cultivation. Therefore I see the comparison to other counties' suspensions of taxes as fairly irrelevant to the discussion today. Excessive taxation of cultivators is very much a local issue.

P.S. I know this would have gone over three minutes... I am currently working towards my bachelor's in Criminal Justice. I work at a local grocery store alongside others who lost their jobs in cannabis. My coworkers are some of the most competent employees I've known, and we miss our jobs in cannabis! I am currently experiencing homelessness (living in my car) and facing the unique challenge of having no rental history, as a result of my participation in the cannabis industry. There is little hope for me as a young undergraduate to make enough money to feed myself *and* pay rent, *even* if more housing was locally available to low-income and otherwise disadvantaged individuals like myself.

Thank you for your time.

Sincerely, Laura Muzzy

H-2

**Damico, Tracy**

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**From:** Ford, John  
**Sent:** Tuesday, February 1, 2022 8:15 AM  
**To:** Hayes, Elishia; Miller, Tabatha; Damico, Tracy  
**Subject:** FW: No Farms Left Behind.

More comments on the Measure S discussion.

John

John H. Ford  
Director of Planning and Building  
(707) 268-3738

-----Original Message-----

**From:** Craig Johnson <alpenglowfarms@gmail.com>  
**Sent:** Monday, January 31, 2022 8:31 PM  
**To:** Ford, John <JFord@co.humboldt.ca.us>  
**Subject:** No Farms Left Behind.

Good evening Director Ford,

Look forward to having an open conversation during the board of supervisors meeting this Tuesday about Measure S.

Forgive, Waive , Suspend, and then Amend.

This action will help save family farms.

We also want to be mindful and leave no farms behind no matter their size.

When it comes time to make the amendments and restructure then we can talk about size of farm and who carries a greater burden.

Thank you for your consideration. We are not looking for decisions tomorrow but information gathering and dialogue.

We hope we can bring this back in late February early March with some decisions.

We do need your help and would appreciate your participation.

Thank you,

Craig Johnson  
Humboldt County

H2

Damico, Tracy

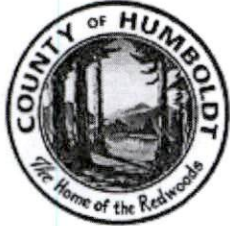
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**From:** Ford, John  
**Sent:** Tuesday, February 1, 2022 8:05 AM  
**To:** Hayes, Elishia; Miller, Tabatha; Damico, Tracy  
**Subject:** FW: Measure S, Staff report comments  
**Attachments:** 22-01-31 Cannabis Tax Waiver LetterV2.docx

Comment on Measure S discussion.

John

John H. Ford  
Director of Planning and Building  
(707) 268-3738



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**From:** Alex Moore <mooreproperties11@gmail.com>  
**Sent:** Tuesday, February 1, 2022 7:43 AM  
**To:** Ford, John <JFord@co.humboldt.ca.us>  
**Subject:** Measure S, Staff report comments

Good morning John, here is our comments about the measure S staff report. I have to say this is very disappointing to us. I'm wonder where staff came up with the small farms are having a harder time than large farms? That's completely backwards and I would have appreciated a call with questions about how we're doing. I have a 290k tax burden. Small farmers have a 10k. Let's be honest if you can't come up with 10k( two installments of 5k) your probably not going to be able to stay in business. We have lost money on every pound we produced this year and currently flower is barely selling. We are struggling. Another issue here is small farms are environmentally superior?? Where are the facts to support these comments from staff? I hope you and the BOS understand this isn't a local market, it's a state market and we are competing against giants down south. We need help to survive. I'm tried of hear small farmers have it so hard. We all do.

Alex Moore

H-2

January 31, 2022

Chair Virginia Bass and  
Humboldt County Board of Supervisors  
825 5th St  
Eureka, California 95501

**Re: February 1, 2022 Agenda Item H.2.  
Consideration of Cannabis Tax Suspension and/or Waiver Program**

Chair Bass and Honorable Supervisors:

This correspondence relates to the Board's consideration of a cannabis tax suspension and/or waiver program, which is agendaized for the Board's February 2 meeting.

We understand that the County CAO recommends that the Board provide tax reduction/suspension to small (10,000 s/f or less) outdoor cultivation farms only, rather than all permitted cultivators in the County. For the reasons articulated below, we urge the Board to instead direct Staff to draft a resolution providing tax relief to all Humboldt County cannabis farmers.

**I. All Humboldt County cannabis farmers are equally and proportionally impacted by the current challenging statewide market conditions.**

As the Staff Report for this matter notes: "[the cannabis market] is experiencing unsustainably low market pricing and an inability to sell existing cannabis inventory." It is important for the Board to understand that the cannabis market is statewide, and that the Board's policies impacting Humboldt County farmers directly impacts their ability to compete against farmers in other parts of the state.

Moreover, all cannabis farmers across the County are faced with unprecedented challenges selling their product, and accordingly, unprecedented challenges paying the County and state taxes. "Large" Humboldt County farmers face the same market as the "small" farmers, only on a larger scale. In other words, a cannabis farmer growing more than 10,000 s/f of cannabis faces the same difficulty in selling product, but with greater expenses and overhead. The Staff Report's assertion that cannabis farmers cultivating more than 10,000 s/f somehow are less impacted than those cultivating less than 10,000 s/f is entirely unsupported by facts or evidence.

**II. In the context of a state-wide cannabis market, even the "large" Humboldt County cannabis farmers are small.**

In continuation of the above point, even the largest permitted cannabis farmers in Humboldt County are small compared to cannabis farmers elsewhere in the state. Other counties, such as Santa Barbara, San Luis Obispo, and Lake, have approved cannabis farms nearing or exceeding 100 acres. Even the largest cannabis farms in Humboldt County are a fraction of that size. As stated above, the cannabis market is statewide, which means that Humboldt County cannabis farmers must compete with cannabis farmers from across California. The Board should, accordingly, focus on solutions that would strengthen all Humboldt County farmers.

**III. There is no evidence that farmers with more than 10,000 square feet of cultivation are less environmentally friendly than “small” farmers.**

The Staff Report for this matter asserts that small outdoor cannabis farmers are “a more environmentally sustainable business model” and “have struggled with historical inequities.” First, there is simply no evidence that numerous 10,000 s/f cannabis farms dispersed across the County are more environmentally friendly than “larger” cannabis farms. The larger cannabis farms are subject to the same (and often more) inspections and oversight, and are subject to the same laws and regulations as smaller farms. As such, the larger cannabis farms are just as environmentally conscious as small farms.

Second, there are approximately 350 cannabis farmers cultivating more than 10,000 s/f in Humboldt County. This is a large group of Humboldt County cannabis farmers, representing a unique set of backgrounds. The Staff Report’s claim that the “large” farmers have not struggled with the same difficulties and inequities as the “small” farms is a gross generalization that is not supported by facts. In fact, the majority of these “large” farmers are Humboldt County natives that have struggled with the same market and regulatory challenges as the “small” farmers.

**IV. The legality of discriminating against certain cannabis farmers is questionable.**

As a final point, the legality of discriminating against certain cannabis farmers in relation to others may violate state and federal Constitutional principles. The grounds specified in the Staff Report in support of discriminating against cannabis farmers cultivating more than 10,000 s/f do not constitute a “rational basis”, and therefore may violate those farmers’ rights to equal protection.

\* \* \*

With those points in mind, we strongly encourage the Board to direct staff to apply any potential cannabis tax waivers or suspensions to all County cannabis farmers. As is clear, these important issues affect all cannabis farmers equally and proportionally, and any solutions should be crafted to aid these farmers equally.

Sincerely,

[SIGNATURE]



H-2

Damico, Tracy

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**From:** Tina Stillwell <tmstillwell77@gmail.com>  
**Sent:** Monday, January 31, 2022 10:30 PM  
**To:** COB  
**Subject:** H. Department Reports -#2 Excise Tax Waiver Program

Recommendation For the Board to Consider Implementation of a Cannabis Excise Tax Suspension/Waiver Program for Tax Year 2021 (collected in 2022) and Tax Year 2022 (collected in 2023)

My name is Todd Dedinsky  
My farm is Humboldt Harvest Ridge Farm LLC

Thank you, to the supervisors for hours of service to the community.

I join the chorus of stakeholders asking the Humboldt County Supervisors to suspend the Measure S taxes for a reasonable amount of time, forgive the October 2021 tax payment and waive the March 2022 tax payment. With the condition of the industry it will be impossible to continue in this business. We have paid enormous fees to become a legal business. Please give the Farmers a break.

--

**Thank you**  
**Tina for**  
**Todd Dedinsky**  
**707-223-1840**

H-2

Damico, Tracy

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**From:** Margro Advisors <info@margroadvisors.com>  
**Sent:** Monday, January 31, 2022 9:57 PM  
**To:** COB  
**Cc:** Ford, John  
**Subject:** BOS 02/01/22 - Agenda Item H(2) - Cannabis Excise Tax Suspension/Waiver  
**Attachments:** MA Cannabis Report\_Rise of Big Ag Jan2022.pdf

Dear Supervisors,

We believe this industry report can provide some context for the market challenges facing the Craft Cannabis community. We recommend providing support to all legal Cannabis farmers in Humboldt County, in an easy to administer multi-tiered or percentage discount tax waiver model. We do NOT recommend an application and approval process that will take resources away from the County's existing administrative needs.

Thank you,

Kelly Flores



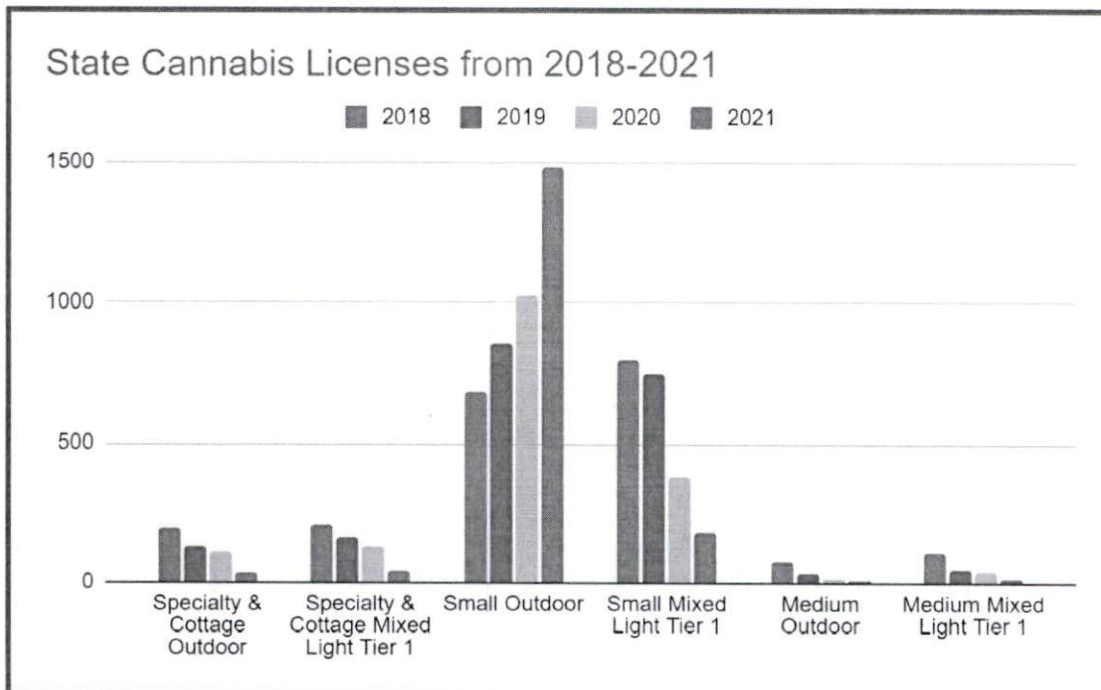
**(707) 500-2420**

## INDUSTRY REPORT: Rise of Big Ag and Fall of Craft Cannabis

In 2017, prior to legalization, legacy growers lobbied hard to protect their homestead family farms, and regulators responded by only allowing one "Medium" size license per entity until 2023. It's a license that limits the owner to one acre for outdoor grow and just under 1/2 acre for indoor or mixed-light grows. At the same time, they agreed to give the legacy farmers five years to become established, waiting until 2023 to issue "Large" state licenses that would be allowed to go beyond those sizes.

With those restrictions in place, commercial legalization began across the state in January of 2018. However, with implementation, those protective efforts turned out to be an illusion, when the state refused to fix a loop-hole discovered in the state code. Dubbed "stacking", it allowed farms to obtain as many small 10,000 square foot licenses, a little under a quarter of an acre, as they wanted; and as expected, they did.

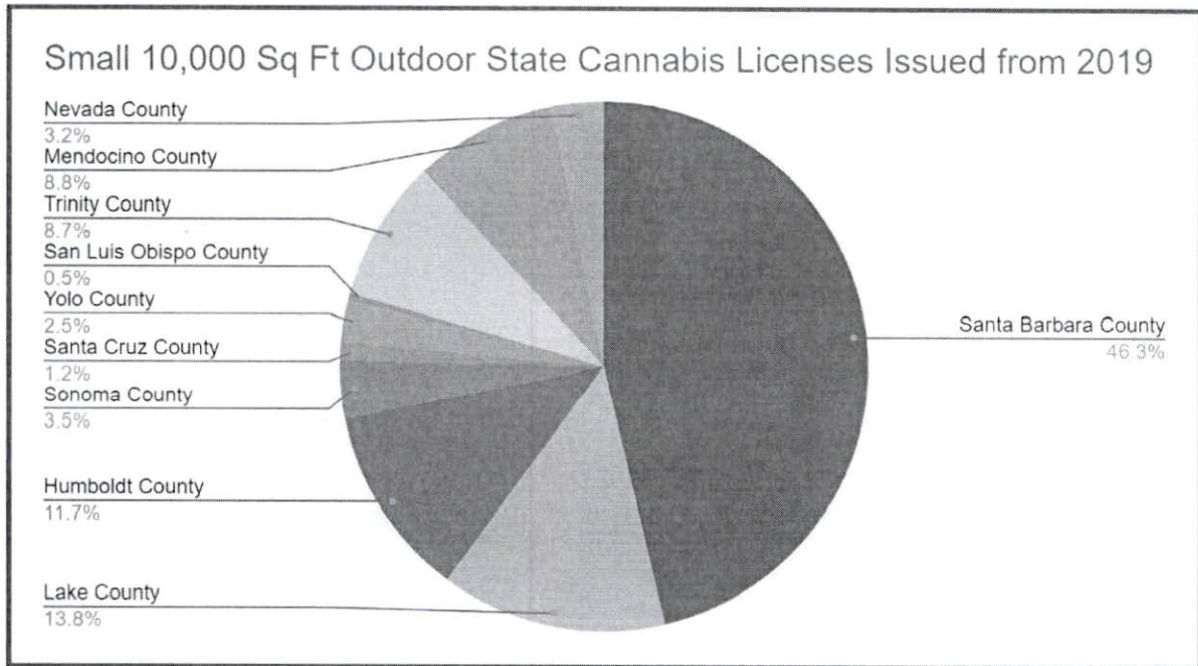
In 2021, as the pandemic impacted many industries, Cannabis continued somewhat unphased while in its fourth year of state legalization. Designated as an essential business in part due to the medical support provided to so many patients, products continued to move off the shelves supported by curbside pickups and non-storefront delivery businesses. But for the small craft wholesale farmers in Northern California, whose Compassionate Use legacy built the industry, the bottom seemed to drop out. Wholesale prices plummeted more than 50%. In the span of a few months, a pound of quality product that sold the previous year for \$1,300 per pound was lucky to be sold at \$500, if at all. Meanwhile retail product prices at local dispensaries remained unchanged.



GA

So what happened? As the chart of active licenses from 2018-2021 shows, most state license types, issued by cultivation method and farm size, showed an initial entry into the market and then a drop off, as fewer and fewer licenses were applied for, issued, and kept active. But for small outdoor licenses, the trend was very different. Instead of going down each year, the number of licenses issued in 2021 was 216% higher than those that started in 2018.

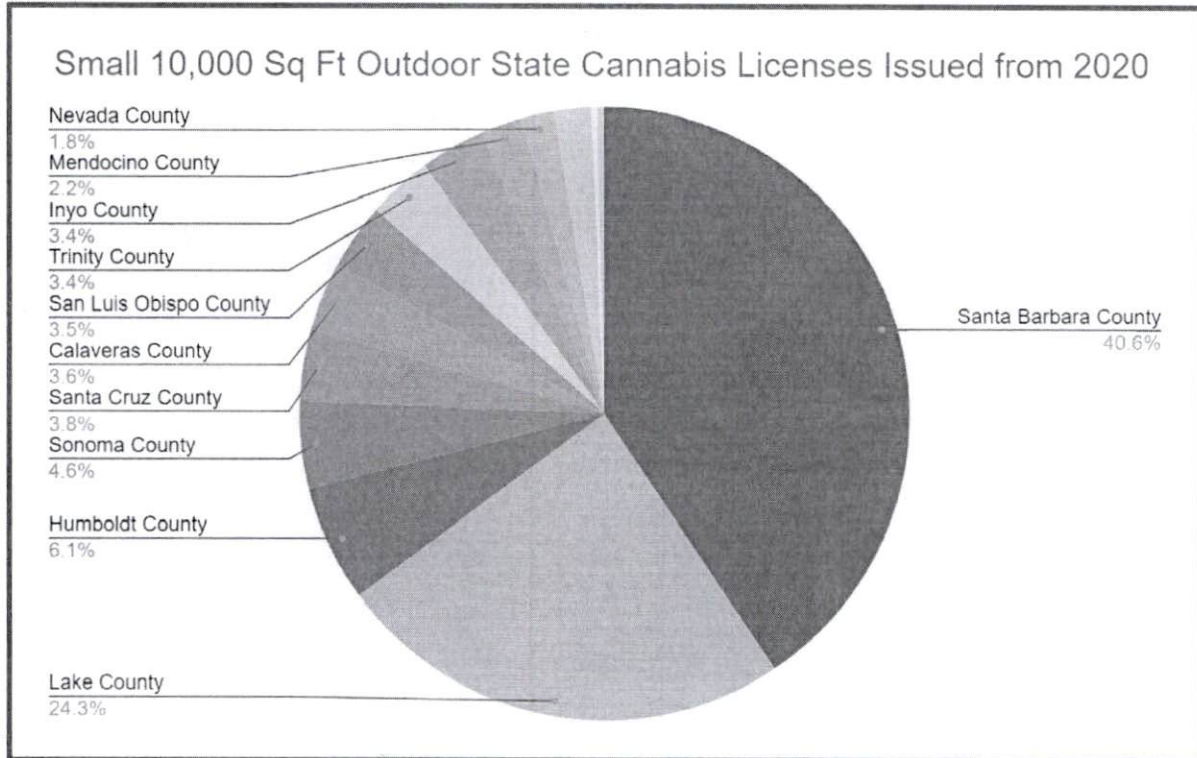
When we drill down into the details, a predictable image emerges, the presence of big agricultural farms, or "Big Ag." A review of the data from 2019 licenses shows Santa Barbara and Lake County were the first to permit these large players. That year, just 10 companies accounted for 50% of the 855 small outdoor licenses obtained, which equated to about 107 acres of licensed Big Ag cultivation.



**10 Farms in 2019 Accounted for 50% of New Small Outdoor Licenses**

County	# Small Stacked Licenses	Company	County	# Small Stacked Licenses	Company
Santa Barbara	24	Ag Roots LLC	Lake County	25	Benmore North LLC
	26	Busy Bee's Organics		48	Benmore South LLC
	27	Castlerock Family Farms II			
	23	Central Coast Ag Farming, LLC			
	170	Healy & Associates LLC			
	52	Heirloom Valley LLC			
	14	Iron Angel			
	21	Jolly Farms			

In 2020, Santa Barbara and Lake County continued, with 13 companies accounting for 55% of the state's now 1,085 small outdoor licenses and nearly 142 acres of additional Big Ag licensed cultivation.

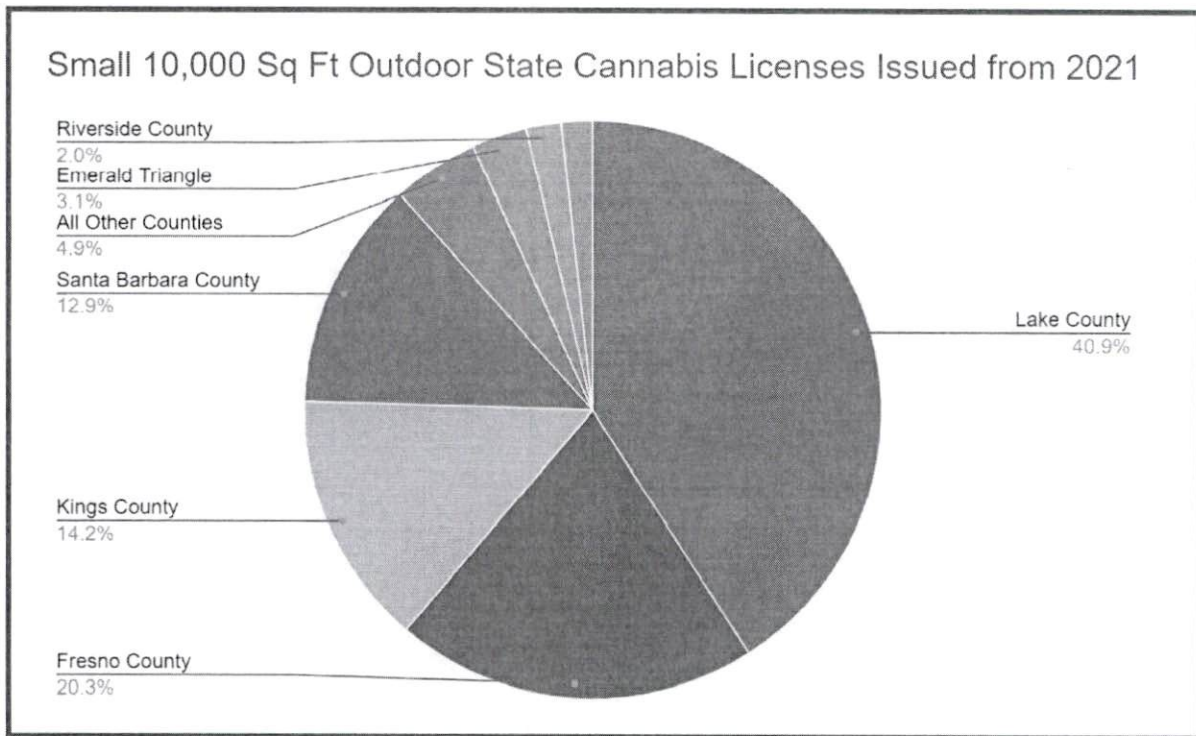


**13 Farms in 2020 Accounted for 55% of New Small Outdoor Licenses**

County	# Licenses	Company	County	# Licenses	Company
Lake County	17	Badlands LLC	Santa Barbara	45	Ag Roots
	23	Kind Dog LLC		26	Central Coast Ag Farming LLC
	32	Lake County Investment Group		47	CHIPS18, LLC
	26	Lake County Land Restoration LLC		56	Heirloom Valley LLC
	18	LC2400		185	Santa Barbara Westcoast Farms, LLC
	23	Morgan Valley Ventures, Inc		39	TSBC Ranch
	30	Three Bees LLC			

By 2021, two more counties came online— Kings County and Fresno County— as a record number of 1,482 licenses were awarded in total by the state. Lake County lead the industry's outdoor farm growth with 40% of new licenses, while the once revered Emerald Triangle of Humboldt, Mendocino, and Trinity counties combined for just 3.1%

Big Ag now became clearly dominant, as just 14 companies accounted for 86% of these new licenses. This included all of Kings County's 211 licenses for a single company, People's Farming LLC, while Fresno's 301 licenses were for just three companies, Boca Del Rio Agriculture, GBH Cultivation, and Odyssey Agriculture Development LLC. Together these four companies were licensed for nearly 128 acres of Cannabis cultivation.



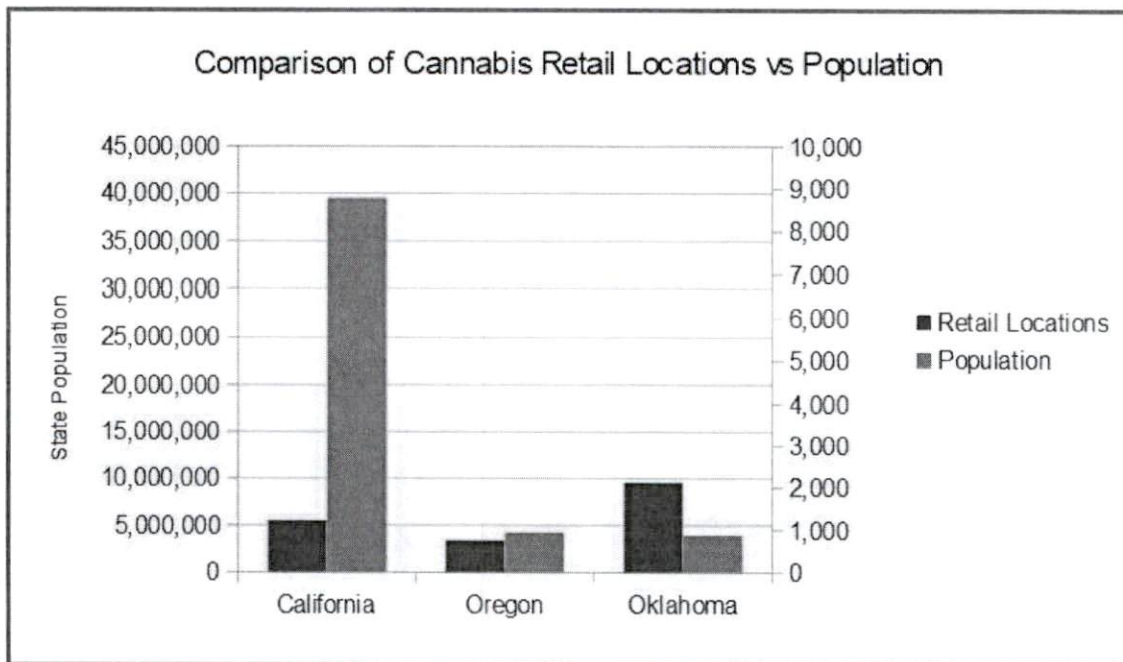
**15 Farms in 2021 Accounted for 86% of New Small Outdoor Licenses**

County	# Licenses	Company	County	# Licenses	Company
Lake County	271	Bar X farms	Santa Barbara	110	CHIPS18, LLC
	169	SourzHVR, Inc		33	Central Coast Ag Farming, LLC
	48	Ursa Valley, LLC		28	Busy Bee's Organics
	35	Three Bees LLC		20	Heirloom Valley LLC
	22	Highland Farms, LP	Fresno County	43	Boca Del Rio Agriculture LLC
	21	Kind Dog, LLC		210	GBH Cultivation LLC
	11	Lake County LLC		48	Odyssey Agriculture Development LLC
Kings County	211	People's Farming, LLC			

As Lake County was permitting four, five, and even 60 acre cultivation sites, the famed Emerald Triangle farmers suffered from local restrictions. In Trinity County, farmers have been fighting an anti-Cannabis political backlash resulting in lawsuits and lost local permits. In Mendocino County, farmers were capped to an even more restrictive less than a quarter acre, 10,000 square foot size permit. In neighboring Humboldt County, hundreds of farmers who applied when the process started in 2016, continued to wait a fifth year for full permitting of their less than an acre homestead farms, as pockets of vocal public sentiment over water use in drought conditions, along with legal settlements and threats of more environmental lawsuits bogged down the approval process.

With over 560 acres of licensed Big Ag in production, in addition to all the other licenses out there, Humboldt's 313 acres consisting of hundreds of fully permitted farms has struggled to compete, as quantity over quality seemed to become the rule of the day. With thousands of pounds of product from those 2019-2021 larger farms hitting the market, a drop off of small regional farms has started to show. During 2021, Humboldt County obtained 29 new small outdoor state licenses, while 45 existing licenses expired. That's a loss rate of 160%. The result is a region bracing for the economic impact of a local industry recession.

Meanwhile, as supply exploded, consumer prices remained unchanged as demand was held back. Bans remaining in many jurisdictions and at the Federal level have prevented potential retail competition. By the beginning of 2022, there were approximately 850 licensed retailers and 375 delivery companies across the entire state of California. Compare that with over 750 in the state of Oregon and over 2,000 in the state of Oklahoma. With populations of about four million each, those states are just over half the population size of the Bay Area alone. It's clear that these restrictions in turn serve to support the illicit market as the demand exists, but without the legal access needed. At the Federal level, lack of legalization continues to inhibit the





opportunity for cross-state and international trade, which could become a significant boon for the Craft Cannabis market.

While multiple issues are at play, it is clear that the biggest impacts will come when legislators open up the retail market across the entire state and the country, to reduce competition with the illicit market and give smaller farmers more opportunities to compete for placement on retail shelves. As we wait for that progress to be made, farms will need the support from county officials, and state legislators with significant tax relief, grant programs, and promotional support to survive. Without those lifelines, the days of the legacy Craft Cannabis farmer could be numbered.

H2

Damico, Tracy

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**From:** Emry Jacques <ejacques3@gmail.com>  
**Sent:** Monday, January 31, 2022 8:04 PM  
**To:** COB  
**Subject:** Cannabis Excise tax

Hello,

I'd like to take a moment to comment on the cannabis excise tax.

I am a property and cannabis business owner of Madrone Forrest California and Emerald Mountain Coast. Having this tax has made it so my businesses are not profitable along with all the other state and county regulatory costs/fees it's a huge financial strain to all cannabis farmers. if we can adopt the waver I might have a chance to keep my business and property. if not I'm most likely going to have to sell my property and business that I've worked years and so hard to get to this point at a way under the cost of Infrastructure and the property paid. I am asking as a local that grew up here and have been here my whole life please provide us with some relief to this already bad economy. We need to work together to find balance in order to make this a profitable industry again for the community and business owners.

Thanks you

H-2

Damico, Tracy

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**From:** Chelsea Varin <chelsea@rainmaker1.com>  
**Sent:** Monday, January 31, 2022 4:58 PM  
**To:** COB  
**Subject:** Measure S Taxes

Please highly consider suspending measure S taxes for the upcoming 2022 year.

H-2

Damico, Tracy

**From:** Kaylie Saxon <Kaylie@greenroadconsulting.com>  
**Sent:** Monday, January 31, 2022 10:46 AM  
**To:** COB; Bohn, Rex; Bushnell, Michelle; Wilson, Mike; Bass, Virginia; Madrone, Steve  
**Subject:** Public Comment re: Environmental Impact and Measure S - 02/01/2021 - File # 22-87

Supervisors Bohn, Bushnell, Wilson, Bass and Madrone,

Since 2016, we have worked almost exclusively with cannabis farmers striving to achieve environmental compliance with the California Department of Fish and Wildlife and the State Water Resources Control Board. The permitting requirements of these agencies is intense, but necessary so that cultivators can operate with a minimum risk of detrimental environmental impact and successfully obtain both local and state licensing. Cultivators have chosen to willingly adhere to these strict rules despite the substantial cost.

It has been 6 years of the licensing process for many cultivators. Most have obtained the proper permitting, but now they must complete the environmental restoration work these permits require. Most of this work will certainly contribute to the health of natural systems in our county, but only a portion is directly related to, much less caused by, commercial cannabis. Mandated restoration work is enforced property-wide without regard to its relation to farm operations. In our experience, a substantial proportion of the restoration costs on cannabis sites in this county can be traced to historical logging.

We have seen issuance of violations from CDFW and the SWRCB for lack of timely completion of work projects. These violations then quickly place local and state licensure in jeopardy.

If we do not suspend the Measure S tax and provide our cultivators a chance to financially succeed, we firmly believe this work will not be completed. Cultivators simply do not have the tens of thousands of dollars to spend both on taxation and restoration.

By suspending the Measure S tax, cultivators could have the opportunity to complete the necessary construction. There is grant funding available, but in most cases, caps on availability would not cover the entirety of their construction costs. Having the burden of an additional tax lifted, our land stands a chance of finally being rehabilitated from years of historical logging and poor land management. The combination of the cannabis market crash and high costs of legalization have resulted in a record high number of cannabis farms for sale because cultivators cannot afford to continue with the ever growing remediation costs. Suspending Measure S would have a direct positive impact as that money could immediately be reallocated to completing the construction of these necessary projects. We firmly believe if this step is not taken, we will see a dramatic rise in the number of properties that go fallow and the environmental work will never be completed.

Aside from all of the other arguments against Measure S that have been made, from a purely environmental standpoint, this tax is removing money from the restoration budget of cannabis farmers. The legalization of the cannabis industry has the potential to provide a net positive both financially and environmentally for Humboldt County, so long as we support the industry. Suspend Measure S.

We appreciate your time and consideration,

Kaylie Saxon  
General Manager  
(707) 630-5041 – Office  
(541) 450-8751 – Cell  
1650 Central Avenue, Suite C  
McKinleyville, CA 95519



- Civil Engineering
- Environmental Science
- Construction Management
- Rural Land Development

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H-2



January 29, 2022

**Re: Support of Measure S Tax Suspension & Amendment**

Esteemed Humboldt County Board of Supervisors,

The Measure S tax levied against Humboldt County property owners who allow commercial cannabis cultivation activity on their land is punitive. Punitive because no other business in Humboldt County pays such a tax. The Board of Supervisors has had ample time to reduce the Measure S tax burden. For example, by developing tax reduction incentives for property owners who implement environmental protection practices such as irrigation water capture and storage, road improvements, forest management, invasive species management, regenerative farming practices, etc. In the absence of action by the Board of Supervisors to create any tax reduction pathways, I support the waiver, suspension, and amendment of the Measure S tax. The social, ecological, and economic health of Humboldt County depends upon it.

Sincerely,

A handwritten signature in black ink that reads "Hollie Hall".

**Hollie Hall, PhD**  
Soil & Water Scientist  
Environmental Compliance Consultant  
Compliant Farms Certified

H-2



January 28, 2022

TO: The Board of Supervisors, Humboldt County  
Via the Clerk of the Board at [cob@co.humboldt.ca.us](mailto:cob@co.humboldt.ca.us)

Re: Request to Suspend Measure S Tax

To the Honorable Board of Supervisors,

The Southern Humboldt Chamber of Commerce offers its support for your Board of Supervisors to reevaluate the Measure S taxes paid by our cannabis cultivators. We specifically ask the Board to forgive the October 21, 2021, tax payment, waive the March 2022 tax payment and suspend the tax for an additional year in hopes that the one-year suspension will allow ample time for you to evaluate the sustainability of this program and its impacts on the cannabis industry and the economy as a whole.

The downturn of the cannabis market has seriously impacted Humboldt County and is being especially felt in Southern Humboldt. Our non-cannabis merchant members are also reporting the worst ever sales for 2021, and it looks bleak for 2022. We are especially concerned that without a respite from these usurious taxes, many Southern Humboldt cultivators will no longer be able to remain in business, create jobs nor support their families.

The cannabis industry has been an unspoken cornerstone of economic development in our county. Now that these producers are able to come out of the shadows, it is imperative that we support their business development by taxing them as any other agricultural commodity.

We appreciate the hard work that all of you do for the success of our communities, and we are grateful for the opportunity to share our perspective. We again respectfully request that your Board of Supervisors forgive the October 21, 2021, Measure S tax payment, waive the March 2022 Measure S tax payment and suspend the Measure S tax for an additional year to determine a more fair and equitable tax structure for cannabis cultivation.

Respectfully submitted,

/s/ Leann Greene, Executive Director  
Southern Humboldt Chamber of Commerce



**First 5**  
HUMBOLDT  
Tomorrow Starts Today

H-2

Humboldt County Board of Supervisors  
825 Fifth Street  
Eureka, CA 95501

February 1, 2022

Dear Madam Chair and Supervisors,

Thank you for the opportunity to comment.

I am not in any way knowledgeable enough about Measure S and the pressures on cannabis farmers to speak about Measure S' specific provisions. However, because the original ballot language of Measure S identified children and families as a priority, your Board has consistently allocated \$400,000 annually to the DHHS/First 5 Humboldt ACEs partnership, demonstrating your Board's commitment to early childhood-focused prevention strategies. I understand that this allocation is a small percentage of overall Measure S revenues, but it is a significant allocation to children, families and child-serving organizations in our county.

Fifty percent of those funds cover annual grants to Community Based Organizations to support the reduction of Adverse Childhood Experiences and promote child and family resilience and mental health. Last year, all ACEs grant applications from Southern Humboldt were awarded funds, with 39% of the total funding going to Mattole Valley and Southern Humboldt, as the grant committee consistently considers the needs of Humboldt's outlying areas.

The other 50% of those monies go to First 5 Humboldt to directly fund early childhood and family mental health specialists who regularly visit outlying communities and work with families through playgroups. The funds also make it possible to provide parent education and training about meeting children's needs, which we have provided to schools, community groups, clinics, CASA volunteers, and child care providers. Those trainings are tailored to the community's priorities based on their perceived needs and circumstances. The services directly to parents have consistently received positive evaluations from families and have been statistically correlated with positive parenting outcomes and increased kindergarten readiness scores.

325 Second Street, Ste. 201  
Eureka, CA 95501

(707) 445-7389 phone  
(707) 445-7349 fax

[first5humboldt.org](http://first5humboldt.org)





**First 5**

**HUMBOLDT**

Tomorrow Starts Today

I do understand that economic pressures on families can severely impact child and family mental health, and I don't know how to relieve the overall pressures on farmers. I urge your Board to continue to use its advocacy resources to lobby the state of California to use its large budget surplus to temporarily relieve some of the tax pressure on cannabis farms, thereby relieving some of the local pressure on farmers who have families with small children.

As you know, young children are the most vulnerable to lifelong negative health outcomes when they experience early childhood adversity. I respectfully request that you consider the positive, early childhood prevention strategies you have funded in the past when you consider the complex Measure S issue.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Mary Ann Hansen', with a long horizontal line extending to the right.

Mary Ann Hansen

Executive Director

325 Second Street, Ste. 201  
Eureka, CA 95501

(707) 445-7389 phone  
(707) 445-7349 fax

[first5humboldt.org](http://first5humboldt.org)

H-2

Damico, Tracy

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**From:** Lelehnia DuBois <lelehnia.lele.dubois@gmail.com>  
**Sent:** Tuesday, February 1, 2022 3:23 PM  
**To:** COB  
**Subject:** Comment on measure S

Greatly appreciate all the options and work done to help show clarity around Measure S. Measure S was a mistake. It sounds like it's something we are all agreeing on.

We are a culture of small farms but in the beginning we had to start at 10,000 sqft or larger to be eligible for legitimacy. There is a sensible way to incentivize the cultures traditional small farms and allow those who had to invest to go big in the beginning but stayed true to our cultures values, by following sustainable and regenerative practices to be given a break, until the market can stabilize. Which it will as federal law progresses.

However, I ask that with relief you also take a deeper look at how tax monies are being used to support and empower the farms behind the culture as well as, lobbying for those farms best interest at a state and federal level. I am in support of the suspension of measure S and/or restructuring of measure S In support of our small farms keeping in step with our cultures values.

Thank you.

Lelehnia Dubois

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With Respect,  
Lelehnia DuBois  
707.672.4254  
[www.lelehniadubois.com](http://www.lelehniadubois.com)  
@humboldtgrace  
#humboldtkindness