Certified copy of portion of proceedings, Meeting of October 28, 2025

RESOLUTION NO. 25-159

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF HUMBOLDT MODIFYING THE GHOST SHIP INVESTMENTS, LLC CONDITIONAL USE PERMIT, RECORD NUMBER PLN-11281-CUP FOR APN 316-071-004

WHEREAS, on October 5, 2016, Ghost Ship Investments, LLC submitted an application for a Conditional Use Permit for cannabis cultivation at APN 316-071-004; and

WHEREAS, on January 18, 2024, the Humboldt County Planning Commission approved the Conditional Use Permit for 47,700 square feet of existing commercial cannabis cultivation consisting of 25,758 square feet of outdoor and 21,942 square feet of mixed light, and 4,777 square feet of ancillary propagation area; and

WHEREAS, after the close of all appeal periods the Conditional Use Permit was issued with an effective date of February 2, 2024; and

WHEREAS, approval of the Conditional Use Permit was conditioned on terms and requirements which were required to be satisfied within prescribed timelines, which have not been completed as of September 2025; and

WHEREAS, on October 9, 2024, the Planning and Building Department (Department) conducted an annual compliance inspection of the site and found Conditions of Approval that were required to be completed within sixty (60) days of project approval had not been completed and found other items of non-compliance. The resulting inspection report identified non-compliant issues with the project, the corrective actions to remedy the issues, and the date by which they must be resolved, which was December 31, 2024, or prior to the beginning the 2025 cultivation cycle; and

WHEREAS, on February 6, 2025, the Department sent the operator a letter stating that as of January 1, 2025, the permit had unpaid Department invoices over 30 days past due and was therefore in violation of the county cannabis ordinance and the conditions of the permit, and as a result the permit would be suspended on March 3, 2025 if the past due balance is not brought to current. A Suspension means that NO cannabis activities will be allowed until the permit is brought back into good standing by addressing the deficiencies; and

WHEREAS, on March 7, 2025, the Department sent the operator a Notification of Cannabis Permit Suspension due to non-payment of Department invoiced costs. The Notification stated that no cannabis cultivation activities are allowed until the permit has been brought back into good standing by addressing the deficiencies within 90-days of the date of the letter, which was June 5, 2025. If, at the end of the 90-day period from the date of the letter;

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the permit has not been restored to good standing, the permit would be scheduled for a revocation hearing at the Board of Supervisors; and

WHEREAS, on August 6, 2025, the Department conducted an annual compliance inspection of the site and confirmed that approximately 47,000 sf of cultivation was occurring. The cultivation was occurring with a suspended permit, and compliance items noted in the 2024 inspection had not yet been completed; and

WHEREAS, on August 14, 2025, the Department sent the operator via USPS Certified Mail and email a Permit Revocation Notice stating due to the violations of regulations, the Department will be scheduling a hearing with the Board of Supervisors (BOS) with a recommendation of permit revocation; and

WHEREAS, on October 28, 2025, the Board of Supervisors held a duly noticed public hearing, and reviewed, considered, and discussed revocation of the Conditional Use Permit; and reviewed and considered all public testimony and evidence presented at the hearing; and

WHEREAS, the Board of Supervisors at its public hearing on October 28, 2025, elected to allow the operator until December 31, 2025 to bring the permit back into good standing, including payment of Planning and Building Department processing and inspection costs, paying Measure S taxes, paying property taxes, and bringing the permit into compliance including completing all Conditions of Approval particularly the items identified in the Annual Compliance Inspection Report dated October 9, 2024; and

WHEREAS, if the permit is not brought back into good standing by completing the actions stated above by December 31, 2025, the Director of Planning and Building may administratively revoke the permit.

Now, THEREFORE BE IT RESOLVED, that the Board of Supervisors makes all the following findings:

1. FINDINGS: Project Description: Revocation of a Conditional Use Permit for

47,700 square feet (SF) of existing cannabis cultivation operation, consisting of 25,758 SF of outdoor and 21,942 SF of mixed light, with

appurtenant propagation area.

EVIDENCE: Project File: PLN-11281-CUP

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FINDINGS FOR REVOCATION

2. FINDINGS: CEQA: The requirements of the California Environmental Quality Act

have been complied with.

EVIDENCE: The project is exempt from environmental review per Section 15321

of the CEQA Guidelines - Enforcement Actions Taken by Regulatory

Agencies.

3. FINDINGS: The permit has been exercised contrary to the terms and conditions

of such approval.

EVIDENCE: a) Failure to complete Condition of Approval #A.2 which requires the

permittee to cover all costs associated with the processing of the application. As of September 2025, the permit has an outstanding balance of \$4,882.82 which is owed to the Planning and Building

Department.

b) Failure to complete Condition of Approval A.5 which requires the applicant to Execute a Compliance Agreement with the Department. Execution of the Compliance Agreement provides a pathway for the permittee to operate while resolving existing violations of Humboldt County Code. As of September 2025, it has not been completed.

- c) Failure to complete Condition of Approval A.7 which requires the applicant to submit an energy use plan to the Department demonstrating how the operation can transition away from generators and to renewable energy by January 1, 2026. As of September 2025, the energy plan has not been submitted.
- d) The applicant did not remedy the following items of noncompliance noted in the Inspection Report from the compliance inspection of October 9, 2024:
- e) Monofilament netting was in use and is prohibited by COA #6. The direction given by County was that by December 31, 2024, the operator must submit photo evidence that the prohibited material has been removed from the site. As of September 2025, this has not been resolved.
- f) The operator stated that all processing occurs onsite, however the

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permit only allows dying and curing onsite with other processing required to be offsite due to the lack of a code compliant processing structure. As of September 2025, this has not been remedied.

- g) The permit requires 147,000 gallons of onsite water storage in tanks to ensure that there is adequate water storage for the dry months in order to reduce pressure on the groundwater resource. Currently, there are 105,000 gallons of storage available.

 The Permit holder was advised that prior to the beginning of 2025 cultivation season, the operator submit photo evidence that additional storage has been added to meet requirement of 147,000 gallons, OR prior to the start of 2025 season submit a temporary cultivation reduction form reducing the area of cultivation to the amount that can be supported by the available storage onsite based on the approved water budget. This was not completed and as of September 2025 no additional water storage was documented to have been developed.
- h) On February 6, 2025, the Department sent a letter to the operator stating that as of January 1, 2025, the permit had unpaid Department invoices over 30 days past due and was therefore in violation of the county cannabis ordinance and the conditions of the permit, and as a result the permit would be suspended on March 3, 2025 if the past due balance is not brought to current. This correspondence notified the operator that a suspension means that no cannabis activities will be allowed until the permit is brought back into good standing by addressing the deficiencies. On March 7, 2025, the Department notified the operator that the permit was suspended and no cannabis cultivation activities were allowed until the permit was brought back into good standing by addressing the deficiencies. Further, the Department notified the operator that if the deficiencies were not resolved within 90 days, the permit would be scheduled for a revocation hearing.
- i) As of October 16, 2025, the applicant had not contacted the Department to resolve payment.
- j) On August 6, 2025, the Department conducted an annual

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compliance inspection of the site and confirmed that approximately 47,000 sf of cultivation was occurring despite the suspended permit and the fact that the compliance items noted in the 2024 inspection report had not been completed.

4. FINDING

The permit holder needs to finish the season to sell his crop to generate the money to pay his bills and complete the necessary improvements. He is being given until December 31, 2025, to accomplish this, but if he does not pay his county costs, taxes and install necessary improvements there is sufficient evidence to revoke the permit with due process having been served to direct the Director of Planning and Building to revoke the permit.

EVIDENCE

- a) On October 28, 2025, the Board of Supervisors conducted a public hearing on the Revocation of this permit.
- b) During the October 28, 2025, hearing the permit holder testified that to renew his state license he had to ignore the obligations of his county permit.
- c) The evidence for revocation is contained in Finding 3.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS THAT: based on the above findings and evidence, the Board of Supervisors does hereby:

a. Modify the terms of Conditional Use Permit for APN 316-071-004, such that if the permit is not brought into compliance, and taxes paid by December 31, 2025, the permit will be revoked by the Director of Planning and Building.

Dated:

Supervisor Michelle Bushnell, Chair Humboldt County Board of Supervisors

Adopted on motion by Supervisor <u>Bushnell</u>, seconded by Supervisor <u>Wilson</u>, and the following vote:

AYES:

Supervisors

-- Bushnell, Wilson, Madrone, Bohn, Arroyo

NAYS:

Supervisors

ABSENT:

Supervisors -

ABSTAIN:

Supervisors --

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STATE OF CALIFORNIA)
County of Humboldt

I, Kaleigh Maffei, Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be a full, true, and correct copy of the original made in the above-entitled matter by said Board of Supervisors at a meeting held in Eureka, California as the same now appears of record in my Office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said Board of Supervisors.

By Nikki Turner

Deputy Clerk of the Board of Supervisors of the County of Humboldt, State of California