

HUMBOLDT COUNTY GROWERS ALLIANCE

6/12/17
Humboldt County Board of Supervisors
825 Fifth Street
Eureka, CA 95501

Subject: Commercial Cannabis Land Use Ordinance - Options Review

Dear Supervisors,

These comments are submitted on behalf of the Humboldt County Growers Alliance (HCGA) with regard to the above referenced proposed revised Commercial Cannabis Land Use Ordinance.

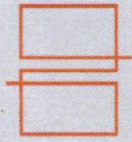
We appreciate the county's commitment to finding solutions that begin to rectify the environmental destruction associated with unregulated cannabis cultivation, and provide a legitimate framework for legal economic activity that can benefit farmers and the general public.

We understand this is not an easy task, or one that can be accomplished overnight, instead the process of regulating Humboldt's cannabis industry will take many years. This next phase, the Environmental Impact Report and revision of the CCLUO will have long-range impacts on Humboldt County. We know that our county has over 10,000 existing cannabis farms, with roughly 20% initiating the steps to become compliant in 2016. How do we as a county address the other 80% of existing farms? Is the county ready to allow additional lands to be opened up to new development and cultivation, and if so, where? These are big questions, and as a community we're going to need to work together to find answers that meet the needs of our community today and decades from now.

We look forward to continued dialogue with County officials, natural resource agencies and public stakeholders as we continue down this historic path.

Respectfully,

Terra J. Carver
Executive Director



HUMBOLDT COUNTY GROWERS ALLIANCE

ENERGY USE – Ancillary Nursery Activities (Propagation) or Mixed Light Cultivation

Existing sites

Ancillary Nurseries and/or Mixed Light Cultivation served by less than 80% renewable energy (i.e. generators) subject to discretionary permit.

- *Ancillary mother plants must be kept at an off-site approved location (utilizing grid power and/or renewable intertie) during off-season required.*

Needs clarity: Who approves off-site location? Does said location require a permit?
How does this work with track and trace?

APPLICATION DEADLINE FOR “EXISTING” SITES

- *Permits for existing sites (which do not meet all eligibility criteria) for new cultivation will not be accepted following the passage of 6 months from the effective date of the regulations*

Confusing, needs clarification.

- *Permit resumed or continued operation of eligible “existing” sites, if application is filed within 3 months of the effective date of the regulations. Provide opportunity for “provisional” permitting, subject to a compliance agreement.*

Confusing, needs clarification.

- *Require that all operations be suspended if 3-month deadline not met.*

Confusing, needs clarification. What is the enforcement mechanism for this?

ROAD STANDARD new & existing sites | three-part test

While we support in concept the three-part test to road assessment, we suggest the county have reasonable and clear timeframe for the work to be done. Humboldt County's licensed engineers for the most part have reached their 'bandwidth' working on cannabis related issues and may not be able to take on additional work.

We also support in concept requiring cannabis cultivation permit holders to join or establish relevant Road Maintenance Associations, however we ask the county to consider a time frame of 3-5 years for the association to become legally established, the assessments to be studied, the funding to be raised and the work to be implemented.

*To preserve, protect, and enhance Humboldt County's
world-renowned cannabis industry.*

600 F Street
Suite 3 #125
Arcata CA 95521

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The cost associated with such improvements to roads must not become a barrier to entry.

WATER SOURCE

- *Forbearance also required for wells.*

We strongly suggest the county give reasonable timeline of 5 years for cultivation permit holders to develop water storage plans for wells. The cost of such storage, the lack of licensed engineers could prove problematic if the county requires forbearance for wells in a short timeframe.

WATER STORAGE

All water storage

- *Grading permits for construction of ponds, above-ground storage tanks, or bladders intended to be used for future or existing on-site cannabis irrigation shall not be issued ahead of the Cannabis permit review process*

We strongly suggest that the county uncouple the grading permits for water storage. It is well within the right of a property owner to build water storage, should the proper permits be issued, ahead of a cultivation permit. Proper water storage on rural properties can aid in the fight against fires.

Ponds

- *Ponds shall be adequately fenced to prevent them from attracting and endangering wildlife.*

Pond should not be required to have a fence if they are designed with pathways enabling local wildlife to escape.

NURSERIES & COMMUNITY PROPAGATION CENTERS

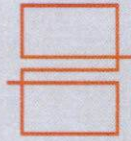
- Propagation Centers shall allow for cannabis farmers, operating within regional cultivation areas and communities without grid-supplied electricity, to maintain mother plants in a vegetative state at a nearby facility, during periods where these plants need not be located at the cultivation site.

Clarity needed. How does track and trace work within this framework?

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MICROBUSINESSES

We strongly support the county allowing the type 12 Microbusiness to be accessible to those it was intended for under Prop. 64; the smallest producers.

Small and cottage cultivators due to economies of scale are the most vulnerable in the California market place. The type 12 microbusiness is essentially an all-inclusive license that will allow any cultivator operating less than 10,000 sq. ft. to act as a cultivator, a type 6 manufacturer (non-volatile), a distributor and retailer. Not every license holder will use all the elements in the license, but it will give them more options as they enter the market place.

Here are some considerations when discussing the microbusiness license type:

-Cultivation- Under 10,000 sq. ft.

-Manufacturing-type 6, non-volatile, on-site

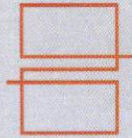
- The county may want to consider only '**mechanical extraction methods**'. Such products can diversify the small business owner's product line and adds value to their brand. Mechanical extraction does not require the performance standards needed with Co2 extraction. Typically the equipment associated with the activity is about the size of a microwave.
- Mechanical extraction methods may include:
 - "**Hot Rosin**"- The act of pressing flower under high heat and pressure. The machine is small and operates like a tee-shirt press.
 - "**Bubble hash**"- Water or ice is used to extract the hash.
 - "**Dry sift or kief**"- Sifting of the flower is used to extract the hash.

-Self-Distribution

- Self-distribution will give a small business owner the option to bring their products to market, themselves. This potentially saves revenue associated with working with third party distributors as well as the availability to develop one-on-one relationships with consumers and retail.

-On-Site Consumption

- Much like the winery or small brewery model.



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-Direct to consumer sales

- Another point of sale in the market. Direct to consumer sales also increases brand awareness; consumers have the chance to 'meet the farmer'.

-Lodging (Bed & Breakfast / Bud & Breakfast)

- Essential to Humboldt canna tourism future. Some small farms are looking forward to diversifying their businesses by offering yoga retreats, permaculture weeklong workshops and simple get-aways. Bud & Breakfasts have been very successful in Colorado and Washington.

-The microbusiness license can be used off site as well as on site. Retail for example could be valid at farmers markets and/or events, and not at the farm if the site does not meet the standards required by the county.

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To: Steve Lazar

From: Bonnie Blackberry
Civil Liberties Monitoring Project Rep
PO Box 544 Redway, CA 95560.

Date: May 9, 2017

RE: Input regarding Humboldt County Scoping Meeting for Cannabis Environmental Impact Report

The current policies and provisions are converting our outlying rural neighborhoods into industrial grow zones. Permitting and encouraging large grows and generator powered "mixed-light" operations is drastically impacting, our neighborhoods, the environment and our community character.

The size and location of grow operations allowed, combined with the lack of meaningful enforcement has created an atmosphere of a go for it free for all. Existing grows are expanding, including people who are getting permits. And new grows are increasing as well.

There is a huge increase in well drilling, earth moving and digging machinery, glowing green houses lighting up the night, along with the increased generator noise and pollution, noise from fans and pumps and other equipment, loud music, vehicle noise with much more traffic with large and small trucks and vehicles transporting people (workers), fuel, machinery, grow supplies...

ACCESS AND PRIVATE ROAD SYSTEMS; Most, if not all of the private roads in outlying subdivisions were not built for year round industrial type activity. The increased traffic, associated with the large grows and multiple crops, creates greater risks of accidents and fire, greater need and expense for maintenance, and more and more clouds of dust going everywhere.

The bigger the operation, the more traffic, the more traffic means more wear and tear on the roads, greater risk of accidents and an unbelievable amount of dust. All property owners with shared easements/access are responsible for maintenance and safety of the roadways. The current process, which needs to change, leaves it up to the neighbors and easement owners to figure out a way to deal with the impacts and costs.

GENERATOR GROWS: The County agreed that indoor generator grows were not appropriate and then allowed generator grows in greenhouses. Both require electrical power for lights, fans, etc. Both are able to produce up to 4 crops and harvests per year. Mixed light is not outdoor and should not be allowed in our outlying rural areas.

I just learned that "supplemental light" is considered outdoor. Supplemental light requires the use of artificial light, where as actual outdoor only requires sunlight. Supplemental light may

include use of generators. When does supplemental become mixed light and how is it possible to have effective compliance and enforcement?

Putting limits on mixed or supplemental light such as covering at night, limiting noise and what type and length of light use, may look good on paper, but relying on neighbors to do the monitoring and expecting people to turn in their neighbors isn't working very well, as most people are not willing to take on the enforcement duty and become a snitch and/or risk possible retribution.

NOISE POLLUTION:

Noise can travel long distances in these mountainous watersheds. The generator noise is most detectable at night when things are generally quiet with no wind blowing through the trees or birds chirping. Is the County prepared to make night calls to verify that the noise can be heard by a nearby or a far away residence? Requiring that no noise is heard from 5 ft away from the generator would be better than setting a decibel level that allows the sound to carry to other residences. And WHAT ABOUT THE WILD LIFE?

LIGHT POLLUTION; Looking out at night and seeing numerous glowing green houses is a bummer, for multiple reasons from the visual impacts to the effects on human, plants, and other creatures. Current enforcement methods do not appear to be effective.

NOTIFICATION and INFORMATION; The lack of notification and consideration of neighbors and landowners with shared roadways, and shared maintenance responsibility needs to be addressed. What about the increased risk of accidents with the increase in all this traffic? The County says OK, and then the landowners are expected to work out dealing with all of the impacts.

The current permitting process has put the burden of identifying and reporting operations which are out of compliance. If an operation is under 5,000 square feet, there is no requirement for the County to notify the neighbors or mutual access easement owners, so that they would have the information about the operation plan and what is actually being considered BEFORE APPROVAL, with the opportunity for input, as well as what is later approved.

SCENIC VISTAS AND VISUAL QUALITY There is an increasing negative impact to the scenic vistas and visual quality in the outlying rural areas with the day time glare from green houses with water bladders covering the meadows, and ever increasing number of green houses glowing in the night.

WATER BLADDERS: Also consideration must be given to water bladders, visual impacts as well as the square footage covered by water bladders should be included in overall square footage of the grow. Is the foot print, square footage of water bladders taken into consideration when determining grow operation size? If not, they most definitely should.

SIZE/FOOTPRINT OF OPERATIONS IN RESIDENTIAL AREAS, including outlying subdivisions where the primary use has been residential: The size of the grow operation has a direct correlation with the increased traffic, environmental foot print and impact, noise, lights, visual impacts and the general character of the area.

ENFORCEMENT: Standards and Regulations are only as good as meaningful monitoring and enforcement which appears to be sadly lacking.

Respectfully submitted,

Bonnie Blackberry
CLMP Rep

Hayes, Kathy

From: Luke Bruner <humboldtrfn@gmail.com>
Sent: Sunday, June 11, 2017 3:25 PM
To: Hayes, Kathy
Subject: Luke Bruner's Humboldt Public Comment on Tourism, MicroBusiness
Attachments: 2016.05.08 Humboldt BOS Dispensary Letter- New license types.docx; 2017.06.01 Cannabis Policy Public Comment.docx

Chairwoman Bass, Honorable Supervisors,

Board Clerk Hayes, please include this and the attached documents in the written public comment. Thank you!

On Tuesday, June 13th, Your Board is considering policy matters related to cannabis. This includes MicroBusinesses and Tourism.

Attached is:

A. My June 1st, 2017 written comment to the Planning Commission, for their consideration of the same agenda item.

Additionally attached is written comments from a previous board meetings:

B. My May 8th, 2016 written comment to Your Board, regarding new dispensary license types, bed & breakfasts, and bud & breakfasts. This includes a quotes from official ABC literature on consumer sales and on-site consumption for: breweries, wineries, and bed and breakfasts. This was before the voters had approved MicroBusiness licenses.

On-site production, consumption, sales, and lodging are an integral part of the small family winery model.

Your Board has a multi-year policy position, as a component of the yearly legislative platform, that cannabis should be regulated similar to wine and viticulture. Sacramento and the Voters have provided Your Board with a special tool to accommodate these business models and implement with due local control-- the MicroBusiness license type. This license type was drafted by Prop 64 authors to meet the needs of pre-existing family businesses in Humboldt and the Emerald Triangle.

The essential elements of these MicroBusinesses are:

- *Cultivation

- *On-Site extraction of one's own product, especially 'Bubble Hash' and most importantly 'Hot Rosin'

- *Self-Distribution

- *On-Site Consumption

- *Direct to consumer sales

- *Lodging (Bed & Breakfast / Bud & Breakfast)

Not all MicroBussinesses want or need all these, but they all need the same range of options.

Of particular importance is on-ramping already existing activities into regulation. Humboldt is leading the world in '**Hot Rosin**' production, consistently winning competitions and accolades. The matter has been settled at all the competitions around the state and nation: small, pre-existing, family farms in Humboldt produce the best concentrates on Earth.

However, many of these award-winning farms are currently not allowed to obtain manufacturing licenses for their award winning product. Farmers can legally weld in their outbuilding, but they aren't allowed to run a glorified t-shirt press / wine press to make '**Hot Rosin**'. They need Your Board to create a MicroBusiness permit type.

Tourism is an essential part of Humboldt's cannabis future. The family MicroBusiness is what the tourists want to come see.

Thank you for your time and consideration.

Regards,
-Luke Bruner

To: The Planning Commission, Planning Department Staff
From: Luke Bruner
Re: Cannabis- Proposed Ordinance Policy Areas and Discussion Items
Date: June 1, 2017

Chairman, Honorable Commissioners,

This letter and public comment is to address CannaTourism, MicroBusinesses, and AgriTourism. I urge Your Commission to adopt the following starting policy point:

*Small farmers and property owners have a **right** to host tours and visits. The Planning Commission and the County have a **duty** to fairly and sensible regulate the activity.

In the passing of the CCLUO, Your Commission adopted and ratified the policy position that pre-existing cultivation sites have fundamental differences from new cultivation sites, on the rational basis that bringing pre-existing non-compliant sites into compliance improves the environment, etc. This position has been vindicated in its adoption by multiple other jurisdictions, incorporation into the foundation of state policy, and ultimately approval by the Courts in the HuMMAP lawsuit.

In this matter Your Commission provided the State of California with the needed leadership to make the right decision. I believe it is important that this policy direction be continued.

CannaTourism & AgriTourism

The issues of CannaTourism and MicroBusiness are critically important to the future of Humboldt County, the livelihood of our rural residents, and the protection and preservation of our rural property rights.

Agri-Tourism is a multibillion dollar global industry. UC Davis' Cooperative Extension maintains a robust Small Farm Program, that advances the interests of specialty crop farmers, and educates them on Agri-Tourism. Four Agri-Tourism summits were hosted around the state. The Petaluma summit received significant media coverage

<http://sfp.ucdavis.edu/agritourism/summits2017/>

All their presentation files, PowerPoints, local case studies for each reason are all available at this link.

The Press Democrat wrote a headline story, *Sonoma County farm leaders look to build agritourism:*

<http://www.sonomanews.com/lifestyle/6876784-181/sonoma-county-farm-leaders-look>

Sonoma County's official tourism portal promotes and makes available small farm Agri-Tourism:

<http://www.sonomacounty.com/articles/agri-tourism-farm-tours-offered-throughout-sonoma-county>

It is the great desire of many, many community members to incorporate Agri-Tourism into their cannabis operations. This will be essential for allowing small farms to compete and survive in this changing era.

Just as Your Commission provided critically needed statewide leadership on the matter of pre-existing operations and environmental improvement, Your Commission can and should provide leadership on Agri-Tourism. Of particular importance is the matter of Tour Operation, as discussed under the Cannatourism heading:

*Allow tour operators, with a business license, and commitment to only travel to sites permitted to host visits by from [sic] the general public.

Local media articles have given incomplete accounts of a local entrepreneur denied a business license because he sought to engage in cannabis tourism. The issuing of businesses licenses is a matter outside Your Commission's purview, but permitting around the potential tour sites certainly is!

As stated in the introduction, I urge Your Commision to adopt the following starting policy point:

*Small farmers and property owners have a **right** to host tours and visits. The Planning Commission and the County have a **duty** to fairly and sensible regulate the activity.

MicroBusinesses

MicroBusiness are essential to Humboldt County's future. There is an incredible interrelationship between AgriTourism, CannaTourism, Bud & Breakfast's, and MicroBusinesses.

The MicroBusinesses will be a keystone of our AgriTourism future. This license type was expressly put into Prop 64 with Humboldt farmers in mind. I urge Your Commission to readily extend access to this license to these pre-existing operations.

The MicroBusiness license reflects the sorts of activities already occurring on these pre-existing farms, many family operations. One of Your Commission's ongoing policy goals is to 'on ramp' existing operations into compliance.

New operations should be treated differently in regards to MicroBusiness licenses, since the license reflects pre-existing activity. This is in keeping with Your Commission's previous policy leadership.

The essential elements of these MicroBusinesses are:

- *Cultivation
- *Extraction of one's own product, especially 'Bubble Hash' and most importantly '**Hot Rosin**'
- *Self-Distribution
- *On-Site Consumption
- *Direct to consumer sales
- *Lodging (Bed & Breakfast / Bud & Breakfast)

Here is what's key: not all MicroBusinesses will do all of these activities. Many of these likely MicroBusinesses are already in-process or permitted for cultivation. The zoning and permitting issues otherwise prevent these businesses from obtaining the necessary permission to engage in additional activities.

In creating MicroBusinesses licenses that encompass these activities, I urge your commission to treat pre-existing cultivation operations differently, with the recognition that many were already engaged in MicroBusiness activity. Further, this license type was created by the Prop 64 authors expressly for these businesses. Road regulations are especially important in these matters.

Thank you for your time and consideration.

Regards,

-Luke Bruner

June 9, 2017

To: Humboldt County Board of Supervisors

Re: Commercial Cannabis Land Ordinance

Dear Supervisors,

The following are my comments on the recommendations to your board from the Planning Department.

Thank you for your consideration,

Robie Tenorio
1901 Dutyville Road
Garberville, CA 95542

Commercial Cannabis Land Use Ordinance Review Comments

In general I support all of the recommendations from the Planning Department that support the reduction or if at all possible eliminate, the adverse environmental impacts of industrial cannabis.

ENERGY USE

Although I appreciate the Planning Department's effort to address the negative impacts from generator grows by requiring the use of 80% renewables for "Mixed Light" it does not solve the problem and would be impossible to enforce.

It is absolutely a mistake to allow and encourage any use of fossil fuels to grow a plant that could be grown without artificial light. The clear and present danger of Climate Change is not being addressed. When communities around the world are struggling to find ways to lessen their dependence on Fossil Fuels Humboldt County is encouraging an unnecessary contribution to Global Climate Disruption. How will you be able to measure the increase in pollution & degradation of air quality from the running of gas or diesel powered generators that are used for growing "mixed light"?

The use of gas or diesel generators for "mixed light" grows has many negative impacts in our neighborhoods. The road impacts from fuel deliveries, the air and noise pollution and where there is fuel used there will be spills – that will contaminate land and water ways.

The very serious impact of fires resulting from generator use for "mixed light" could be devastating for our area. In the unincorporated areas of the county we are dependent on our local volunteer fire departments, who have already had to respond to fires from generator grows. We have been lucky so far. But the

potential for catastrophic wildfire is present and will put all of our communities at risk of losing their homes and possibly their lives. To continue to ask our volunteers to put their lives at risk for a "mixed light" cannabis grow is criminal.

ROADS

The roads in Southern Humboldt were built in a time of considerably less traffic. In the last 5 years traffic of large trucks, large trucks with trailers, 5, 10 & 20-ton delivery trucks and water trucks has greatly increased. Since the passing of the ordinance it has become a constant stream on all our roads.

Between the issues of 50 year old failing culverts (which is to be expected), very wet winters and the constant high impact of industrial level cannabis growing our county roads have been devastated. This also includes the same impacts on private sub division roads and has created problems for Road Associations who are not able to collect fees from those causing the damage. The increase traffic of large trucks constantly being driven on small dirt roads has greatly increased the amount of fugitive dust.

I support the recommendations in Part 1, 2 & 3 of the proposed road standards. These recommendations will help with traffic safety, reduce sediment delivery into waterways and reduces fire risks.

These recommendations are sorely needed. Unfortunately they may not be enough to cover the industry expansion this ordinance has encouraged.

GENERATORS

Noise pollution from generators has a negative impact on wildlife and human neighbors. Again because of the lack of enforcement there has been an increase of generator noise, which is a very negative impact on the quality of life for residents of this previously quiet and peaceful rural area.

With the use of generators there is always the increased risk of fire. This needs to be addressed – generators running in High Fire Hazard areas to grow cannabis indoors or mixed light puts all of us – but especially our volunteer fire fighters in serious danger.

WATER SOURCE

We have been actively working on restoring health to our creeks and the Mattole River for the last 35 years. Now to know that so much damage is happening with water diversions through our dry summers and fall is very disheartening. Forbearance is the answer.

ADDITIONAL COMMENTS ON ISSUES NOT COVERED BY THE PLANNING DEPARTMENT

Since the ordinance's passage the amount of plastic hoop greenhouses, solid metal or solid plastic fencing and other ugly and generally blight producing infrastructure has doubled or even tripled.

Californians have voted to eliminate single use plastic bags at the grocery stores yet the current cannabis farming practice for most growers uses an incredible amount of plastic. Plastic bags for fertilizer, plastic for greenhouses, plastic for the light dep grows. If you go to any of our local dumps you will see enormous piles of plastic. Much of it single use. This will have a long-term negative impact on the environment.

Hartwell, Ana

Subject: FW: Humboldt Supes- LA times on cannabis, tourism, and a UC Ag Issue Center study and the Senate Trailer Bill

From: Luke Bruner [mailto:humboldtrfn@gmail.com]

Sent: Monday, June 12, 2017 5:21 PM

To: Hayes, Kathy <KHayes@co.humboldt.ca.us>; Planning Clerk <planningclerk@co.humboldt.ca.us>

Subject: Humboldt Supes- LA times on cannabis, tourism, and a UC Ag Issue Center study and the Senate Trailer Bill

Chairwoman Bass, Honorable Supervisors,

Clerk Hayes, Planning Dpt, can you please include the content of these two links in the public comment files and project files as appropriate?

This comment is for tomorrow (2017.06.13)'s BOS hearing on updating Humboldt cannabis policy. Your Board once again proves that it considers the hottest issues of the day, in real time! I have full confidence that Your Board will continue providing breakthrough state leadership on these issues, especially tourism and MicroBusinesses.

<http://www.latimes.com/politics/la-pol-ca-pot-economic-study-20170611-story.html>

References breakthrough research from UC Ag Issues Center on cannabis, premium prices, and tourism.

<http://sd02.senate.ca.gov/news/2017-06-12-senator-mcguire-drives-north-coast-priorities-cannabis-budget-trailer-bill>

Language is in print for the Senate vehicle, and Assembly vehicle should publish shortly. McGuire and Wood continue to distinguish themselves as the clear statewide leaders on this issue. Ag Co-Ops, Organic Standards, Appellations, extending MicroBusiness licenses to medical, increased local control, and more!

Regards,

-Luke Bruner

Legal marijuana could be a \$5-billion boon to California's economy



The next big boost to California's tourism industry? Pot. (June 12, 2017)



By Patrick McGreevy

JUNE 11, 2017, 12:05 AM | REPORTING FROM SACRAMENTO

California is on the verge of creating a legal market for marijuana worth more than \$5 billion that will help make the state a destination for pot-loving tourists, according to a new state-sponsored economic study.

But about 29% of all cannabis consumers may stay in the illegal market at first to avoid the cost of new regulations requiring the pot to be tested, tracked and taxed at 15% of its retail value, according to the study by the University of California Agricultural Issues Center.

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ersuade the vast majority of cannabis users to go
Bureau of Marijuana Control, which hired the

“It’s going to take some time,” Ajax said. “While it’s unlikely that everyone will come into the regulated market on Day One, we plan to continue working with stakeholders as we move forward to increase participation over time.”

The economic projections are both encouraging and daunting to state officials who hope to begin issuing licenses in January to thousands of businesses that will grow, transport, test and sell marijuana, following voter approval in November of an initiative legalizing recreational use.

The study indicates there will be economic benefits for the state from a regulated market.

The analysis estimated that as of November, aggregate annual sales in medical marijuana were \$2 billion a year (about 25% of total marijuana sales) and sales in the illegal market were \$5.7 billion (75%).

Voter approval of Proposition 64 has set in motion a system for fully legalized marijuana, which may bring state and local governments \$1 billion in tax revenue, according to government estimates. The study estimated that more than 1,200 jobs will be created for testing and handling cannabis in the legal market.

New regulations allowing purchase of marijuana for recreational use are expected to shrink medical cannabis sales from \$2 billion to \$600 million as people are given an alternative to going through physicians to get medical pot cards for a fee, the study said.

“Revenues for medical cannabis in Washington State, for instance, fell by one-third in the first year after the legal adult-use cannabis system took effect, and by more subsequently,” the study said.

After the state adopts regulations, legal recreational use will make up 61.5% of the overall market, illegally purchased pot will make up about 29.5% of the market and legal medical marijuana use will be about 9% of the overall market, the analysis estimated.

“We projected that when legally allowed, slightly more than half of the demand currently in the illegal adult-use segment will quickly move to the legal adult-use segment to avoid the inconvenience, stigma, and legal risks of buying from an unlicensed seller,” the study says.

Californians should be concerned about the high rate of continued illegal activity, said Kevin Sabet, president of Smart Approaches to Marijuana, which opposes legalization of the drug.

“We have seen this in other states too, that the legal market is easily undercut by the well-established underground market,” Sabet said. “This is unsurprising. It is just one more unrealized promise from the marijuana industry.”

Updates from Sacramento »

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Most California’s tourism industry as visitors pour in
of marijuana.

Currently, there are more than 260 million visits to California from people from out of state each year, and the visitors spend more than \$122 billion in California, much of it on leisure goods and services, the study noted.

For example, tourists have been estimated to spend \$7.2 billion a year on wine in California, the report said.

“Given that adult-use cannabis remains illegal in most other states, California’s legalized adult-use industry may attract some new visitors whose primary reason for visiting the state is cannabis tourism, as has been observed in Colorado,” the study said.

The report cited a survey by Strategic Marketing and Research Insights, commissioned by the Colorado Tourism Office in 2015, a year after that state legalized recreational use.

The survey of 3,250 tourists from Chicago, Dallas, Houston, San Diego and other cities found that 8% reported visiting a recreational-use cannabis store.

Of those, 85% said cannabis was a “primary motivator” of their visit to Colorado.

Hezekiah Allen, executive director of the California Growers Assn., agrees with the economic forecast that a boost in tourism will be one of the side benefits of marijuana legalization.

“Folks have been visiting California to enjoy the best cannabis in the world for many years,” Allen said. “It will be hugely beneficial to bring this existing commerce out of the shadows.”

But Sabet, the opponent of legalization, noted that some cities have taken steps to ban marijuana sales. They include Pasadena and Laguna Beach.

“I think you’re going to see a lot of cities opposing marijuana stores in their community precisely because they do not want the pot tourism that comes with them,” Sabet said. “The backlash is starting to happen in California.”

patrick.mcgreevy@latimes.com

Twitter: @mcgreevy99

ALSO

Not-so-high anxiety: States move fast to protect pot industry

California pot czar expects lag time for testing newly legal weed

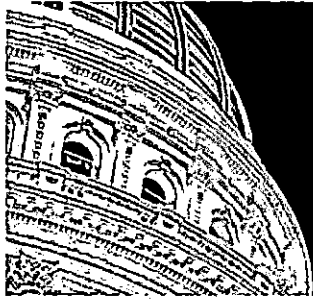
Just say no to investing in pot, committee advises California judges

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CALIFORNIA

SENATOR MIKE MCGUIRE

Senate District 2



(/)

Senator McGuire drives North Coast priorities in Cannabis Budget Trailer Bill

Monday, June 12, 2017

Sacramento, CA - California's North Coast is the epicenter of cannabis country with four Northern California counties growing approximately 60 percent of the cannabis in America.

Senator Mike McGuire, who represents those cannabis rich counties, has been the lead legislator in the Senate to help craft the cannabis budget trailer bill that was released today.

Working with his colleagues, including Assemblymember Jim Wood, Senator McGuire developed bold solutions to some of the biggest challenges that have impacted the North Coast and California communities for years.

The budget trailer bill includes:

- Enhancing environmental rules and regulations, including creating an organic standards program for cannabis
- Opening a desperately needed North Coast one stop shop for tax and license collections which will be fully staffed
- Implementing appellations for cannabis growing regions
- Recognizing agricultural co-ops for cannabis growers, ensuring that small family cultivators can thrive in the new regulatory system
- Preserving the ability for cities and counties to maintain local control and regulation of businesses in their hometowns

"The North Coast is the epicenter for cannabis cultivation in America and it has been critical that as state regulations are implemented, the North Coast is driving the conversation. The proposed new rules and regulations that are embedded within the budget will enhance environmental protections, advance local control for cities and counties and ensure the health and safety of consumers is priority number one as we continue to move this multi-billion dollar industry into the light," Senator McGuire said.

Currently, as cannabis farmers and business owners attempt to pay their share of taxes - in cash - there is no tax and license office on the North Coast to remit payment, so they travel hundreds of miles with tens of thousands of dollars to make the deposit. Senator McGuire has been a staunch advocate to develop and open a fully staffed state tax and license office located in the heart of California's cultivation region and after intense negotiations, the North Coast will finally have a fully staffed office by July 1 of 2018.

"The North Coast will finally have a tax collection and cannabis license office, which will end the absolute madness of law-abiding residents and business owners driving 5 hours to pay their taxes. This new office will be close to home, and make tax compliance quick and simple," Senator McGuire said.

Northern California watersheds and forest lands have been hit hard by rogue marijuana grows. Working closely with Assemblymember Wood, new environmental rules and regulations will further protect our environment. The bill includes an organics program that will be in place by 2021, creating a new standard which is a big win for the environment and it meets the growing consumer demand for organic cannabis. The bill's language also ensures that licensing entities can deny an application for a licensure or renewal for failure or inability to meet environmental requirements.

The bill also creates safety product labeling, allows for the co-location of retail sales for medical and recreational cannabis, and clarifies that businesses cannot mislead consumers as to the origin of marijuana products on labeling, advertising, marketing or packaging, which is identical to the language in Senator McGuire's SB 175.

"There have been major steps taken over the past two years that are completely transforming the cannabis industry, and while there is still a lot of work to be done including the implementation of the electronic cannabis tax system, this budget bill ensures Californians health and safety is priority number one and environmental protections are at the forefront of every decision," Senator McGuire said.

The state budget and budget trailer bills will be voted on by the legislature Thursday.

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(<http://sd02.senate.ca.gov/contact/newsletter>).

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From: david digiallorenzo <info@casahumboldt.com>
Sent: Tuesday, June 13, 2017 8:35 AM
To: Hayes, Kathy; Planning Clerk; Terra Joy Carver; Luke Brunner
Cc: Swaz d; Adam; My Lovely wife
Subject: Cannibus Proposed microbusiness comments / CasaHumboldt for June 13 commision meeting

June 13,2017

To : Humboldt County Commision / Planning Department /Public comments

Honorable Supervisors ,

We are Casahumboldt . A small agricultural producer applying for a 10,000 square foot canopy with the county . We have been in continuous production since 1976 . The microbusiness model/ license is CRUCIAL to Humboldt County . We require all elements of :

1. Bud and Breakfast visits
2. cultivation
3. self distribution
4. onsite consumption
5. Onsite Sales
6. Virtual Dispensary / Sales direct to consumer
7. Onsite maufacturer of edibles and extracts used for direct sales .

Here is why this is critical to the Survival of the small microfarmers . Under the existing Distribution model , the agricultural producers have no control over market pricing, and distribution. Therefore , with escalatiing costs in the agriculture world as a result of :

1. compliance / seed to sale tracking / licensing /
2. taxes / county / state / federal
3. escalating costs of goods
4. Decreasing cost of the commodatized product and increased state production .
5. large scale production houses with one to 6 acres thruout the state

Our ability to " Survive " will be directly related to targeting consumers and being able to sell above wholesale pricing directly to our customers both onsite and thru distribution direct to our consumers . The wine industry follows the same model and has allowed the small botique producer to survive by increasing the price point direct to consumers . The state has indicated a similar license and will certainly look to humboldt county for its legislation on this license type . Lets save the emerald triangle . If we disseminate this license type and help our people understand how this model can benfit them , many of the farmers will see the value of becoming complaint .

At this time , many many long time producers are very disenchantd with all the expenditure necessary to become compliant . However , if we can develop a model and show them how they can sell above wholesale, then, we will see a giant increase in participation.

With Kindest Regards ,
The Casa Humboldt Team



Hartwell, Ana

Subject: FW: Cannabis Ordinance Comments

From: Matt Kurth [<mailto:mattkurth@humcannabis.com>]

Sent: Tuesday, June 13, 2017 9:48 AM

To: Sundberg, Ryan <RSundberg@co.humboldt.ca.us>; Bohn, Rex <RBohn@co.humboldt.ca.us>; Fennell, Estelle <EFennell@co.humboldt.ca.us>; Wilson, Mike <Mike.Wilson@co.humboldt.ca.us>; Bass, Virginia <VBass@co.humboldt.ca.us>; Hayes, Kathy <KHayes@co.humboldt.ca.us>

Subject: Cannabis Ordinance Comments

Fellow Community Members,

My name is Matt Kurth. I am the founder of Humboldt Cannabis Tours, located in McKinleyville. As you may be aware we have been working with the Planning Department to become the first permitted cannabis tour operator in the area. It looks as if we will do our first official tours this August.

I regret getting this letter to you so late. I know the period for written public comment on the new Cannabis Regulations has passed but I will not be able to make the meeting this afternoon so I thought I put my two cents in anyway.

I am really happy that the County is looking at Regulating Cannabis Tourism. With 15 years in the recreation industry and two degrees in Recreation I believe I can provide some valuable input.

First, It is good to allow tours in Industrial and Commercial Zones.

Second, I do not like that tours are permitted in agricultural and resource zones only if they are on a County maintained road. I believe that tours on private road systems should be permitted with the approval of the road association or property owners served by the private road system.

Third, I like that farm stays are allowed with a discretionary permit.

Fourth, I would like to see the performance standards for Cannatoursim specifically laid out in the ordinance.

Fifth, I believe that Tour operators should be required to get a Special Permit from the county to operate. I think that only requiring a tour operator to get a business license and commit to visiting permitted farms will negatively effect our environment and quality of life. An unregulated tourism industry will cause our beloved County to be loved to death. Every tourism resource needs to be protected from those who use it. An unregulated cannabis tourism industry in this area has the potential to destroy our greatest resources, the environment and our community. Our community and environment is what will set us apart as Cannatoursim expands and evolves in California and the Nation.

Thank you for your time and consideration. Please let me know if you have any questions, comments or if you would like to continue the conversation.

Matt Kurth
Humboldt Cannabis Tours
(707) 839-4640

MattKurth@HumCannabis.com



LADYBUG HERBAL SANCTUARY CO-OP INC.

326 I STREET #123, EUREKA, CA 95501



6/13/2017

Nathan Whittington
Ladybug Herbal Sanctuary Co-op inc.
326 I Street #123, Eureka, CA 95501

Board of Supervisors
825 5th Street
Eureka, CA 95501

Honorable Supervisors,

Ladybug Herbal Sanctuary supports the leadership demonstrated by the Board in the development of a robust regulatory scheme which serves to further the development of compliant farms in Humboldt County.

Allowing **new cultivation** in non-prime Ag soils will help protect our existing Ag farms and ensure the protection of the dairy and ranching industries.

Slope requirements should include language allowing for stabilization of slopes where terracing will mitigate legacy timber damage.

Wells located in areas which can prove groundwater sustainability may not need to store water during the forbearance period similar to dry farming techniques.

Ponds should not be required to be drained where adequate mitigation measures are in place.

Processing may be allowed with approved septic or porta-potty with a scheduled service.

Cottage license applicants need the maximum flexibility under the ordinance and should allow for on-site processing as appropriate. A 25-plant count limit for outdoor cultivation will most likely change to reflect a 2500 sq ft standard. The ordinance should simply state that it will mirror the state regs once they are adopted.

Microbusiness should be allowed to develop along all license types to ensure the future of tourism and on-site consumption for the small farms we want to showcase in Humboldt. These should be simple licenses once the underlying land use permits have been obtained. This will ensure a competitive edge with other areas of the state which are handing out licenses in an effort to limit our market share.

Very Truly Yours,

A handwritten signature in blue ink, appearing to be 'Nathan Whittington'.

Nathan Whittington
President
Ladybug Herbal Sanctuary Co-op inc.