



The most important points I believe for your Board to consider are the following:

1. Our activity with the mitigations that we will have in place and are conditions for approval is benign in comparison to other business that could be permitted on the parcel such as lumber yards, contractor yards, manufacturing, and many more which would have a much greater impact on the area including smell, noise, and traffic. This is a relatively low impact use on an ML parcel compared to other developments especially with the extensive mitigations. We have twenty three different requirements and or restrictions that we must abide by as conditions of approval. If we were trying to brew beer here I would be surprised if there was anywhere near the opposition that we have received.

2. This parcel has been zoned ML for at least 3 decades.

3. It is next to a residential area and the q zone overlay requires any development to protect the airport and the neighboring residences. I would agree that if we were trying to do a mixed light grow, an outdoor grown, or volatile extraction it would be pretty hard to "protect the residential area", however with the mitigations including odor control, traffic, security, water use our proposed project will have zero impact on surrounding residences. There will be no signs, it's not open to the public, and it is adjacent to two other existing industrial developments specifically the two 14k sq. foot buildings and a mini storage that you can see in page 23 of the agenda packet. Staff goes into to great detail on the q-zone issues and explains it very thoroughly.

4. When the City talks about annexing this area I would refer you to the Fortuna Planning Commission meeting on August 28th 2018. At minute thirty four there is a discussion about the planned annexation, Liz Shorey the Fortuna Community Development Director states that that there are some significant issues regarding the annexation including infrastructure issues specifically road improvements and ultimately that LAFco in conjunction with the City and County will have the final say. She is quoted as saying "that I believe that the public works department has a grant for some really preliminary studies including a grant for some feasibility studies", further she adds "that this area is very challenging" as it relates to annexation. Unfortunately this argument is being used now to try to stop this project. Since 1993 the COF has wanted to annex this area all the way to highway 36 and it has never happened as there are significant hurdles. The staff report does a great job breaking down the General Plan land use designations as well as the annexation issue. The subject property is in the delineated Urban Expansion Area or UEA of the Fortuna community plan. While the parcel is within the city's sphere of influence UEA are a lower priority area for development than the Urban Development Areas or UDA. Given the Fortuna Community Plan prioritizes an extension of service to properties in the UEA prior to those in the UDA thus making it inconsistent with the General Plan Policy FCP-P5 (Page 51 in the packet with maps located on page 69).

5. Inconsistency with the Fortuna General Plan has also been brought up from the COF. Under the 1993 Fortuna General Plan, the City's designation of the parcel and surrounding areas generally mirror those of the county as having an Industrial General use designation. However as part of the City's most recent general plan update, these lands were redesignated to agricultural as were adjoining lands. In July 2007 this parcel is identified as agricultural in the updated COF General Plan, as well as those parcels to the east (Page 17 Agenda Packet). These adjacent parcels including the mini storage units which were completed in 2003-2004, as well as the other industrial buildings adjacent to this parcel which were also developed by 2007, were identified as being vacant (Page 16 Agenda Packet). This land use assessment appears to have been made without the knowledge of the City's previous engagement with the County on the subdivision that created this parcel. While the City's General Plan is the guiding land use policy and planning document, it does not supercede the County's land use authority. In short, the project under consideration is subject to the County's land use regulations. This project must be evaluated on its merits under the County's adopted general plan and potential conflicts regarding annexation and general plan discrepancies needs to be part of a long range planning action and is beyond the scope of this project.

6. The planning commission and the BOS through a robust public process stated that this activity has to take place in industrial and heavy commercial parcels, as you may know these are extremely limited in the county. Most of these parcels have been previously developed for lumber use and have extensive environmental legacy problems. This can be extremely problematic considering the rigorous testing that has to be done on all cannabis products including pesticides, molds, and starting next year heavy metals. This public process went on for about a year not including the original ordinance which is often referred to as 1.0. The COF asked repeatedly through written correspondences as well as public testimony for a total ban within the SOI and your commission as well as the BOS rejected this idea. Instead they required all projects within the sphere of influence to go through the CUP process which requires neighborhood noticing, a public hearing, as well as extensive technical review which this project has done as evidenced by the 308 page Staff report. This project was processed as a new cultivation site and rigorous environmental review was done as well as two neighborhood meetings. The neighborhood outreach includes going door to door within 300' of the parcel on a Saturday afternoon in early January of this year. If residents were not home then an informational packet was left either in the mail box or in the front door. The informational packet invited them to a community meeting which was held at the Comfort Inn in Fortuna where only three people attended. We also invited all thirty nine occupants who sent in letters of opposition within a 1000' of the project to another meeting which was held on Monday of this week at the Fortuna River Lodge

7. It is also important to note that The city of Fortuna residents voted almost 50/50 on the issue of cannabis legalization in 2016. A times standard article that describes this is included in the agenda packet

In closing I have been constantly involved in this process since October 2015 when the PC first started deliberating these issues. I have likely spoken at three dozen PC and BOS meetings on this subject. I have done everything I can to try to work with and accommodate the COF including meetings with staff and two different neighborhood meetings. I have been agreeable to provide In Lieu of fees for the traffic requirement paid directly to the city and have offered to hook up to city water and sewer to no avail. The opposition and refusal of water and sewer services is well within the city of Fortuna's rights, however I believe in reaching out and finding consensus with people and have tried my hardest to do so. I want to let everyone here know including the city and it's residents that you have a party that is 100% committed to being a good neighbor and is willing to work with you. I believe that we are going to much stronger as a community if we are able to build bridges instead of putting up walls. I am a local person, a family man, and I believe it is critical to issue permits to people who have done everything right and jumped through all the hoops to get to where we are today.

And finally I cannot commend the planning staff enough on their hard work on this project including Michelle Nielsen, John Ford, and Steve Lazar. The staff report is a fantastic document and we are lucky to have such talented people in the planning dept. I also want to thank the Board for the extraordinary leadership on this critical issue within the County. I am here today because you all acted with courage and exemplary leadership in the face of daunting challenges.

Thank you.

# PROJECT DESCRIPTION



- Conditional Use Permit is for indoor cultivation and processing, not distribution or retail sales.
- Parcel is zoned ML (Light Industrial) with an underlying Industrial General designation. Humboldt County APN 203-211-016.
- Land use designation has been industrial general for many decades.
- 2-phase project with two warehouse buildings for a total of 25,800 sq. feet.
- 2<sup>nd</sup> phase will require another Conditional Use Permit.

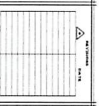
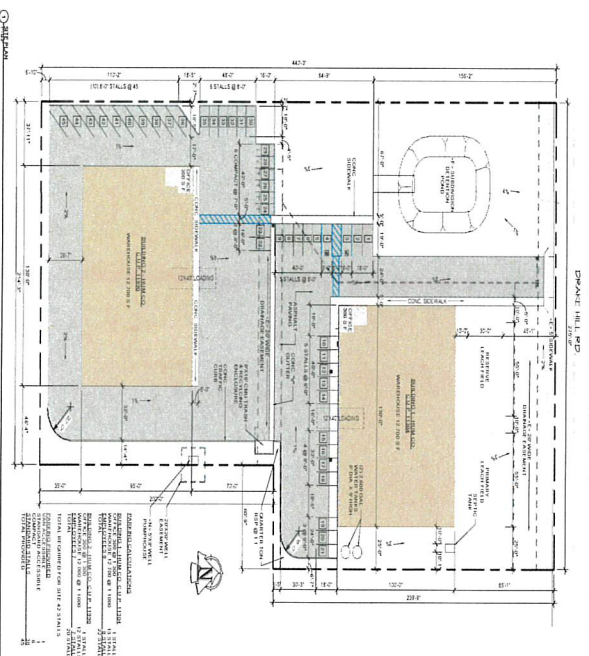
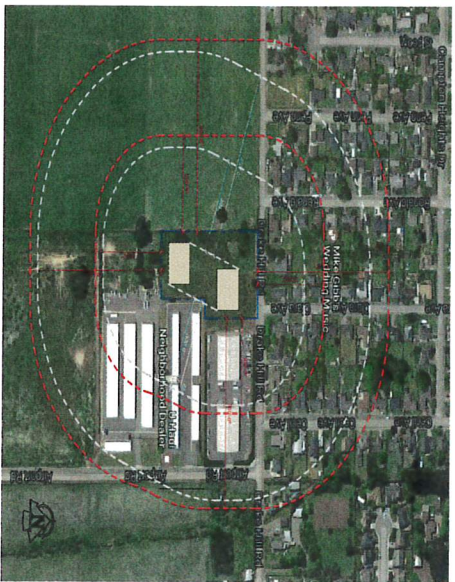


# PROJECT DESCRIPTION

Why this site?

- All new indoor cultivation must be done in C2, C3, ML, MH, and U zones.
- Must be on Category 4 roads with a center line stripe.
- Must use on-grid power.
- Must be 600' away from schools and churches.
- Outdoor and mixed light permits are available on a wide variety of parcels.
- Parcels that fit all of these requirements are extremely limited within the county.

# SITE PLAN



**K.M. MAKRISS, INC.**  
Professional Engineering Firm  
1000 S. Main St., Suite 100  
Orem, UT 84053  
Phone: (801) 225-1234  
Fax: (801) 225-1235  
Email: info@kmmakris.com  
Website: www.kmmakris.com

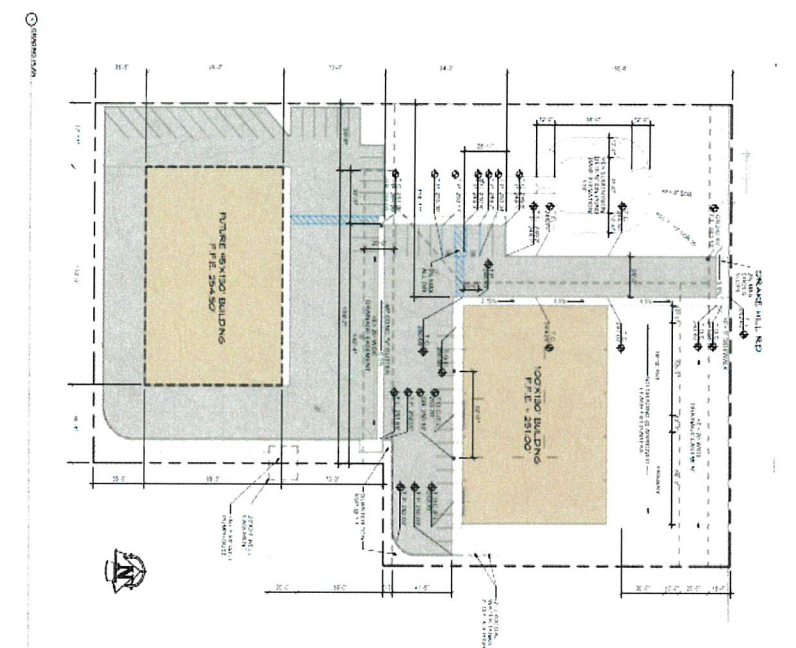
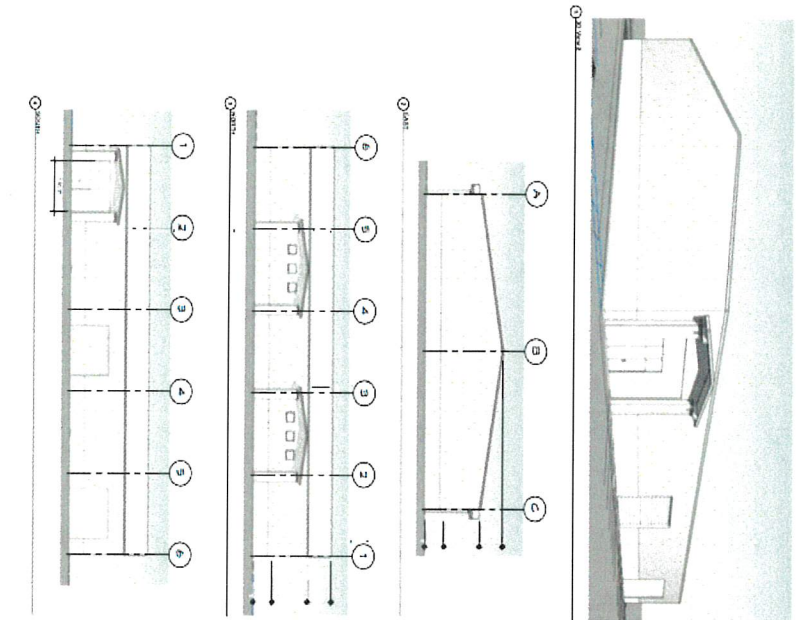
**CLARK**  
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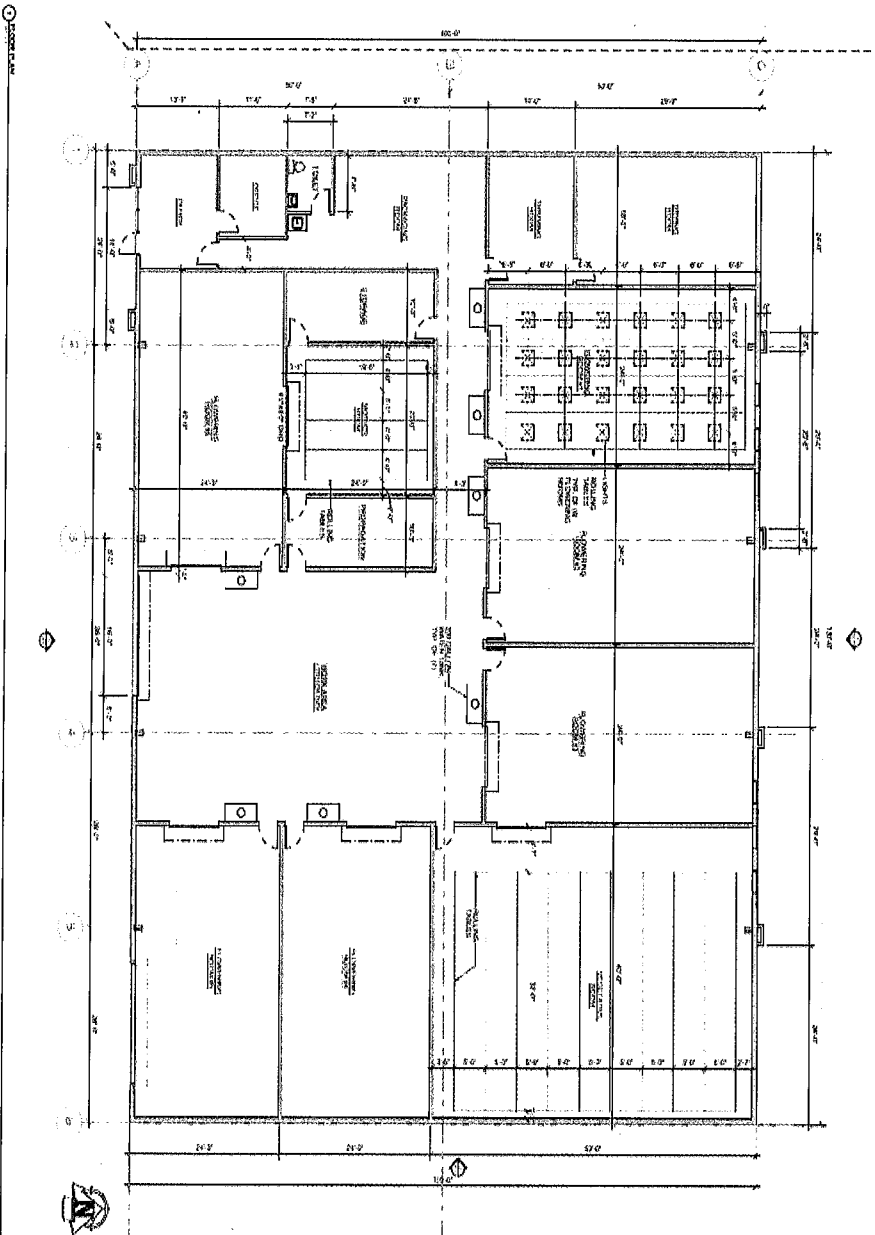
**A1.1**  
1000 S. Main St., Suite 100  
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Fax: (801) 225-1235  
Email: info@a11.com  
Website: www.a11.com

# SITE PLAN



 <p><b>K.H. MANNING CONSTRUCTION</b></p>	 <p><b>CLECO</b></p>	<p><b>DRAKE HILL METAL BUILDING</b></p>	<p><b>GRADING PLAN &amp; ELEVATIONS</b></p>	<p><b>1.2</b></p>
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① FRANKLIN



# COMPANY OBJECTIVES



- Number one objective is to be a good, clean and quiet neighbor.
- We are local and will be available to address concerns at any time.
- We are sympathetic to the concerns of other projects around the City of Fortuna. These projects were outdoor or mixed light cultivation projects. They were done through a ZCC (Zoning Clearance Certificate). No public notice was given, no public hearing was required and these projects are almost impossible to mitigate issues of smell, odor, traffic and crime.
- We would like to join the Campton Heights Neighborhood Watch Group.



# COMPANY OBJECTIVES

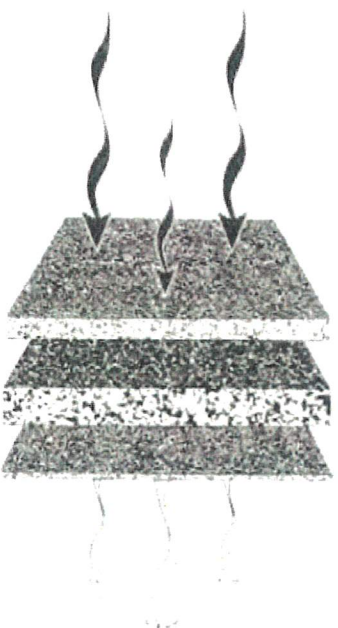
- Provide a positive economic impact to the citizens of Humboldt County and the City of Fortuna. Including good paying year round jobs and tax revenue.
- Support local business by sourcing grow related materials, office supplies, as well as frequenting restaurants, coffee houses and other businesses within the area.
- Environmentally friendly.
  - 100% renewable energy through PG&E and the RCEA.
  - Water conservation.
  - We will install solar panels on the south facing roof once revenue is generated.
  - No runoff of discharged water.

# MITIGATIONS: ODOR CONTROL

- What is Carbon Filtration?

Activated carbon filters are used to stop contaminants at a molecular level. They make it possible to purify air from chemicals, odors and gas.

How do activated carbon filters work ?



Activated carbon filters use a process called adsorption. Gas, chemicals and odors are trapped inside the pore structure of the carbon substrate. The air - purified from contaminants - comes out the filter.

## MITIGATIONS: ODOR CONTROL

- Every room containing cannabis material will have an independent carbon filtration system.
- This is accomplished by creating a negative pressure environment where air will be drawn through a carbon filter with a centrifugal fan. Air from the grow rooms, drying rooms, and processing areas will be “scrubbed” and then expelled from the building.
- These centrifugal fans draw anywhere from 400-3400 CFM (Cubic Feet per Minute) and will run 24 hours/day 365 days a year.
- There will be **zero** smell detectable outside of the building.

## MITIGATIONS: ODOR CONTROL

- Phresh<sup>®</sup> Filters are used by labs, plant breeding, germplasms, tissue culture commercial greenhouses and warehouse cultivation for their total airstream filtration requirements.
- Phresh<sup>®</sup> uses only RC-48 carbon. There is a global industry standard where carbon is tested for "ID factor" and are given an "iodine number" to American ATSM standards. ID factor can simply be explained as the measurement of the amount of iodine in milligrams that can be absorbed by a single gram of activated carbon. The higher the ID factor, the higher the absorption rate. The average coal based carbon is around 500 mg/g ID. On the other hand, RC-48 carbon has a guaranteed analysis of 1050 mg/g ID. Phresh<sup>®</sup> Filters will last a typical user around two years.
- We will replace the filters every year. This will be part of our standard operating procedures.

## MITIGATIONS: CRIME/SECURITY

- Perimeter Fencing will be installed around the entire parcel. Fencing will have barbed wire and have privacy slats. We will plant jasmine or other vine like plants along Drake Hill Rd on the outside of the fencing to retain the aesthetics of the surrounding area.





## MITIGATIONS: CRIME/SECURITY

- Advanced Security Systems based in Eureka will install security, fire alarm, and access control systems at the facility. They will also provide monitoring.
- This will include door contacts, overhead door contacts, multiple motion sensors, and 16 High Definition day/night cameras on the interior and exterior of the building.
- All employees will have background checks, those found to have committed any felonies will be barred from working with **HBG**. **This is a requirement by the State of California.**
- Employees will have swipe badges to enter the facility. This allows us to precisely monitor who is coming and going from the facility.
- Outside security lighting will be required by the county as a condition of approval. These lights will be pointed at the ground to minimize light pollution. These lights will not extend past the property line.
- Reinforced metal doors and high security locks.
- No signage on building.
- **Not open to the public.**

## MITIGATIONS: TRAFFIC

- We propose to have about 8 full time employees working on the property throughout the week for the first building and approximately 6 additional full time employees working on the parcel when both buildings are completed.
- Employees, deliveries, and other traffic will be rerouted through Highway 36 using only county roads to reduce any impact to the City of Fortuna.
- Most processing activities will take place off site at another licensed facility. This will substantially reduce any traffic impacts.
- We will travel during off peak hours. 6am-7:30am, 3pm-4pm and after 5:30pm.

## MITIGATIONS: TRAFFIC

- Hiring meetings as well as weekly meetings will monitor and make sure that all employees and deliveries to the parcel travel at a maximum speed of 25 MPH on Drake Hill Rd.
- If a complaint is received by management employees will be given one verbal warning. Any subsequent violations will result in employee termination.
- One delivery per week for supplies in a small truck and two transporter pick-ups per month.
- This parcel has been zoned ML for many decades which allows lumber yards, contractor yards, cabinet making facility, breweries, health club facilities and light manufacturing which would have an exponentially greater impact to noise, traffic, and blight than our proposed project.

## MITIGATIONS: WATER/RUNOFF

- Water for project will be serviced by an existing permitted on-site well.
- Water usage for Phase one is estimated at 342,000 gallons of water per year for irrigation or 936 gallons/day.
- However recycling dehumidifier water will allow us to recapture and reuse approximately 50% of our projected water use (478 gallons/day). This is based on having 17 dehumidification units throughout the building which collect 28.125 gallons/day each.
- Accounting for dehumidification recapture we anticipate using 458 gallons/day or 167,170 gallons per year. This equates to needing to pull approximately .32 gallons/minute from the well.

## MITIGATIONS: WATER/RUNOFF

- Well tests were performed to determine the capacity of the water and it's corresponding effects on neighboring wells. An 8-hour pump test was performed during the dry season in August of this year and the well sustained 16.5 GPM for 8 hours. There was no drawdown on the nearest well during this 8-hour test.
- Installing a Dosatron Irrigation system will allow for precise watering's and fertigation with **zero runoff from cultivation**.
- For comparison an often cited 2011 study <sup>\*</sup>estimates that the average California Household uses 360 gallons/day.

<sup>\*</sup>**Source-** <https://www.kqed.org/lowdown/11525/how-much-water-do-californians-use-and-what-would-20-percent-less-look-like>



## PROPERTY VALUE CONCERNS

- We were unable to find any negative correlation in studies or evidence regarding property values and cultivation facilities.
- The only thing we found were two peer reviewed academic studies regarding this issue in an article entitled “Does legal pot have a positive impact on home values” \* <https://evusa.com/en/blog/does-legalized-pot-have-a-positive-impact-on-home-values.html>
- Two different studies showed that in Colorado homes near dispensaries did not have a negative correlation to home prices in the immediate vicinity. We believe that this type of cannabis related activity will have a similar effect.

## PROPERTY VALUE CONCERNS

- The article goes on to state that researchers found that grow houses located within neighborhoods did in fact have a negative impact on housing prices.
- A highly regulated and permitted industry will reduce the financial incentives for unpermitted grow houses to proliferate in neighborhoods which has historically been a problem in The City of Fortuna and Humboldt County in general.
- Providing good paying jobs and contributing to local economic growth will be a long term gain for all citizens and property owners alike.

# ECONOMIC IMPORTANCE OF CANNABIS

- The decline in timber, fishing, and dairy industries has been occurring for the last half century in Humboldt County.
- In many ways the economy is undergoing a transformation now. The County of Humboldt knowing that this industry can play an important role for the future prosperity of all citizens has declared that this activity can only be done on industrial and commercial type parcels.
- As a community many people, businesses and governments have directly or indirectly benefited from the past infusion of dollars into the local economy from cannabis. However the community as a whole has suffered great environmental and societal costs.
- By regulating and taxing this new industry we hope to achieve the positive economic impacts without the negative problems associated with cannabis production of the past.

## Conclusion

- We agree that most cannabis activities around municipalities would not be able to mitigate impacts including odor, security, traffic, and noise. However this project is distinctly different in its ability to mitigate all potential issues because it will be housed in a completely enclosed non-descript industrial building.
- We are here to be good neighbors. Our priority is to preserve your neighborhood and protect the health and safety of nearby residents.
- You have our commitment today that we will operate in a way that will ensure that all potential impacts will be completely mitigated and that you will not notice our presence in the area.



# Petition In Favor Of

## Humboldt Boutique Gardens

### CUP #16-427

- This petition was done online through Change.org. It appears that the website uses phone numbers to find out where the people reside. As we circulated the petition we asked only Humboldt County residents to sign, however as you can see there are local names that have an out of area phone number attached for the location. Examples of this issue is evidenced by Cody Stross, Paula Pavlich, Edward Wilkinson, and Madalynn Cox. These people all reside in Humboldt County even though the location does not reflect this.





Dear Humboldt County Board of Supervisors,

I write this letter today in support of the Conditional Use Permit for Humboldt Boutique Gardens (CUP # 16-427). The Conditional Use Permit was thoroughly vetted by your Planning Commission on September 20th, 2018 and a vote of 4-1 was cast in favor of granting this permit. Although the project is located within the City of Fortuna's sphere of influence the applicant has gone above and beyond what is required by the County under the new CCLUO 2.0 ordinance. Although not required, the applicant has had two community meetings as well as meetings with the City of Fortuna's staff to try to allay concerns regarding odor, traffic, and crime. It is the right of the City to appeal this project but the over the top rhetoric directed to the County is unconscionable. In a Times Standard article dated October 2, 2018 City of Fortuna council members called the county "evil", and went on to say "we do not appreciate the direction the county is going, the county is supporting evil." Further Dean Glaser stated "It is a hatred to Fortuna brought on because we don't play the same liberal game the county plays or that Arcata plays." This language is divisive and corrosive to our local politics as a whole and should be rejected by your Board.

This application is ultimately precedent setting and was called the "gold standard" by your own planning commissioners in which all other projects within spheres of influence would be judged. The Humboldt County Planning Department wrote one of the best staff reports for any cannabis project to date and I encourage you to read through it and familiarize yourself before the hearing. The mitigations and the enforcement that were part of the conditions of approval are stringent and rigorous. If this appeal is granted by your Board it would have a chilling impact on all other future and current applicants that are working hard every day to come into compliance with the County. The Planning Commission and the Board of Supervisors through a robust public process stated that this activity has to take place in industrial and heavy commercial parcels, which are extremely limited in the county. This public process went on for about a year during which the City of Fortuna asked repeatedly through written correspondences as well as public testimony for a total ban within the sphere of influence. The Planning Commission as well your Board thoroughly rejected this idea. Instead they required all projects within the sphere of influence to go through the CUP process which requires neighborhood noticing, a public hearing, as well as extensive technical review which this project has done as evidenced by the 308 page Staff report.

Please support this local entrepreneur who is trying to create jobs, tax revenue, and economic development in our area. The people have spoken loud and clear that they want this activity legalized, regulated, and taxed to benefit all the citizens of this County. We cannot afford to go backwards because of irrational fears which were clearly demonstrated by the Fortuna City Council's meeting on October 1, 2018.

Thank you for your courage and dedication to this critical issue.

# Signatures

Name	Location	Date
Ian Herndon	Eureka, CA	2018-10-11
Terra Carver	Kneeland, CA	2018-10-11
Meredith Maier	Eureka, CA	2018-10-11
Jade Woodrose	Arcata, CA	2018-10-11
Edward Janicki	Willow Creek, CA	2018-10-11
Aaron Salles	Mckinleyville, CA	2018-10-11
Thomas Mulder	Garberville, CA	2018-10-11
Kristina Bodkin	Eureka, CA	2018-10-11
Becky Reynolds	North Highlands, CA	2018-10-11
Thomas Scionti	Eureka, CA	2018-10-11
Harry Smith	Fullerton, CA	2018-10-11
Matthew Nelson	Redway, CA	2018-10-11
Tyler Safier	Petrolia, CA	2018-10-11
Sean Porter	McKinleyville, CA	2018-10-11
Alanna Powell	Eureka, CA	2018-10-11
Natalia Craig-Smith	Blocksburg, CA	2018-10-11
Daniel Hendricks	Arcata, CA	2018-10-11
Nicholas Licursi	Willow Creek, CA	2018-10-11
Mike Miller	Redway, CA	2018-10-11
Bryan Robinson	Eureka, CA	2018-10-11

<b>Name</b>	<b>Location</b>	<b>Date</b>
Matt Engel	Shingle Springs, CA	2018-10-11
Deborah Aiken	Bullhead City, AZ	2018-10-11
David Digiallorenzo	Garberville, CA	2018-10-11
Desiree Robinson	Arcata, CA	2018-10-11
Jonathan Castillo	Los angeles, CA	2018-10-11
Matt Trotter	Blocksburg, CA	2018-10-11
Zach Moeser	Eureka, CA	2018-10-11
Lisa Barrett	Eureka, CA	2018-10-11
Amber Latta	Eureka, CA	2018-10-11
Peter Tayyan	Eureka, CA	2018-10-11
Evan Wilson	Redway, CA	2018-10-11
Stefania Disalvo-Digiallorenzo	Garberville, CA	2018-10-11
Angel Cabral	Sylmar, CA	2018-10-11
Marcus Lozano	Houston, TX	2018-10-11
Sara Bullock	Copperopolis, CA	2018-10-11
Zach Wellner	Oceanport, NJ	2018-10-11
Mike Brink	Bellflower, CA	2018-10-11
Carlos Alaniz	Huntington Beach, CA	2018-10-11
Edward Wilkinson	Penang, Malaysia	2018-10-11
Melissa Walker	Eureka, CA	2018-10-11
Pamela Lane	Portland, OR	2018-10-11
Renee Cox	Fortuna, CA	2018-10-11

<b>Name</b>	<b>Location</b>	<b>Date</b>
Brittney Cox	Elk Grove, CA	2018-10-11
Madelynn Cox	Shingle Springs, CA	2018-10-11
Michael Pisano	Santa Cruz, CA	2018-10-11
Wendy Prieto	Redondo Beach, CA	2018-10-11
Kristen Cady	Fortuna, CA	2018-10-11
Joe Ramos	Los Angeles, CA	2018-10-11
Colby McBroom	Phoenix, AZ	2018-10-11
Autumn Garcia	San Diego, CA	2018-10-11
Natalia Nelson	Arcata, CA	2018-10-11
Carra Young	Eureka, CA	2018-10-11
Jrinde Hudson	Blue lake, CA	2018-10-11
George Walker	Eureka, CA	2018-10-11
Danielle Maybach	San Francisco, CA	2018-10-11
Sage crum	Santa Rosa, CA	2018-10-11
Linsey Lane	San Francisco, CA	2018-10-11
Ashley Lane	San Francisco, AZ	2018-10-11
Maxime Alzate	San Francisco, CA	2018-10-11
Natalynne DeLapp	Arcata, CA	2018-10-11
Paula Pavlich	Shingle Springs, CA	2018-10-11
Crystal Garcia	Santa Ana, CA	2018-10-11
Nicole Snellbacher	Walnut Creek, CA	2018-10-11
Freddy Barreda	Van Nuys, CA	2018-10-11

<b>Name</b>	<b>Location</b>	<b>Date</b>
Troy Kuhlman	Fortuna, CA	2018-10-11
Molly Cloutier	Eureka, CA	2018-10-11
Stephanie Hetrick	Eureka, CA	2018-10-11
Lynn Leishman	Eureka, CA	2018-10-11
Lisa Crum	Eureka, CA	2018-10-11
Maureen Catalina	Ferndale, CA	2018-10-11
Marc Moser	Tracy, CA	2018-10-11
John Smith	Eureka, CA	2018-10-11
Cody Stross	Downey, CA	2018-10-11
Abbey McDonald	Arcata, CA	2018-10-11
Billy Gene Sharp	Santa Rosa, CA	2018-10-11
Charlie Parker	Oakland, CA	2018-10-11
Jamie Hinckley	Mckinleyville, CA	2018-10-11
Claire Rombalski-Talmadge	Eureka, CA	2018-10-11
Linda Renae	Eureka, CA	2018-10-11
	Portland, OR	2018-10-11
David Finkelstein	Salinas, CA	2018-10-11
Cameron Owen	Antelope, CA	2018-10-11
Edward Dodge	Monrovia, CA	2018-10-11
Rob Jurek	Arcata, CA	2018-10-11
Darlene Petrie	Arcata, CA	2018-10-11
brian stclair	Redway, CA	2018-10-11

<b>Name</b>	<b>Location</b>	<b>Date</b>
P Dubaldi	Eureka, CA	2018-10-11
Amanda Ratcliff	Eureka, CA	2018-10-11
Rose Williams	US	2018-10-12
Jake Kennealy	Eureka, CA	2018-10-12
Giovanni Ceballos	Lakewood, CA	2018-10-12
Ulis Howard	US	2018-10-12
Angelique Velazquez	Arcata, CA	2018-10-12
Ruth Ann Rude	Eureka, CA	2018-10-12
Charles Heinberg	Arcata, CA	2018-10-12
Daniel Bridge	Eureka, CA	2018-10-12
Bobby Branchini	Eureka, CA	2018-10-12
Ryan Hutson	Eureka, CA	2018-10-12
Christina Vazquez	New Paltz, NY	2018-10-12
sandra Jameson	Barrie, Canada	2018-10-12
Hojoon Lee	Arcata, CA	2018-10-12
Naomi Rimson	Mckinleyville, CA	2018-10-12
Ruthie Curo	US	2018-10-12
Steven Hadley	Eureka, CA	2018-10-12
Sierra Leash	Arcata, CA	2018-10-12
Zach Weinberg	Bellingham, WA	2018-10-12
Juan Martinez	US	2018-10-12
John Uhl	Eureka, CA	2018-10-12

<b>Name</b>	<b>Location</b>	<b>Date</b>
Pierre-Yves Paul	US	2018-10-12
Shannon Gibson	Arcata, CA	2018-10-12
Juan Robles	Stockton, CA	2018-10-12
Tyler Robinson	Omaha, NE	2018-10-12
Lucy Castle	Eureka, CA	2018-10-12
Kelly Valentine	Wilton, CA	2018-10-12
Charles Curtis	Eureka, CA	2018-10-12
Shelby Hetrick	Mckinleyville, CA	2018-10-12
Isobel Mcausland	Eureka, CA	2018-10-12
Shaelawn Matsen	Arcata, CA	2018-10-12
Guillermo Medina	San Pedro, CA	2018-10-12
Athena Gravino	Marietta, GA	2018-10-12
Crystal Rosenthal	Aliso Viejo, US	2018-10-12
Jamie Bucklin	Mckinleyville, CA	2018-10-12
Esther Aguilera	US	2018-10-12
Amber Montgomery	Eureka, CA	2018-10-12
Phil Oconnor	Bayside, CA	2018-10-12
Robert Gale	Eureka, CA	2018-10-12
Edward Houghton	Sarasota, FL	2018-10-12
Kyle Curtis	Eureka, CA	2018-10-12
Ashley Smyth	San Francisco, CA	2018-10-12
Colton Hadaway	Corona, CA	2018-10-12



<b>Name</b>	<b>Location</b>	<b>Date</b>
Sage Crum	Mckinleyville, CA	2018-10-12
Kim Preston	Fortuna, CA	2018-10-12
Wendy Baker	Eureka, CA	2018-10-12
Marcos Cardona	Arcata, CA	2018-10-12
Joe Koches	US	2018-10-12
Travis Briggs	Portland, OR	2018-10-12
Michael Brown	Silver Spring, MD	2018-10-12
Kimberly Cargile	Sacramento, CA	2018-10-12
Delia Rodriguez	Eureka, CA	2018-10-12
James Dickson	Pontiac, MI	2018-10-12
Frank Puchalski	Rancho Cordova, CA	2018-10-12
Gerry Rivers	Riverside, CA	2018-10-12
Jay Crain	Arcata, CA	2018-10-12
Laura Hartman	Eureka, CA	2018-10-12
David Dickinson	Arcata, CA	2018-10-12
Tonya Miller	Richmond, VA	2018-10-12
Lynda Cesaretti	Fortuna, CA	2018-10-12
Marina Ziolkowski	Petrolia, CA	2018-10-12
William Templeton	Eureka, CA	2018-10-12
Britney Newby	Eureka, CA	2018-10-12
Michelle Aldrete	Arcata, CA	2018-10-12
Kelley Nicholson	Eureka, CA	2018-10-12

<b>Name</b>	<b>Location</b>	<b>Date</b>
Doris Gonzalez	US	2018-10-12
Kurt Hawthorne	Arcata, CA	2018-10-12
Michelle Muller	Scottsdale, AZ	2018-10-12
Aaron Crites	Arizona	2018-10-12
Brian Prewitt	San Jose, CA	2018-10-12
Logan Brezner	US	2018-10-12
Lauren Tatton	Sacramento, CA	2018-10-12
	US	2018-10-12
	US	2018-10-12
Mattison Boothe	Arcata, CA	2018-10-12
Maria Herndon	Eureka, CA	2018-10-12
MariaElisa Richardson	US	2018-10-12
Rebecca Briggs	Eureka, CA	2018-10-12
Sequoyah Hudson	McKinleyville, CA	2018-10-12
Jordan Gillette	Eureka, CA	2018-10-12
	US	2018-10-12
Nikki Dean	Eureka, CA	2018-10-13
Sarah Conner	Fortuna, CA	2018-10-13
Suzanne Smith	Eureka, CA	2018-10-13
Felipe Duran	US	2018-10-13
Lucas Tomas	US	2018-10-13
Melinda Moffitt	Hayward, CA	2018-10-13

<b>Name</b>	<b>Location</b>	<b>Date</b>
Mari Dominguez	US	2018-10-13
Fernando Garibay	Los Angeles, CA	2018-10-13
Joe Mankiewicz	West Islip, NY	2018-10-13
Robert Branchini	Eureka, CA	2018-10-13
Braden Montgomery	Eureka, CA	2018-10-13
Marion Marsh	US	2018-10-13
Anna Baltierra	Trinidad, CA	2018-10-13
Sean Trainor	Bridgeville, CA	2018-10-14
	US	2018-10-14
Gabbi DeWitt	Cedar Falls, IA	2018-10-14
Angelique Williams	Arcata, CA	2018-10-14
Tarlan Gardashov	US	2018-10-14
isabella s	US	2018-10-14
Hayden Sawyer	US	2018-10-14
Sam Willey	US	2018-10-15
Benny Ong	US	2018-10-15
Elysia Ciarabellini	Honeydew, CA	2018-10-15
Guadalupe Yanez	US	2018-10-15
Carole Hagen	US	2018-10-15
valerie palomo	US	2018-10-15
Mary Gibson	Eureka, CA	2018-10-15
Marieta Laranjo	US	2018-10-15

<b>Name</b>	<b>Location</b>	<b>Date</b>
owen payne	US	2018-10-15
Kelsey Bolner	US	2018-10-15
Arick Young	Phoenix, AZ	2018-10-15
Teany Martiny	US	2018-10-15
giorno giovanna	US	2018-10-15
Kirsten Free	Ferndale, CA	2018-10-15
Sancho Simmons	Eureka, CA	2018-10-15
Jesse Kite	US	2018-10-15
Lindsey Carriker	US	2018-10-15
Demetrius Trott	US	2018-10-15
Zachary Mathieu	Carmichael, CA	2018-10-15
Livy Harnack	US	2018-10-15
Athena McCarthy	US	2018-10-15
Christopher Chambers	San Jose CA, CA	2018-10-15
Jayson Brame	US	2018-10-16
Jessy Artman	US	2018-10-16
Natasha Simpson	US	2018-10-16
Yash Singh	US	2018-10-16
aubrey jenkins	US	2018-10-16
Mathew Baisden	US	2018-10-16
Kate Cenci	Petrolia, CA	2018-10-16
Ruby Bazarro	US	2018-10-16

Name	Location	Date
Nicholas Couick	US	2018-10-16
Liz Powalisz	US	2018-10-16
Leo rockwell	fresno, CA	2018-10-16
Aryanna Cole	US	2018-10-16
Gavin Vanwyck	US	2018-10-16
Summer Lambert	US	2018-10-16
Julie Wells	Columbus, OH	2018-10-17
Jaylynn Williams	US	2018-10-17
Grant Garcia	US	2018-10-17
Calista Labolle	Eureka, CA	2018-10-17
Chris Wiggz	US	2018-10-17
Shawn Ellswort	Eureka, CA	2018-10-17
Laura Lopez	US	2018-10-17
Alyssa Wolochow	US	2018-10-17
Maria Santana	Chicago, IL	2018-10-17
Tina Rawat	US	2018-10-17
Ethan Pierce	US	2018-10-17
Valerie Leonard	US	2018-10-17
[REDACTED]	US	2018-10-17
Steve Chelo	US	2018-10-17
Lindsey Ward	US	2018-10-17
[REDACTED]	US	2018-10-17

Name	Location	Date
Evan Edwards	US	2018-10-17
Lisa Bullock	US	2018-10-17
Taylor Geiger	US	2018-10-17
Nick Trzeciak	US	2018-10-17
zack kirk	US	2018-10-18
Matt Jones	Fortuna, CA	2018-10-18
Maria Cruz	US	2018-10-18
Cathy CHIERO	US	2018-10-18
Lianna Cubas	US	2018-10-18
Josie P	US	2018-10-18
Raven Holmes	US	2018-10-18
Joseph Brown	Eureka, CA	2018-10-18
Nick Florence	US	2018-10-18
Leon Stillwell	US	2018-10-18
Daniel Brunbaugh	Mckinleyville, CA	2018-10-18
Juleesa Kawaauhau	US	2018-10-18
Huei Lin Fu	US	2018-10-18
Roda Altom	West Jordan, UT	2018-10-18
	US	2018-10-18
Dwight Page	US	2018-10-18
Jose Cruz	New York, NY	2018-10-18
Esteban Navarro	US	2018-10-19

<b>Name</b>	<b>Location</b>	<b>Date</b>
Jack Aronzon	US	2018-10-19
Maria Isabel Banuelos	US	2018-10-19
Joe Martin	US	2018-10-19
JON INWOOD	Brooklyn, NY	2018-10-19
	US	2018-10-19
Forrest Stewart	US	2018-10-19
Tyler Chen	US	2018-10-19
Emily Talentino	Bridgeville, CA	2018-10-19
Nik Erickson	Eureka, CA	2018-10-19
	Great Falls, VA	2018-10-19
Jesus carlos cordoba algara	US	2018-10-20
Nilasia walls	US	2018-10-20
Dustin Magnus	US	2018-10-20
Jaquinn Henderson	Houston, TX	2018-10-20
Jameson Kieu	US	2018-10-20
Austin Walton	Dallas, TX	2018-10-20
Jorge Rodriguez	US	2018-10-21
Esmeralda Duran	Sacramento, CA	2018-10-21
Joe Wilfong	Newton falls, OH	2018-10-21
Madrell Reynolds	Brunswick, GA	2018-10-21
Tiffany Gunnarson	Bridgeville, CA	2018-10-23
Alex Jackson	Rio Dell, CA	2018-10-23



<b>Name</b>	<b>Location</b>	<b><u>Date</u></b>
Ricarso Elizondo	Pharr, TX	2018-10-23
Frederick Deal	Moorpark, CA	2018-10-23
Julian Montoya	Arcata, CA	2018-10-24
Sidney Munro	Scottsdale, AZ	2018-10-25
Wendi McKenny	Trinidad, CA	2018-10-30
Andy Powell	Arcata, CA	2018-10-30
Van Simmons	Mckinleyville, CA	2018-10-31



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# IN COLORADO, LEGAL POT INCREASES HOUSING VALUES

Homeowners are getting high, and so is the value of their residences.

BY TOM JACOBS , MAR 1, 2018





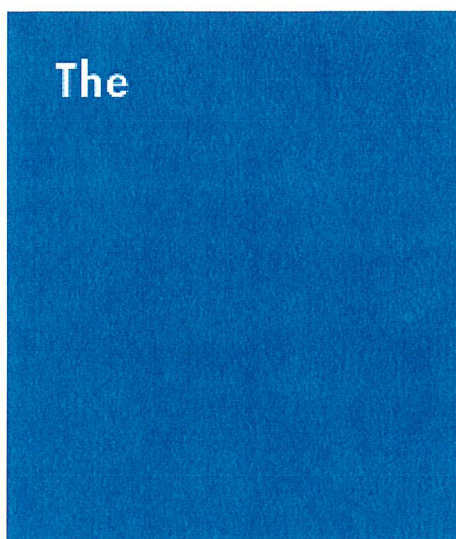
## *Leadville, Colorado.*

*(Photo: Steven Martin/Flickr)*

If you want the value of your house to increase, make sure it's in a neighborhood with desirable features. Good schools. Reliable public transportation.

And, of course, easy access to marijuana.

A new study reports the legalization of pot in Colorado produced, on average, a 6 percent increase in housing values. The availability of recreational marijuana in a given area created "strong housing demand, while having no discernible effect on housing supply," writes a research team led by University of Mississippi economist Cheng Cheng.



That's an economic equation so simple it makes sense even if you're high.

Colorado became one of the first two states in the nation to legalize recreational marijuana in November of 2012. In the journal *Economic Inquiry*, Cheng and his colleagues note that, under the law, "local governments—namely counties and municipalities—can decide whether to permit retail sale" of the drug.



By August of 2015, they write, 46 out of the state's 271 incorporated municipalities had put into place a licensed-based regulatory system permitting the sale of pot products. The researchers compared the rise in housing values in those cities and towns with the figures for similar areas where marijuana was not sold.

"Our estimates show that, on average, legalizing retail marijuana in Colorado increases housing values by approximately 6 percent, or \$15,600 per property," they write. This amounts to "about 27 percent of the overall price appreciation" during the period they examined (2010 to 2015)."

"Housing values experienced an immediate jump of 3 percent within one quarter after the adoption of retail marijuana laws," they add. "The effect is largest in populous areas, and strongest among properties in low and middle price tiers (below \$500,000)."

Cheng and his colleagues note that there are costs associated with legalizing pot—the most obvious one being adverse effects on public health. They note that legalization resulted in large increases in marijuana-related emergency-room visits, hospitalizations, and traffic deaths.

But fears that having a marijuana store in a neighborhood would lower property values by increasing crime appear to be unwarranted. If Colorado housing prices are any indication, such shops actually make a city or town a more desirable place to live.



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## Science News

from research organizations

### Legal marijuana stores lead to increases in property crime Crime hits nearby neighborhoods, not area around the outlets

Date: April 27, 2017

Source: Ohio State University

Summary: Legal marijuana shops are linked to higher levels of property crime in nearby areas, according to a nearly three-year study in Denver.

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#### FULL STORY

### Legal marijuana shops are linked to higher levels of property crime in nearby areas, according to a nearly three-year study in Denver.

Researchers found that crime isn't higher in the area immediately surrounding marijuana outlets. But adjacent areas saw about 84 more property crimes per year than neighborhoods without a nearby marijuana store.

In Denver, no significant increase in violent crime was seen as a result of marijuana sales.

The results show that legal marijuana sales come with a cost, said Bridget Freisthler, lead author of the study and professor of social work at The Ohio State University.

"If you're looking strictly from a public health standpoint, there is reason to be somewhat concerned about having a marijuana outlet near your home," Freisthler said.

Putting this risk in context, marijuana outlets led to similar levels of property crime as bars, liquor stores and restaurants that serve alcohol, data from the study suggests. And businesses that sold alcohol led to much more violent crime than marijuana outlets.

The study was published online today in the *Journal of Primary Prevention*.

The researchers examined crime statistics for 481 Census block groups in Denver over 34 months (January 2013 to October 2015). When the study began, marijuana could only be sold for medical purposes. But beginning in January 2014, marijuana outlets were able to sell to the general public, giving the researchers the opportunity to see if recreational sales were tied to increases in crime.

They examined three types of crime, based on data from the Denver Police Department: Violent crime, property crime and marijuana outlet specific crime.

The change in the law allowing recreational sales did not result in an increase in crime, results showed.

"It is the number and density of outlets that is important, not whether they are medical or recreational," Freisthler said.

But there is a caveat to that finding. After the law was first changed to allow recreational sales, only those dispensaries that already were selling for medical purposes were allowed to apply for a license to sell recreational marijuana in Colorado.

As a result, the number of outlets didn't change much.

This is the second study Freisthler and colleagues have published on crime and marijuana outlets. The earlier study, published last year, was done in Long Beach, Calif. In both studies, property crimes didn't increase right next to the outlet, but in the adjacent neighborhood.

That's probably because the dispensaries often have security guards and cameras keeping an eye out on the immediate area, Freisthler said.

"The areas we examined in our study were relatively small (about a third of a square mile), so a guard could conceivably be keeping criminals away from the neighborhood directly surrounding the outlets," she said.

One way to understand the effect of marijuana stores on crime is to compare them to places that sell alcohol.

Data from the study showed that marijuana outlets contributed to 1,579 property crimes in Denver over 34 months, compared to the combined alcohol outlet contribution of 1,521.

"The levels of property crimes were similar, although marijuana outlets were responsible for slightly more," Freisthler said.

Alcohol outlets, however, were responsible for about four times more violent crimes during the 34 months of the study than those that sold marijuana (372 vs. 93).

But Freisthler cautioned that a direct comparison is difficult because the effects related to marijuana outlets take into account crimes in local and adjacent areas while the data for alcohol outlets only look at adjacent areas.

Still, she said it is concerning that there is this level of crime associated with marijuana sales, despite the fact that the density of marijuana outlets is much lower compared to that of alcohol outlets. "Over time, as marijuana grows in popularity, densities of marijuana outlets may increase, resulting in higher crime," Freisthler said.

While this study did not find a significant increase in violent crime related to marijuana shops, the study in Long Beach did. That suggests it is too early to say that legal marijuana sales don't result in significantly more violent crime, she said.

This new study did find, not surprisingly, that legal sales were linked to an increase in burglaries and other crimes at marijuana outlets themselves.

From the data in the study, the researchers can't tell who is committing the crimes and who the victims are in the nearby neighborhoods. Customers of the marijuana outlets could be the victims or the perpetrators, according to Freisthler.

"That's important to know, because residents may want to mobilize if they are the victims of increased crime. But if it is not the residents being victimized, they may not care as much," she said.

Freisthler said the findings of this, as well as her previous study, suggest there are reasons for citizens to be cautious about legal marijuana sales.





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# Five years in: The legalization and Washington state

A comparison of expectations versus results when it comes to cannabis legalization.

By Scott Johnstone (/magazine/contributors/scott-johnstone/) • Nov 13, 2017



In 2012, the states of Colorado and Washington became the first in the US to legalize cannabis for recreational use. Critics feared it would attract criminal elements, and that it would



lead to increases in impaired driving incidents and youths being exposed to the drug, while advocates hoped it would lead to an economic boom, and an end to the criminalization of cannabis users.

This November marks the five year anniversary of legalization in both states. In that time a number of studies, surveys, and statistics have been published that provide a view into the range of effects that have been observed since the new regime was implemented. Here are some highlights:



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## Criminal elements

**Prediction:** Criminal elements would be attracted.

**Observation:** Mixed results, but overall that myth was busted.

A report published in 2016 found that cannabis-related crime had increased in Washington state post legalization. The report was based on data from both Spokane Valley and Seattle police departments, and it showed a rise in

unlicensed distribution and possession of illegal cannabis following legalization, most of which was destined for states where prohibition was still in force.

However those statistics represent only a small portion, geographically speaking, of just one state. On the whole, crime statistics for Washington state reached a 40-year low in 2014, with violent crime down 10 percent and a 13 percent drop in the state's murder rate. Colorado also saw decreases in overall crime rates, violent crimes, and property crimes.

## Impaired driving

**Prediction:** Accidents and impaired driving incidents would increase.

**Observation:** Confirmed (mostly).

A study produced by the Insurance Institute for Highway Safety, which has received criticisms from legalization advocates, found that in 2014 (the year in which the first legal recreational cannabis shops actually opened for business) overall claims for traffic incidents rose by 14 percent in Colorado, and 4.6 percent in Washington.

While a certain amount of annual increase was expected regardless of legalization, even after researchers accounted for controls including rates of increase in nearby states where cannabis remained illegal, a rise of 2.7 percent was attributed to the legalization of cannabis.

But reports emphasize that while more drivers who had been involved in insurance claims in Washington and Colorado admitted to consuming cannabis before operating their vehicle, that may not reflect actual changes in usage, due to extremely limited data prior to legalization.

Nevertheless a correlation has been observed, showing a disproportionate increase in traffic-related insurance claims in states where cannabis has been legalized.

## Youth exposure

**Prediction:** Minors would start using cannabis (more than they were already).

**Observation:** Myth busted.

Earlier this year a think tank working for Washington's state legislature produced a report showing overall decreases in youth cannabis usage rates.

The report was based on survey data from the state's Department of Health, which polled for usage among students in grades six, eight, ten, and twelve. The results of the survey showed decreased usage by students in all four grade levels. For example, students in the tenth grade responded at a 17 percent usage rate in 2016, compared to rates of 18 percent in 2006, and 20 percent in 2010.

Similar decreases in teen usage were observed in Colorado, with 21.2 percent reporting usage in 2015, down from 22 percent in 2011.

## Big business

**Prediction:** The new legal market would lead to an economic boom.

**Observation:** Confirmed.

Both Colorado and Washington have experienced tremendous growth in the cannabis business ecosystem in the years since each state increased access from limited



medical marijuana programs to fully legalized recreational markets.

Even setting aside financial gains by the myriad private businesses now operating in each state, and focusing instead on state revenues such as excise taxes and licensing fees, the case is clear. In 2014, Colorado received over \$76 million in revenues, \$35 million of which went directly toward funding the state's education system. In 2015, total tax revenues from cannabis increased to over \$135 million.

In Washington, \$83 million was received in excise taxes alone during the first year of recreational cannabis shops operating in the state. In 2016 the state's tax obligation was projected at \$185 million, with the expectation of 2017 reaching over \$230 million.

The lion's share of tax revenues in Washington are slated for public health programs including Medicaid, substance abuse prevention, and community health centers.



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[74&PID=0&textadID=0&tc=1&mt=1541091302299667&sw=1440&sh=900&spr=1&hc=c](https://adbutler-fermion.com/redirect.spark?74&PID=0&textadID=0&tc=1&mt=1541091302299667&sw=1440&sh=900&spr=1&hc=c)

# An end to criminalization

**Prediction:** Arrests would stop, amnesty would be offered to those already incarcerated

**Result:** Myth busted (mostly).

While overall crime rates dropped in both states, significant increases in cannabis-related arrests were reported in a number of jurisdictions within each state.

Conversely, a noteworthy observation comes from Stanford University, whose Open Policing Project reported that based on data from over 130 million roadside traffic stops throughout the US, the rates of traffic stops leading to drug searches dropped dramatically in both Colorado and Washington following legalization.

While those traffic stops that did lead to drug searches still show a disproportionate rate of enforcement towards drivers depending on race, the stop-and-search rate decreased 34 percent between 2011 and 2015 for black drivers, and 25 percent for hispanic drivers.

But for the thousands of cannabis users who have already incurred criminal records, or are still serving prison sentences for cannabis offenses committed prior to

legalization, both Colorado and Washington fall short of the examples set by their more recently legalized counterparts, Oregon and California.

California's cannabis legislation includes a system that provides for existing cannabis offenses to be reclassified and/or expunged from criminal records, and for those currently serving sentences to have the opportunity for re-sentencing under the new regime.

Meanwhile in Oregon, a resolution passed in 2015 allows anyone with a cannabis-related conviction to apply for their record to be expunged if the act for which they were convicted is no longer classified as a crime.

Unfortunately for Washington and Colorado residents, the same can't yet be said for their states.

Instead of moving toward an atmosphere of non-criminality, 2015 saw the ratification of Washington state's Senate Bill 5052, which allows minors under the age of 21 to be charged with a felony for cannabis possession, carrying sentences up to five years in prison.

## Unexpected results

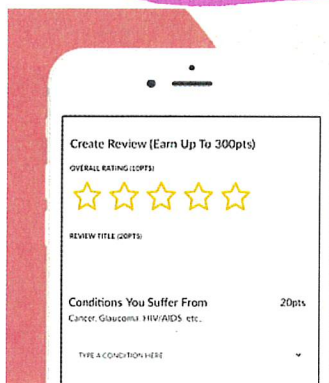


Here are a few interesting tidbits and data points that didn't fit into the above categories.

**Harm reduction:** A study published in this month's issue of the American Journal of Public Health found that 2014 saw a 6.5 percent reduction in deaths resulting from opioid abuse in Colorado, indicating a reversal of the previous 14-year increasing trend.

**Workplace safety:** Explosions occurred seventeen times at THC extraction labs in Washington state during 2014.

**Unanticipated growth:** A 2015 report from Matt Ferner of the Huffington Post found that legal cannabis had become the fastest-growing industry in the US, with the national market expanding from \$1.5 billion in 2013 to \$2.7 billion in 2014.

A screenshot of a mobile app interface for creating a cannabis review. The interface is displayed on a smartphone screen. At the top, it says "Create Review (Earn Up To 300pts)". Below this, there is a section for "OVERALL RATING (50PTS)" with five yellow stars. Underneath, there is a "REVIEW TITLE (50PTS)" field. Further down, there is a section for "Conditions You Suffer From" with a list of conditions: "Cancer, Glaucoma, HIV/AIDS, etc." and a "20pts" value. At the bottom, there is a "TYPE A CONDITION HERE" field with a dropdown arrow.

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WEED

AUG 29, 2018

# Do Cannabis Stores Attract Crime?

by [Josh Jardine](#)



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Some people have argued that cannabis shops attract crime to the surrounding neighborhood. I'm not really sure how this came to be an argument. If it was "opium dens attract crime," I might agree. But—and this is an important distinction that some prohibitionists don't make, bless their hearts—pot shops are *not* anything like opium dens, or crack houses, or meth mini-malls, or heroin hideaways.

Let's look at three recent studies about cannabis and crime. (I am indebted to the website [Marijuana Moment](#) and its coverage and analysis of these studies.)

Cannabis stores are extremely regulated, and they have more cameras than you'll find anywhere outside of a Kardashian set, with multiple locks, gates, and other security measures. Employees check the ID of everyone who comes in.

**LUX**  
/ləks/ noun

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The interiors are extremely well lit. Your local neighborhood pot shop may well be the safest building on the block, and research shows that having them take over a formerly vacant storefront also reduces crime.

Now, much like banks, pot shops can be a target for *some* (really stupid) thieves. That's because banking regulations exclude dispensaries, growers, and other cannabis industry players from having bank accounts, resulting in them sometimes having to keep large amounts of cash on site. But robberies are a rarity.

As reported by **Marijuana Moment**, in May, the RAND think tank **published a study** via the Institute of Labor Economics (IZA) that looked at pot shop laws on crime in California. It examined 58 different California counties, including those where shops had opened going back to 1996, when California's medical marijuana program began. They then looked at violent and property crimes in those same counties over that same time span.

Their conclusions? "We find no significant impact of dispensaries on violent crime in any of our models.... For property crimes, we see no effect from adopting dispensaries in the model excluding county-specific time trends." Some of their research models actually showed a *decrease* in property crimes of between 5.1 to 6.3 percent in counties that did allow dispensaries. They concluded that "dispensaries help reduce crime by reducing vacant buildings and putting more security in these areas."

How does this compare to stores selling alcohol and tobacco? Our trusted friends at **Marijuana Moment** report that a group of university researchers, funded by the Centers of Disease Control and Prevention, wondered that same thing. Those researchers **released a study** that looked at three types of businesses in South Central Los Angeles—medical cannabis dispensaries, tobacco stores, and liquor stores. (The report noted that South Central is a "large, high-crime, low-income urban community of color," which really only seems notable if a prohibitionist argument-maker also may have certain um, *ideas*, about race and crime.)

The study found that violent crime and property crime increased substantially within multiple measured distances from the stores that sold either tobacco or alcohol exclusively. The areas around medical dispensaries, on the other hand, did not see an increase in crime rates. The report concluded, "Tobacco shops may constitute public health threats that associate with crime and violence in US low-income urban communities of color."

Okay. But don't these pot shops put a burden on law enforcement? Wouldn't you know—it turns out the cops, newly unburdened from pursuing pot-related crimes in post-legalization states, use their freed-up time to solve *actual* crimes.

One of the least sought-out journals in my circles, *Police Quarterly*, **published a study** that looked at violent and property crime clearance rates in Washington and Colorado since recreational cannabis was legalized. (The "clearance rate" is the formula that determines the percentage of reported crimes that have been wrapped up by an arrest. A high clearance rate is a good

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thing.) Their conclusion? From ***Marijuana Moment's* analysis**: "While our results cannot specifically explain why police clearance rates have increased in Colorado and Washington, we think the argument that legalization did in fact produce a measurable impact on clearance rates is plausible.... Our models show no negative effects of legalization and, instead, indicate that crime clearance rates for at least some types of crime are increasing faster in states that legalized than in those that did not."

Marijuana stores create jobs, raise city and state tax revenue, and strengthen communities by occupying vacant retail spaces. Some stores make charitable contributions to local nonprofits by donating a portion of their sales. The evidence is clear: Marijuana stores do not cause an increase in crime. ★

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# Medical Marijuana Legalization in the U.S. Had No Effect on Crime Rates

Allowing access to medical cannabis does not increase crime, and in some cases, it decreases crime.

Friday, September 21, 2018



Yu-Wei Luke Chu

**T**hose who oppose medical marijuana legislation often cite the strong association between marijuana use and criminal activity. This includes the US federal government, which continues to classify marijuana as a Schedule I drug.

We analyzed city-level data from states across the US and found that medical marijuana laws have little effect on violent or property crime in nearly all medical marijuana states. In the case of California, the crime rates actually show a substantial decrease of around 20 percent.

## A Natural Experiment

Medical marijuana laws represent a major change in marijuana policy in the US. Since California passed the first medical marijuana law in 1996, 30 US states and the District of Columbia have legalized medical marijuana.

Several recent studies have found that marijuana use has increased among the general population (including non-patients) in medical marijuana states. It is difficult to disentangle causal effects of marijuana use from spurious correlations because of individual heterogeneity. Individuals who choose to use marijuana are likely different from those who don't.

The passage of medical marijuana laws offers researchers a good natural experiment to study the causal effects of marijuana use on a variety of health outcomes, including drunk driving, hard drug use, and opioid painkiller use.

## Users and Crime

The perception that marijuana use leads to crime can be traced back to the 1930s. In an effort to gain public support for marijuana prohibition, the Narcotics Bureau chief Harry Anslinger collected dubious anecdotes of marijuana causing crime and violence in his infamous Gore Files.

There is indeed a strong correlation between marijuana use and criminal activity. For example, the Arrestee Drug Abuse Monitoring Program shows that more than half of adult male arrestees tested positive for marijuana use. Financial needs can lead to property crime for some heavy users.

Research also shows that long-term neuropsychological effects of marijuana can harm the brain, causing violent behaviors. Some studies have identified brain abnormalities in MRI images among casual and abstinent users.

Nevertheless, such correlation could be entirely spurious because marijuana users have a higher propensity to commit crimes. Only people who are willing to break laws would use marijuana under prohibition.

## Effects of Medical Marijuana Laws on Crime

In our paper, we used data on criminal offence, spanning more than 25 years (1988–2013). We analysed relatively large cities with at least 50,000 residents. In addition to traditional regression analysis, we adopted the state-of-the-art synthetic control method that allows us to estimate the effects of medical marijuana laws in each city.

To make cities with and without medical marijuana laws comparable, we created a synthetic city from a pool of cities without medical marijuana laws. That way, the pre-law crime rates in the synthetic city and the city of interest are as close as possible.

We then used the post-law crime rate in the synthetic city as an estimate for the medical marijuana city's counterfactual crime rate—the rate you would expect if the medical marijuana law had not been passed. The difference in post-law crime rates between the synthetic city and the medical marijuana city is the causal effect of medical marijuana law on crime.

We found that the actual crime rates in medical marijuana cities generally move closely with the synthetic cities. This suggests no substantial effect on both violent and property crime. The results remain similar when we look at specific crimes such as murder, rape, robbery, aggravated assault, burglary and theft.

Our findings show that we can safely rule out that medical marijuana laws and the associated marijuana use cause increased crime. The strong correlation between marijuana use and criminal activity is mostly spurious.

## Californian Experience

Violent and property crime rates dropped by 20 percent since California passed medical marijuana legislation more than two decades ago. It was reported that there are more marijuana dispensaries than Starbucks or McDonalds in cities like Los Angeles.

California's medical marijuana law may have shrunk the marijuana black market and its associated violence. It may have helped to reallocate police resources towards deterring crime instead of enforcing drug laws. The presence of dispensaries may also deter crime. They are required to deal in cash and thus invest heavily in security.

Another study found a similar decrease in violent crime in states bordering Mexico, including California. It argues that medical marijuana legislation reduced crime associated with drug trafficking through Mexican cartels.

The US experience suggests that most stigmas associated with marijuana use are not supported by empirical evidence. Although medical marijuana laws increase heavy marijuana use among non-patients, they do not lead to negative social outcomes.

Our study provides robust evidence that medical marijuana legislation does not contribute to crime, and possibly helps to reduce it. This conclusion may relieve a major concern for countries considering to legalize medical marijuana, including New Zealand and Canada. The US experience is unique, especially because of its war on drugs. But the main conclusion that increased marijuana use does not cause more crime likely applies in other countries.

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RYAN BURNS (/AUTHOR/RYAN-BURNS) / WEDNESDAY, OCT. 24 (/2018/OCT/24/) @ 2:43 P.M. / BUSINESS (/CATEGORIES/BUSINESS/), ECONOMY (/CATEGORIES/ECONOMY/)

## North Coast Co-op Lays Off Employees, Postpones Eureka Remodel Amid Financial Struggles



Eureka Co-op.

The North Coast Co-op is in financial trouble, and General Manager Melanie Bettenhausen has no intention of sugar-coating it.

In an interview with the *Outpost* on Tuesday Bettenhausen said the organization, which is celebrating its 45th anniversary this month, recently laid off six people, including administrative and management workers, cut employee hours virtually across the board, and put an indefinite hold on a long-planned, \$5 million renovation project for the Eureka store.

The natural foods grocer has been hit hard by a number of factors, including increased competition, rising labor and health care costs, and a local economy that appears to be in decline, possibly due to the collapsing weed industry. Sales at the Arcata and Eureka stores have been under-budget by as much as \$25,000 per week, Bettenhausen reports in the latest Co-op Newsletter ([https://www.northcoast.coop/co-op\\_news/co-op-faces-tough-decisions](https://www.northcoast.coop/co-op_news/co-op-faces-tough-decisions)).

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10:37 a.m.
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(<https://lostcoastoutpost.com/chpwatch/2018/nov/>)  
10:30 a.m.
- FoPD:** CITIZEN SERVICE — 600 Block of 11TH



Her message to members, in that newsletter, strikes a forlorn tone from the first sentence: "This is by far the most difficult article I've ever had to write for Co-op News." She goes on to outline the "precarious position" of the stores' finances and explain some of the cost-cutting measures being taken.

Late Tuesday night, after a "lengthy meeting" with the Co-op's board of directors, Bettenhausen called the *Outpost* to say she's decided to take a voluntary pay cut in solidarity with employees whose hours have been cut.

So how bad is the situation? Is this just a rough patch, or do these money woes pose an existential threat to the Co-op?



*Bettenhausen*

"I think it could be either one," Bettenhausen said. "We are in a position where we have to take action ... There is a real fear about what will happen with the Co-op."

There may be cause to worry about the larger local economy, too. While the Co-op has faced a number of internal and external challenges, including wildfires (<https://lostcoastoutpost.com/2018/jul/31/all-things-fire-some-evacuation-orders-lifted-shas/>) that cut into summer tourism dollars, jumps in insurance costs, and a series of expensive refrigeration failures, there's something larger going on.

"We're seeing our economy erode," Bettenhausen said. "At first we thought it was just us." She and her fellow managers wondered, "Are we really doing that horrible a job?" She acknowledges that the Co-op's competitors have upped their games. Eureka Natural Foods now has a McKinleyville location, and more traditional grocers such as Safeway, Costco and WinCo are offering more organic produce and health foods.

But in talking to local residents and other retailers, Bettenhausen realized that the Co-op isn't the only place feeling the pinch. Anecdotally, local business owners have been complaining of sales declines, and the latest issue of the Humboldt Economic Index (<http://www2.humboldt.edu/econindex/current.pdf>), an analysis produced by the Economics Department at Humboldt State University, bears this out.

Retail sales in July (the most recent data available) were down more than seven percent from the same month last year. And the composite index, which tracks six sectors of the Humboldt County economy, including employment, home sales, and hotel occupancy rates, was down for the fifth month in a row.

Looking back, Bettenhausen said the first warning sign may have come in November of 2016, right after California voters passed Proposition 64 legalizing recreational marijuana. It won't surprise long-term Humboldt County residents to learn that the North Coast Co-op has always had a

ST

(<https://lostcoastoutpost.com/patrolled/fortuna/201255055>)

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**APD:** THREATS REPORT — 1200 Block of MCCALLUM CIR

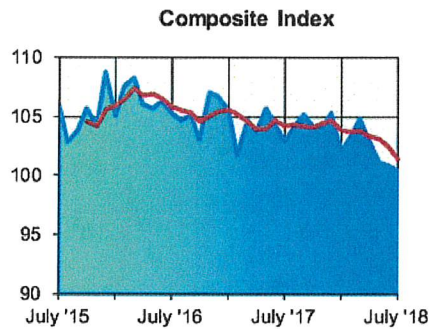
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high ratio of cash versus credit card sales, compared to co-ops elsewhere. But the ratio started to shift a couple years ago.

"After the vote in November 2016 we saw a spike, a trend toward more credit card [transactions]," Bettenhausen said. There was another big spike at the start of this year, when the legal marijuana marketplace came online. And the continuing trend toward more credit card sales has been "crystal clear," she said. "It's unreal."



Graph produced by the HSU Economics Department.

Bettenhausen was hesitant to definitively attribute this trend to the slumping, cash-based cannabis industry, but the evidence certainly suggests it.

"It looks pretty clear when you just take this one sample," she said, referring to the Co-op's \$34 million in annual sales, a sum she referred to as a "sizable data set."

Making matters worse, a few of the Co-op's biggest shareholders have been pulling out significant chunks of their investment over the past year-plus for a variety of reasons. (One bought a condo, for example.) It only takes \$25 to become a member of the Co-op, but some choose to invest more. Investors who buy "C shares" earn an annual dividend, currently set at two percent. They can ask to have those shares repurchased at any time, and the Co-op then has 12 months to honor that request. (They typically do so within 90 days, according to Bettenhausen.)

The recent buy-backs have exacerbated the organization's cash-poor position.

"Because we're a co-op, not a publicly traded company, we actually rely on shareholders for capital to make improvements and to operate on a daily basis," Bettenhausen said. "Ideally we're taking in more than we're spending, but sometimes we need a new roof, as we did in Arcata recently. Sometimes we need new equipment. That's why our membership is so important."

Co-op management is taking a number of cost-cutting measures beyond the reduction in employee hours. For example, they're reducing inventory and changing their supply methods. The stores currently maintain a warehouse on K Street in Arcata, which has allowed them to buy inventory in large volumes, like Costco, and stockpile the excess. Management calls this the "forward-buying program," and while it helps the bottom line in the long run it also means there's a lot of cash tied up in unsold inventory. So the program, and the Co-op's use of the warehouse, are being discontinued.

The lease on the warehouse doesn't expire until February, so Bettenhausen made a plea in the Co-op newsletter: "If you know of a local producer who needs warehousing space (and possibly equipment), please send them my way."





There's also the indefinitely postponed Eureka renovation, which was past the design phase and nearly ready for construction when, in March, Bettenhausen told the Co-op board that they didn't have the financial stability to go through with it.

Bettenhausen is hoping the belt-tightening will work. At the Co-op's annual membership meeting this past Sunday, several members said they're interested in buying shares to help out. "Our membership is what makes us strong," Bettenhausen said. "It's what keeps us being a community institution. We rely on their patronage, especially in a depressed economy."

If all these cost-cutting measures work out, and if sales don't continue their precipitous decline, then maybe this *will* wind up just being a rough patch, Bettenhausen said. "But if our economy continues doing what it's doing, if sales continue to dip, then yeah, it's a real threat."

The uncertainty is stressful.

"It's really, really challenging to know what will happen," Bettenhausen said. "[W]here does it end? That's the scary part: Where's the bottom?"

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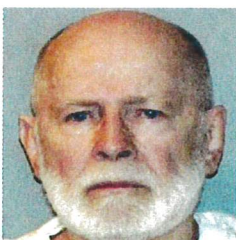
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# Humboldt Economic Index

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The Humboldt Economic Index is produced by the Economics Department at Humboldt State University. It measures changes in the local economy using data from local businesses and organizations. The data are compiled into a seasonally adjusted Index that shows changes relative to the base month (January 1994). The composite Index is a weighted combination of six individual sectors of the local economy. The current Index is based on the most recently available data, which is generally data from the previous month.

August 2018

## Gas Prices Similar for 3-Month Window, Home Sales Fall

The Composite Index fell slightly to 100.4, down 0.5 points from the previous month. The Composite Index is down 2.4 points from this time last year. This is also the fifth month in a row the Composite Index has fallen. This month, the Hospitality and Home Indices fell and both the Retail and Employment Indices rose.

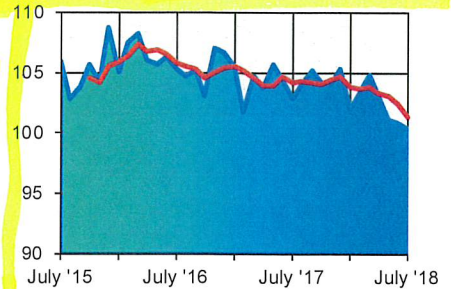
The Index of Home Sales fell 6.1 points from July, and is down 5.1 points from July of last year. The median home price fell to \$305,000, up from \$330,000 in June.

Leading Indicators are mixed in July. Unemployment Claims are down, Building Permits are up, and Manufacturing Orders are up slightly.

The seasonally adjusted unemployment rate in Humboldt County stayed at 3.9 percent. The seasonally adjusted unemployment rate in California fell to 4.4 from 4.5 percent. The national unemployment rate fell slightly as well, from 4.2 to 4.1 percent.

California gas prices increased from \$3.61 to \$3.67. Northern California's average stayed at 3.77 for the third month. Eureka's average gas price per

Composite Index



gallon stayed at \$3.80 for the third month as well.

## Composite & Sectors

Index	Value***	Percent change from			
		Last Month	One Year ago****	Five Years ago****	Ten Years ago****
<b>Composite</b>	<b>100.4</b>	<b>-0.5</b>	<b>-2.4</b>	<b>-1.2</b>	<b>-4.2</b>
Home Sales	122.7	-4.7	4.3	6.1	47.6
Retail Sales	140.6	2.6	-7.2	-5.8	-10.3
Hospitality	71.4	-4.7	-14.7	-11.1	-12.2
Electricity	110.7	0.0	6.6	-12.7	-16.0
Employment	110.7	0.6	1.9	11.3	5.7
Lumber*	26.3	0.0	0.0	-22.7	-44.5
Manufacturing**	97.5			-	-

\* Formerly "manufacturing"

\*\* Niche, non-lumber manufacturing. Not a component of the overall composite.

\*\*\* These values are adjusted to remove seasonal fluctuation. The base month is January 1994 (January 2013 for manufacturing) with an Index value of 100.

\*\*\*\* The percent change from the same month one, five and ten years ago.



# The Index – Leading Indicators

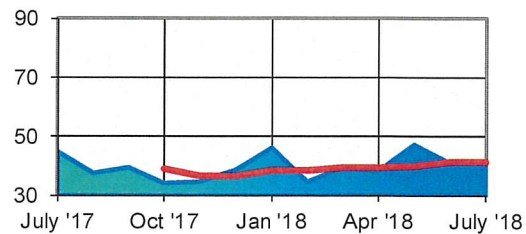
## Leading Indicators

The Index tracks four leading indicators to get a sense of the direction that the county economy may take in the near future. The leading indexes are (1) unfilled orders for manufactured goods, (2) number of initial claims for unemployment insurance, (3) building permits, and (4) help wanted advertising.

Leading Indicators			
Manufacturing Orders	Unemployment Claims	Building Permits	Help Wanted Advertising
-23.6%	10.4%	77.6%	22.1%
* Change from prior month. All values are seasonally adjusted.			

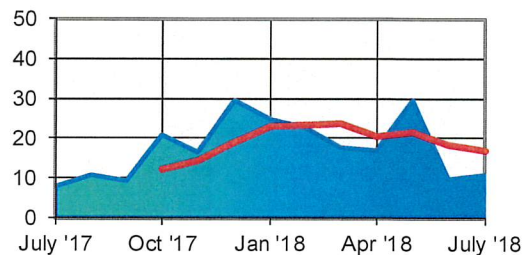
**Unemployment Claims** decreased 1.4 points to a new index value of 39.9. The Unemployment Claims Index was 45.0 in July 2017, 5.1 points lower than the present value. The 4-month moving average rose 0.2 points to 41.7.

Index of Claims for Unemployment Insurance



**Building Permits** rose 0.9 points to a new Index value of 10.6. The current value is 2.7 points lower than the July 2017 value.

Index of Building Permits Issued

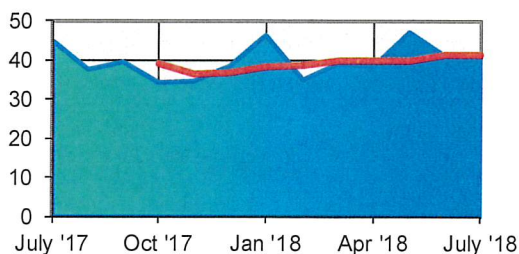


**Help Wanted Advertising** We have changed our data collection method from relying solely on newspaper advertisements to counting unique jobs listings on Craigslist. Due to the increased volume of help wanted ads we can no longer reliably report the seasonally adjusted index. We will report the raw number collected until seasonal adjustment can be resumed.

In August there were 503 unique job postings on craigslist, an increase of 56 from the previous month

**Manufacturing Orders** increased from last month's value of 80.5 to 81.5. The Manufacturing Orders Index value in July 2017 was 103.9, which is 22.4 points higher than the present value.

Index of Manufacturing Orders



**Graphs Explanation:** The blue area represents the seasonally adjusted Index of Unemployment Claims above. The red line shows the four-month moving average which attempts to demonstrate the overall trend in the data with less monthly volatility.

## The Index – Individual Sectors

### Home Sales

The Index value of the home sales sector is based on the number of new and existing homes sold in Humboldt County each month as recorded by the Humboldt Association of Realtors.

The Humboldt County Home Sales Index for July 2018 stands at an Index value of 122.7, which is 6.1 points lower than June's value of 128.8. The Index value in July 2017 was 5.1 points higher than the current value. The county's median home price fell from \$330,000 to \$305,000. In comparison, the median home price in July 2017 was \$308,500.

The S&P Case-Shiller Home Price Indices, a national index of housing prices, is calculated monthly using a 3-month moving average and published with a two month lag. Within the Case-Shiller Index are composites of 10 and 20 cities that the Index considers representative of the national housing market, as well as the National Index, which accounts for all 9 U.S. census divisions.

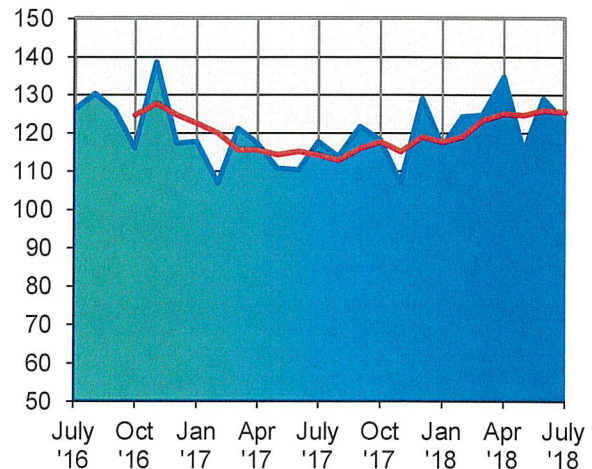
The S&P Case-Shiller Home Price Indices saw a slightly higher year-over-year gain in June compared to May. The 10-City and 20-City Composites report year-over-year gains of 6.0 percent and 6.3 percent, respectively. The National Index reported a 6.2 percent annual gain over the same period. After seasonal adjustment, the 10-City Composite showed no month-over-month change, and both posted a 0.1 percent change. The National Index also reported a seasonally adjusted increase of 0.8 percent.

David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices, notes the rise in home sales, "Home prices continue to rise across the U.S. ... However, even as home prices keep climbing, we are seeing signs that growth is easing in the housing market. Sales of both new and existing homes are roughly flat over the last six months amidst news

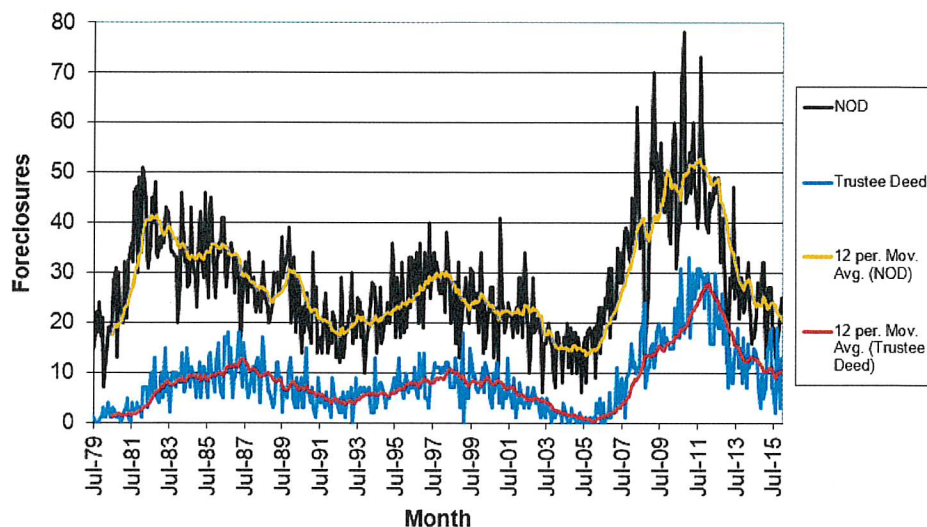
stories of an increase in the number of homes for sale in some markets. Rising mortgage rates – 30 year fixed rate mortgages rose from 4% to 4.5% since January – and the rise in home prices are affecting housing affordability."

According to Freddie Mac, the average 30-year fixed-rate mortgage, as of September 13, 2018, is 4.60 percent. This is an increase from July's last reported rate of 4.54 percent. The average 15-year fixed-rate mortgage is 4.06 percent, an increase from 4.02 percent in July.

**Home Sales Index, Humboldt County**



**Monthly Foreclosures, Humboldt County**



Source: Humboldt Economic Index and Humboldt County Recorder



## The Index – Individual Sectors

### Total County Employment

The index value of the employment sector is based on seasonally adjusted total employment as reported by the Employment Development Department.

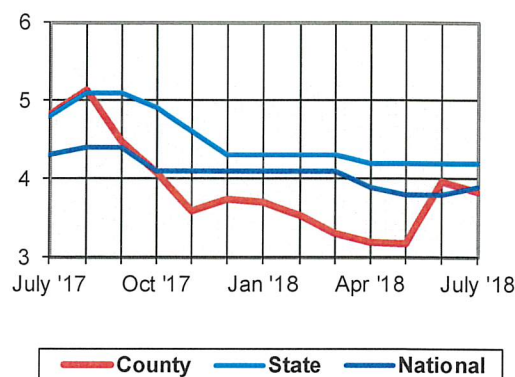
The Total County Employment Index increased 0.6 points to a value of 110.7. The seasonally adjusted unemployment rate for Humboldt County decreased from 4.0 percent to 3.8 percent. The unemployment rate for California remained at 4.2 percent for the fourth consecutive month. The national unemployment rate rose slightly to 3.9 percent, up from 3.8 percent in June.

The Employment Development Department of California indicated that in July Humboldt County's total employment fell by 690 individuals to a total of 59,530. Humboldt County's total unemployment increased from 2,470 individuals in June to an estimated 2,390 individuals in July.

In the Labor Department's July report, total nonfarm payroll employment rose by 201,000. National employment was on the rise in several industries, including health care, construction, wholesale trade, transportation and warehousing, and mining. In June other industries, including financial activities,

manufacturing, government, leisure and hospitality, information and retail trade showed little change over the month.

Unemployment Percentage Rates



### Hospitality

The index value of the hospitality sector is based on seasonally adjusted average occupancy each month at a cross section of local hotels, motels and inns.

The Hospitality Index decreased in June to a new value of 71.4 from 77.3. This month's index value represents a 20.2 point decrease from this time last year. The 4-month moving average fell 4.7 points to a current value of 79.5.

### Gasoline Prices

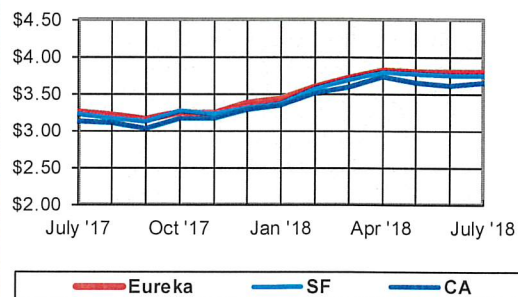
California's average gas price rose slightly in August to \$3.67, a 6 cent increase from the previous month. Northern California's average price kept the average of \$3.77 for the third consecutive month while Eureka's average gas price maintained an average of \$3.80 for the third consecutive month as well. When we adjust for inflation, the "real price" of gasoline in Eureka was \$2.76 per gallon in 1982-84 dollars.

Though gas prices had appeared as if they would be going down for a time, the annual jump around Labor Day still came and went, leaving prices still high. The outlook for the future is uncertain as well. OPEC has many unstable countries and the list has been growing. In Basra Iraq, rioters burned down several buildings. Protests in the area have been going on for months in the area that produces most of the country's oil, due to the deep income inequality. So far oil production has not been majorly effected yet, but many experts say that it is a matter of time. It is projected to add as much as \$10 a barrel, if the situation escalates.

Gas Prices		
Prices as of 8/30/2018	Average price*	Change from previous month
Eureka	\$3.80	\$0.00
Northern California	\$3.77	\$0.00
California	\$3.67	-\$0.04

\* Current average price per gallon of self-serve regular unleaded gasoline as reported by the American Automobile Association monthly gas survey ([www.csa.com](http://www.csa.com)).

Gasoline Prices





## The Index – Individual Sectors

### Manufacturing

The index value of this sector is based on a combination of production and employment for a variety of niche manufacturers and is adjusted to account for normal seasonal variations.

Manufacturing expanded to a seasonally adjusted index value of 98.7 in June, a 10.4 point increase from the previous month's value of 88.3. Manufacturing employment remained at 2,100 individuals for the third month, according to the Employment Development Department.

The Institute for Supply Management reports that in June economic activity in the manufacturing sector expanded, while the overall economy grew for the 98<sup>th</sup> consecutive month.

The PMI (Producing Managers Index) is based on the number of manufacturing supply managers who expect business conditions to improve in the near future. A PMI greater than 43.1 percent generally indicates an expansion of the overall economy. The PMI for July is 56.3, this a 1.5 point decrease over June.

Nationally, sixteen of the eighteen manufacturing industries are reporting growth in August including Computer & Electronic Products; Apparel, Leather & Allied Products; Textile Mills; Paper Products; Miscellaneous Manufacturing; Electrical Equipment, Appliances & Components; Furniture & Related Products; Machinery; Nonmetallic Mineral Products; Transportation Equipment; Food, Beverage & Tobacco Products; Petroleum & Coal Products; Plastics & Rubber Products; Fabricated Metal Products; Chemical Products; and Printing & Related Support Activities. The following two industries reported contractions over the same period Wood Products; and Primary Metals.

The PMI New Export Orders Index for August is 65.1 percent, indicating an increase over July's index of 4.9 points. This is the 24<sup>th</sup> consecutive month of growth for this Index. A New Orders Index above 52.1 percent, over time, is generally consistent with an increase in the Census Bureau's series on manufacturing orders. Thirteen industries reported growth in the new export orders, including Textile Mills; Computer & Electronic Products; Paper Products; Nonmetallic Mineral Products; Food, Beverage & Tobacco Products; Transportation Equipment; Chemical Products; Fabricated Metal Products; Miscellaneous Manufacturing; Electrical Equipment, Appliances & Components; Machinery; Petroleum & Coal Products; and Plastics & Rubber Products. Primary Metals was the only industry to show a decrease in new export orders in August.

This is the first new sector of the Index and was created after listening to local economic development agencies. For a detailed description please visit our [Special Projects page](#).

Since the manufacturing index is so new, and since we do not have much data to create precise seasonal indices, we do not include manufacturing in the overall composite Index. As the amount of data collected grows, we will feel more confident in our monthly seasonal estimates and add niche manufacturing. Lumber-based manufacturing, which was one of the original sectors of the Index, continues to be part of the overall composite

### Electricity Consumption

The Index value of this sector is based on seasonally adjusted kilowatt-hours of electricity consumed each month in Humboldt County. Electricity consumption is a somewhat mixed or ambiguous indicator that usually correlates with economic activity. However, increases in energy efficiency and conservation reduce the sector's index value, while not necessarily indicating a decline in economic activity. Because we collect our data for this sector quarterly, values are frequently estimated, and are revised when the quarterly data are received.

Energy data has been updated for the first fiscal quarter of 2018– January through March – and the Energy Index stands at a value of 110.7. March's index value is 14.0 points higher than February's value, and 8.7 points lower than in March 2017. February's value of 105.6 was 11.7 points lower than January's value, and 4.9 points lower than in February 2017. January's value of 117.3 was 6.7 points higher than December 2017's value of 110.7, and 14.0 points lower than in January 2017.

The next update for the Energy index is expected following the close of the third fiscal quarter.

### Retail Sales

The Index value for the retail sales sector is based on the seasonally adjusted dollar value of sales each month from a cross section of local retail businesses.

The Retail Sales Index is reporting at a value of 140.6 for July, an increase of 3.6 points from the value of 137.0 in June. The most recent value is 10.9 points lower than June 2017. The 4-month moving average is up by 0.4 points with a new value of 134.6.

The Consumer Confidence Index is the average of The Present Situation and The Expectations Index and is a barometer of the health of the U.S. economy from the perspective of the consumer.

On the national scale, Consumer Confidence increased in August by 5.5 points to a current index value of 133.4. The Expectations Index increased 5.2 points to a new value of 107.6, and the Present Situation Index increased, from 166.1 to 172.2.

Lynn Franco, the Director of Economic Indicators at the Conference Board, says that "Expectations, which had declined in June and July, bounced back in August and continue to suggest solid economic growth for the remainder of 2018. Overall, these historically high confidence levels should continue to support healthy consumer spending in the near-term." The percentage of consumers expecting business conditions to improve over the next six months rose to 24.3 percent, while the percentage of consumers expecting business conditions to decline increased to 10.5.

### Lumber Manufacturing

Lumber Manufacturing is suspended from the Index until we can obtain a sufficient number of data providers. This sector is 12% of the overall Index, and the last reported amount was 29.2 in March 2015. The index value of this sector is based on a combination of major county lumber companies and is adjusted to account for normal seasonal variations.



# The Index

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**Explanatory Note:** We have been tracking economic activity since January 1994. The Composite Index at the beginning of this report is a weighted average of each of the six sectors described above. Each sectoral index, and the composite index, started at a value of 100 in 1994. Thus if the retail sectoral index value is currently 150, that means that (inflation-adjusted) retail sales among the firms that report data to us are 50 percent higher than in January 1994. We also seasonally adjust each sector, and the composite index, to correct for "normal" seasonal variation in the data, such as wet season vs. dry season, and so trends in the seasonally adjusted composite index provide a better indication of underlying growth and fundamental change in the economy. Each month's report reflects the most recent data available, which is usually from the previous month. For example, the "August 2006" report reflects mostly data from July 2006. As is common, our initial report is preliminary, and as we receive final data we revise our reports accordingly.



C O L L E G E   O F   P R O F E S S I O N A L   S T U D I E S



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NEWS > BUSINESS

# Rio Dell unemployment drops dramatically

By **PHILIP SANTOS** | [psantos@times-standard.com](mailto:psantos@times-standard.com) |



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Humboldt County's unemployment rate has dropped to 3.1 percent, according to state labor data released this month.

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This keeps Humboldt County's unemployment rate lower than the national and state rates, which both are less than 1 percent higher. Compared with this time last year, unemployment in the county has fallen 0.5 percent.

California Employment Development Department's North Coast labor market consultant Randall Weaver said there has been a "strong trend where we've seen good solid gains for the last two years at least."

This level of unemployment, Weaver said, marks a historic low. It's the lowest rate he's seen in at least 28 years. What is unusual, however, is the timing of the data.

"It's usually not this low in the fourth quarter," he said. "We usually see an uptick here. Overall I think it's a positive sign that our economy is pretty strong overall."

Weaver said Rio Dell, which usually has one of the highest rates of unemployment has, within the past couple of months, dramatically reduced its unemployment rate to 2.1 percent.

"I believe the city's been very proactive in trying to reduce unemployment," he said.

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Weaver said cannabis-related businesses may have a hand in the sharp turnaround.

Arcata, on the other hand, had the highest rate in Humboldt County, at 5.7 percent. This is the norm according to Weaver, who said the student population in Arcata may be the driver behind Arcata's unemployment rate.

### **Across the state**

California's unemployment rate fell to a record low of 4.1 percent in September, down from 4.2 percent from the previous five months.

The state Employment Development Department said Friday that California's employers had a net gain of 13,200 non-farm payroll jobs during September.

The largest increase occurred in the professional and business services sector, followed by leisure and hospitality, government and the mining and logging sector.

Educational and health services incurred job losses.

In September 2017, California's unemployment rate was 4.5 percent.



When speaking about the unemployment rate, Weaver said, it's only one measure of the economy.

"People want it to tell more than it was designed to tell," he said.

Unemployment does not account for everyone who is not working, Weaver said. It only includes individuals who are able and available to work, and who have actively looked for work in the last four weeks. Retired residents for example, although not employed, are not counted in this type of unemployment calculation.

*The Associated Press contributed to this report. Philip Santos can be reached at 707-441-0506.*

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Tags: **business**,  
**community**, **economy**,  
**government**, **local**,  
**newsletter**



**Philip  
Santos**

VESSEL

OTHERS FAIL  
OURS WON'T

# You know you're curious: Here's how California's Humboldt County voted on marijuana legalization

**52**  
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PUBLISHED: DEC 13, 2016, 7:50 AM • UPDATED: DEC 13, 2016, 7:22 PM

By **Will Houston**, *Eureka Times-Standard*

Humboldt County's top cannabis-growing regions were unanimous in their opposition to California's second attempt to legalize nonmedical marijuana through Proposition 64 in November. But unlike the first legalization attempt in 2010 with Proposition 19, Humboldt County's population centers were ready to legalize this time around.

Nearly 60 percent of Southern Humboldt voters opposed Proposition 64 with the average voter turnout for the region at 69 percent on Nov. 8, according to the county's precinct-level voting reports released this week. In comparison, about 66 percent of Southern Humboldt voters opposed Proposition 19.

## More on Humboldt County marijuana news, Prop. 64 & Election 2016

**Harvest safety:** Concerns rise during harvest after California marijuana farm violence

**Blurred lines:** Officials from California's Emerald Triangle talk compliance vs. criminality

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Also opposed: Willow Creek's Precinct 5KT-6, which had a 55 percent opposing Proposition 64 compared with the 59 percent opposition to Proposition 19 six years ago.

Fortuna had a 51 percent opposition to the measure, which is a notable shift from the nearly 63 percent opposition to Proposition 19.

When Proposition 19 went before Humboldt County voters in 2010, only Arcata and Trinidad voted in favor of the measure. The two cities voted even more favorably for Proposition 64 – both at or near 70 percent in support – and were joined by Eureka and McKinleyville, which had voted against Proposition 19 by few percentage points in 2010.

This time, Eureka voters were more keen on marijuana legalization with 63 percent voting in favor of Proposition 64. McKinleyville voted 53 percent in favor of the measure.

Proposition 64 legalizes the possession, use, cultivation, manufacturing, transport and commercial sales of nonmedical marijuana throughout the state. Local cannabis cultivators had voiced concerns about the measure allowing for unlimited commercial cannabis licenses and uncapped grow sizes, which they claimed would allow larger businesses to take control of the market and eventually buyout smaller farms.

Proponents of Proposition 64 stated that the measure provides checks and balances by allowing the state to control the size of the grows and to limit the number of licenses given to a single entity or individual.

Proposition 64 passed statewide with a 57.1 percent vote.

## **HUMBOLDT COUNTY VOTES**

Proposition 64 voting percentages by region of Humboldt County.

### **Southern Humboldt:**

- Yes: 40.3%
- No: 59.7%

#### **Fortuna:**

- Yes: 48.8%

- No: 51.2%

**Eureka:**

- Yes: 63.4%
- No: 36.6%

**Arcata/Bayside:**

- Yes: 70.9%
- No: 29.1%

**McKinleyville/Trinidad/Orick:**

- Yes: 66.4%
- No: 33.6%

**Willow Creek/Hoopa/Orleans:**

- Yes: 48.9%
- No: 51.1%

**Countywide:**

- Yes: 59.45%
- No: 41.55%

*Source: The Humboldt County Elections Office's precinct-level final election results.*

*Will Houston can be reached at 707-441-0504.*

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