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Date: 10/3/2017 1:36 AM
Subject: MicroBusiness License

TO: Mendocino County Board of Supervisors
FROM: Susan Schindler, Potter Valley Farm

Comments on Proposed Micro Business License

Supervisors:

Let me begin by thanking you for the considerable time and effort being spent on crafting a viable Cannabis Ordinance. "Viable" is a key word here, since I know all of us are hoping to stay alive, as small farmers, and somehow survive this complicated process. If we can find ways to bring more small farmers into compliance, we will help to maintain the beauty, the ecology and the economic viability of Mendocino County.

With that in mind, I would like to discuss **The Micro Business License**, and its importance to the small farmer. Personally, the **Micro Business License** was one of the primary reason I opted to vote in favor of Prop 64. Since I do not do business in the black market, my relationships depend on my ability to transport to the legal dispensaries I work with. The **Micro Business License** is, in fact, the most direct way to support the type of farmers who have been the backbone of the cannabis community in Mendocino County for several generations.

I have heard that the Supervisors might be considering limiting the **Micro Business License** holders to zones that are Industrial. If this is, in fact, correct, I don't understand the reasoning for this, since virtually none of the farmers this **Micro Business License** was specifically created for currently even exist in these zones. Additionally, such a decision would seem counter to the county's apparent desire to discourage indoor grows, which would be the obvious type of agriculture available in Industrial warehouses.

Perhaps the confusion rests, in part, with the issue of manufacturing which is included as an option in the **Micro Business License**. I am not adverse to limiting the types of Manufacturing the county chooses to allow under this license, if it means we can stay on our farms and conduct business directly with our chosen retail outlets. Perhaps eliminate manufacturing with volatile substances, if that is part of the reasoning behind an Industrial designation. But some sort of adjunct added value business will probably be necessary to survive in the legal market.

Limiting the **Micro Business License** to less than the 10,000 square feet of canopy, which is what the State allows, puts us at a grave disadvantage and is probably unworkable. This is why the **State Micro Business License** is for 10,000 square feet, not 2500. Cannabis prices today are about 1/10th what they were in 2000. Being forced to use a Distributor, which will add costs between 15-30%, is just another nail in the coffin. We need to have some economy of scale to make any money, after all the fees and taxes, and 2500 feet of canopy, in today's market, will not provide that scale.

The concept is no different than that of a microbrewery. I have friends in Potter Valley who grow their grapes, make their wines, and deliver their product themselves. Even though they were offered some wonderful out of state opportunities, they said that they would have to use a distributor, and they'd be operating at a loss.

I have included below a photo of a 3200 square foot permitted building which is going up on my property, as I write this, with a full Commercial designation and ADA compliance. Why should I not be allowed light manufacture there? It's a commercial building, exactly as you required. I followed your lead, and met the requirements (at the time) and made this enormous investment believing I could have a **Micro Business License** similar to the State's that would be workable and help Potter Valley Farm and Mendocino County's cannabis community survive and continue to provide the safe, organic, flowers and cannabis products we have been so justly known for. Please keep in mind the reason we fought so hard for this specific license type, and the reason for its existence, when you consider issues like zoning, canopy size, and manufacturing.

Thank you,
Susan Schindler
Potter Valley Farm

