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Date: 10/3/2017 12:49 PM
Subject: MicroBusiness License

Supervisors:

Thank you for the considerable time and effort being spent on crafting a *viable* Cannabis Ordinance, and for reading this email. “Viable” is an important word here, because I know that small farmers are hoping to stay alive, 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, ecology, and economic viability of Mendocino County.

With that in mind, I would like to discuss **The MicroBusiness License**, and its importance to the small farmers. This license is, in fact, a direct way to discourage the black market, and support the type of farmers who have been the backbone of the cannabis community in Mendocino County for several generations.

Transportation: I am not in the black market, and work directly with legal dispensaries in Mendocino County and the Bay Area. If I cannot deliver my product directly to these dispensaries, I will be forced to use a distributor, at a loss of 20-30% of my income. For me, personally, this is the most important part of the MicroBusiness License, and one of the main incentives for my vote in favor of Prop 60. Any other license type will not allow me to do this. Business is first and foremost about relationships, and I do not want to lose the personal nature of what I do. I also do not want some distributor telling me what I should grow, or how much my farm product should be worth. Potter Valley Farm has specialized in cannabis strains with specific medicinal applications - CBD, THCV, CBG. A distributor couldn't care less, and probably would not even want to deal with these strains. It is a niche market, and produces the type of strains for real patients with real ailments. It has worked for Potter Valley Farms so far, but adding a distributor to the mix will probably force us to discontinue what we do. Please allow me to transport directly to the dispensaries, and bypass distributors.

Zoning: I have heard that the Supervisors might be considering limiting the MicroBusiness License holders to zones that are Industrial, when, in fact, none of the farmers the MicroBusiness License was created for actually live or farm in Industrial zones. This makes no sense. I urge you to allow any compliant farmer in any zone that is allowing cannabis cultivation to apply for a MicroBusiness License.

Manufacturing: I am not sure if this issue is the cause for the possible Industrial zoning, but if it is, perhaps we can discuss which types of manufacturing are of most concern to you, and come up with a specific list of what manufacturing will and will not be allowed to holders of the MicroBusiness License. Some sort of adjunct options for added value product can make the difference to a small farmer of surviving in the legal market. As I write this, a 3200 square foot steel building is going up on my property. It is fully permitted by Planning and Building as a Commercial building, with ADA compliance. I followed your lead, and met the (then current) requirements, at an enormous financial cost. I made this investment believing I could have a MicroBusiness License similar to the one crafted by the State. I would not have built this commercial building, if I thought I could not do any type of manufacturing in it. It is a building no different from the steel warehouses in any Industrial Zone, and probably better than most, since it conforms to the current and newest environmental and building requirements.

Canopy Allowance: Limiting the MicroBusiness License to anything less than the 10,000 square feet which the State's MicroBusiness License allows puts us at a grave disadvantage in this highly competitive market and is probably unworkable. Cannabis prices today are 1/10th what they were in the year 2000. We need to have some economy of scale to make any money, after all the fees, taxes, and farm improvements. 2500 square feet in today's market will not provide that scale.

The concept of the MicroBusiness License is similar to that currently in place for a microbrewery or small winery. I have friends in Potter Valley who grow their own grapes, age and bottle their labeled wines, and personally deliver cases of their wine to shops throughout California. They have had opportunities to go out of state, but choose not to because they would be forced to use a distributor and “we'd be losing money”. I hope we can come up with a similar MicroBusiness License that will help us survive. We fought hard for this license at the State level, because it will help us compete in the marketplace. Please craft the perimeters of this license so that we can continue to compete in the new and challenging marketplace.

Thank you for your time and attention to this matter.

Susan Schindler
Potter Valley Farms