

May 23, 2017

**TO: Board of Supervisors, Mendocino County**  
**FR: Mendocino Cannabis Industry Association**

**RE: Response to County Regulations**

We wish to thank the county staff and everyone who has put great effort into moving these regulations along in support of creating a vibrant cannabis industry that can become a driving economic engine in Mendocino County.

With today's latest iteration of non-cultivation regulations, we are concerned that a swing backward toward more restrictions on activities, particularly with respect to zoning designations, will unduly disincentivize small cannabis entrepreneurs from participating in the legal, regulated climate. These types of restrictions have already driven some businesses out of previously supportive locations such as Oakland, with the loss of jobs and economic activity that accompanies that retreat. Greater restrictions make Mendocino a less attractive option as the cost of available parcels rises with scarcity. This factor alone will undermine our ability to secure investments and partnerships for our locally owned cannabis businesses.

**Recommendations:**

1. **We urge the adoption of a Cottage Manufacturing permit that will support the very important tradition in our region of leading the way in developing cannabis medicines.** This long and distinguished history of producing cutting edge plants and infused products with sophisticated and effective cannabinoid profiles, terpene expression among other innovations, has placed Mendocino's medicine makers in an elite category that must be supported.
2. **We agree that existing dispensaries in C1 and C2 zones should be grandfathered into the program based on zoning clearance.** The Table in Chapter 20.243.150 should reflect this allowance and further should be consistent with the Planning Approval process outlined in Chapter 20.243.180 (A) – (E).
3. **Allow Manufacturing and Processing in C1 and C2 zones, dependent on acquiring appropriate use permits.** In light of new understandings of state regulations and restrictions on those closed system operations, and given current common activities, these tightly regulated sectors are not in conflict with the General Plan.
4. **On-site consumption needs to be permitted in medical dispensaries as is allowed in Ch. 20.243.110 (3) for Adult Use Retailers.** Many patients suffer discrimination from landlords, neighbors, employers who don't understand medicinal cannabis. Or they have children at home and do not wish to consume in their presence. Often the only safe place for patients to consume their medicine is at their dispensary/wellness center.
5. **We agree with including the use of any technology platform for deliveries as stated in 20.243.050 and suggest that it be expanded to include entities that would solely serve patients through a delivery service,** not tethered to a brick and mortar dispensary, but located in a premise that requires the same regulated security procedures, track and trace, and other regulations.

6. **We suggest that ethanol be added to the category of nonvolatile solvents**, in light of the new state restrictions and regulations for the closed loop systems that are involved with its use.
7. **Extend Chapter 20.243 to control the coastal zone as well, which is currently not covered, or supply similar overlays to those that are currently offered cultivation in the coastal zone.**
8. **6.36.110 Eliminate a county track and trace.** The State is instituting a rigorous system and county Track & Trace is irrelevant when most commerce exits county borders anyway.
9. **We agree with allowing producing dispensaries (state license 10A) to run small in-house nurseries.** This aligns with Cultivation Code Chapter 10A.17 in which producing dispensaries sell clones or vegetative “starts” from small in-house nurseries to patients possessing medical recommendations.
10. **Define a percentage of ownership** in 20.243.050 (2) to be in line with the state definition of 20% or more.
11. **County regulations regarding medical dispensaries must not be given more restrictive regulations than the “adult use” retail outlets.** To do so would drive medical dispensaries out of the medical market and toward the “easier path” of becoming an “adult use” or “recreational” retail store. For example, under **Chapter 6.36.030**, there are listed separate licenses for (D) Medical Cannabis Dispensaries and (E) Adult Use Cannabis Retailers. The legal cannabis market needs to move in the direction of better health and safety standards, with rigorous testing and labeling. To merge Medical with “Adult Use” licenses encourages dispensaries to shift away from the medical and towards the recreational market, where standards will be less strict.