

To the Mendocino County Board of Supervisors-

We are writing today to voice our concerns with the cannabis cultivation permit program. Though we appreciate the fact that the Board is taking the time to reopen the ordinance to address some of these issues, there are still a great many problems that need to be fixed if there is any chance for the cannabis program to succeed.

It has become obvious that most of the current problems, and the single largest reason permits are not being issued, has to do with Building and Planning services unreasonable and draconian interpretation of State law and the California Building code. First of all, Cal/OSHA and therefore ADA standards are NOT applicable to people who are self employed and to family members of farm owners who work on family farms. This is very clearly stated on the "Basics of Cal/OSHA" intro which can be found on the Cal/OHSA website. Many cultivators, especially at the cottage level are self employed, do not have employees, and are family run farms. It is absolutely outrageous to force these cultivators to do things like install ADA bathrooms and paved parking, which is extremely expensive and will place undue burden on cultivators trying to come into compliance. No other small business in the county, especially agriculture business are required to follow such unreasonable and arguable illegal guidelines. We understand that larger business, with 15 or more employees, or business that are open to the public should have to follow these guidelines. However, to insist that all cultivators, even those at the cottage level with no employees, and who is not open to the public, have to install handicapped parking and an ADA bathroom that will never, ever be used by anyone defies all logic and reason.

Secondly, it is imperative that cultivators be able to use existing permitted buildings. There must be path for compliance for class K buildings and other legally permitted structures. Building and Planning Services has permitted a great number of business, agriculture buildings, and even greenhouses specifically for cannabis under the class-K permit - it is an outright lie to state that these permits were to be used "only for homes."

Ag exemptions need to be extended to not just drying and storage areas but greenhouses as well. Many people who were in the 9.31 program built greenhouses and drying buildings that were permitted and approved by Building and Planning Services and are now being told they may not be able to use those structures because they are not 'commercial'. These structures are expensive and time consuming to build, and cannot simply be converted or rebuilt on short notice. Once again, cultivators are being forced to comply with totally unreasonable guidelines that are inconsistent with California state law. We have spoken with CalCannabis, the state licensing agency and they have informed us that as far as the State licensing agencies are concerned, greenhouses and drying sheds do not need to be commercial, small cultivators with no employees do not need to be ADA compliant, and that all of these hurdles have absolutely nothing to do with the state regulations, but are coming from our local county government.

Third, the issue of hoop houses needs to be addressed. Hoop houses are an integral and important part of any farm, whether they be for cannabis or vegetables. The current regulations set forth by Building and Planning services have for all intents and purposes makes the use of these structures impossible. By banning the use of lights, fans, moving parts and plumbing, all the required tools for cultivators to actually be able to use these structures successfully have been removed. Again we understand that there are concerns about safety issues with these structures, but hoop houses can be engineered, they can be built in a manner that is safe and secure, and they can use low powered lights such as CFL lights or solar lights that pose no fire danger. The ordinance must be changed to allow the use of hoop houses in a reasonable manner that works for cultivators. The 'defacto' ban on hoop houses has essentially gutted our local cultivators ability to compete in the legal marketplace and we will explain why:

First and foremost, the California cannabis market is in absolute chaos. Prices are plummeting, farmers are going out of business, people are losing their homes, land values are dropping, and this will have a severe effect on Mendocino County. Unfortunately - and this may be a hard truth for many in our area to hear - there is almost no demand for outdoor cannabis in the legal California market. It is simply not what consumers here want, and therefore it is not what most dispensaries will purchase.

As a result, most farmers have switched to, or begun to switch to greenhouse and mixed light cultivation. Mixed light product is actually in demand in California and fetches a higher price - hence it is more desirable for not just consumers but farmers as well. Mixed light cannabis can be produced in very simple, low tech hoop houses. However certain basics - like fans for ventilation and a minimal amount of supplemental lighting for part of the year is still required to grow a successful crop. Unfortunately due to the severe restrictions on hoop houses in our county, this is no longer an option for many cultivators who are now finding themselves being left behind in the California marketplace as they cannot switch cultivation styles to compete.

Greenhouses are of course an option for mixed light as well, but they pose a whole slew of problems and are not a realistic option for many cultivators. Greenhouses are extremely expensive to build - approximately 10 times more per square foot than a hoop house. We know this from personal experience having built both hoop houses and greenhouses. A fully permitted greenhouse that meets commercial standards costs upwards of \$50 a square foot, just for the basic structure. If lighting systems and black out curtain are added, the cost can easily be up to \$100 per square foot or more. That means that even a cottage level mixed light greenhouse costs upwards of a quarter of a million dollars.

Considering that mixed light cannabis sells for only \$800-\$1,200 per lb (about twice what the projected price for outdoor cannabis is for this next year), and that the state regulations and taxes are expected to add \$450 per lb and production costs are already at \$200-\$500 per lb, most cultivators are looking at a profit of around \$100-\$200 per lb, at most. A cottage level mixed light grow will at most produce 200-300 lbs per year if supplemental light is used and 3-4 cycles are harvested. That means that a cottage level mixed light cultivator can expect to earn, again AT MOST, \$20,000 - \$60,000 per year before taxes. This is a very modest, middle class income. If there is a crop failure or other issues which impact yield this number could be much less. How is someone with an income of \$20,000-\$60,000 expected to be able to afford a \$250,000 commercial greenhouse on top of all the other additional infrastructure and taxes and fees from the county, the state, the state water board, CDFW, etc, etc? The result will be that farmers will either be forced to take out massive loans to build these very expensive structures and hope they can survive, or go out of business.

This is exactly why hoop houses are so important and so critical to the success of our local cultivators. They can be built inexpensively, still produce a quality product that is in demand and that dispensaries and California consumers want to purchase. They are also much lower impact than greenhouses, smaller, less of an eye sore, produce less noise pollution and all around a simpler, more affordable, more environmentally friendly option. By essentially banning a practical way for cultivators to use hoop houses, the county is setting the local cannabis industry up for failure. Only those with deep pockets or outside investors will be able to afford the infrastructure needed to survive in. This will be absolutely devastating to the local economy.

Make no mistake, the economic repercussions of preventing local cannabis cultivators - who are by far the single biggest contributor to our local economy - from being able to participate in the California cannabis market will be severe. Mendocino County is already headed towards economic collapse and at the very least is beginning what will certainly be the worst economic recession the county has ever seen in its 150+ year history. We stand to lose not just our economy, but our culture, our heritage, and our history as well. The Board of Supervisors must take action, and quickly, to resolve some of these issues to the coming negative economic impact can be at least partially mitigated. Please take these concerns and suggestions into consideration on Tuesday's meeting,

Sincerely,

Brandon Wheeler - owner Feliz Farms

Roger Wheeler - owner Sanel Highlands