

Dear Supervisors,

I wish to emphasize arguments and discussions presented to you at the last meeting via written public comments.

Before attempting any cultivation ordinance change, the Board must secure approval from CDFA that Mendocino County's Mitigated Negative Declaration, or "Questionnaire" will satisfy CEQA review for all Phase 1, current, County Permittees holding State licenses.

Those of us who have been vetted by County and State, are current with taxes and fees, have configured cultivation locations, infrastructure, buildings, premises, irrigation, partners and employee relationships, accounting, legal organizational documents ...the list goes on and on...deserve to be exempt from any conversion processes or costs of a zone based system. We deserve an automatic zoning clearance for cultivation for at least five years and recorded by the County on our permitted parcels.

Any zone based system must apply to applicants who enter the process after the original Phase 1 permittees. Those permittees who have struggled to achieve full licensing by the state are a dedicated core and need your protection. The \$4.5M tax base expected from the next fiscal year come from us.

We are small farmers, many not wanting or able to expand. We are craft farmers and our farming style and philosophy are orthogonal to large farms requiring large capital to develop, staff and manage. We need a Craft/Legacy permit for those who came forward at the beginning of legal regulations. This license type can be capped at 22,000 sf to help those Craft Farmers who are adequately situated to expand.

All new applicants, in any new/revised/amended ordinance, will not have the same hurdles and cannot be considered the same under any new versions of cannabis policy. Moving forward, new applicants shall be considered Commercial Permittees and will be required to comply with whatever new regulations replace our current Ordinance.

Please direct staff to do three things at the meeting tomorrow:

1) Require Director of Planning and Building and County Counsel to jointly lobby CDFA to resolve our CEQA and SSR impasse. Further debate on how to move forward with ordinance change is futile if no farmer in Mendocino County can qualify for a state license without investing tens of thousands, if not hundreds of thousands for a "site-specific" CEQA review. (Remember the Ordinance Amendment Working Group? The Group was repeatedly assured by County staff, that the MND was sound and just fine, no problems.) Business decisions all over the County were based on these assurances.

2) Require Director of Planning and Building to create two types of cultivation permits:

Craft/Legacy: 22,000 sf or less premises potential for permits held, in good standing, since 2016.

Consider \$500 annual fee. 1% revenue tax.

Commercial: One acre or less premises, for all applicants entering the process after June 16, 2020.

Consider typical Administrative and Use Permit fees and 2.5% revenue tax.

3) Allow the Microbusiness License type in all zones where cultivation is allowed. Adopt the state definitions and license elements (rather than the County's restrictions tying Cottage or Home Occupation constraints to Microbusiness). Allowing Microbusiness licenses for all cultivators, as originally designed, help small businesses benefit from integrating their functions and activities while only holding two licenses per parcel--a protection for small farmers which must be maintained.

I recommend staff release the "Questionnaire"/ Checklist proposed to CDFA to the public. It is impossible to support the concept without knowing what is involved. This too can be done at the meeting tomorrow.

Thanks you for your consideration.

Sincerely,

Corinne Powell
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