

To the Mendocino Board of Supervisors,

First, I want to express gratitude for the work that the Board has done on this issue over the past few years. I understand that none of you ran for office to spend all of your time working on cannabis, and that the pandemic, fires and other emergency issues are in the foreground of importance. Your persistence is admirable and I fully believe that the county and our community will be better off for the time and consideration you have given this issue, so thank you.

Flow Cannabis Company fully supports the policy package that has been put forward by staff regarding cannabis cultivation and facilities regulation in Mendocino County under agenda item 3b. Alignment with the state, a focus on economic development and agritourism are just a few of the high-level successes in this package. If the proposed policies are allowed to move forward, they will place Mendocino ahead of the game in cannabis tourism and finally provide a viable path for the many cultivators in the county.

Cultivation

We support the proposed land use ordinance for the cultivation of cannabis in Mendocino County, including the proposed zoning changes put forth by the Mendocino Cannabis Alliance. We are excited to see that the policies bring the county in line with the state. Also, that they allow landowners to use their property in ways that bring them the best value and opportunities to move towards sustainable agriculture. Expanding the areas in which licensed cultivation can occur, bringing license types in line with the state, and allowing larger parcels in AG and RL zones to use up 10% of their parcel for cultivation are huge steps towards treating cannabis like other agriculture and positioning Mendocino farmers to stay competitive as the market grows and opportunities like interstate commerce come online.

One consideration we would like to add, is the addition of an Early Activation program, similar to the one in Lake County. We are currently a part of that program in Lake County. Prior to the issuance of a minor or major use permit, an applicant may apply for early activation. This allows an applicant to proceed with the cultivation activity that is being requested under the minor or major use permit application within specific limitations. In order to participate, the applicant must show evidence of Water Board enrollment or exemption; have filed an application for their UP or MUP and it is deemed complete; paid all fees. The way Lake County has engineered it, and with the tweak to ensure dual licensing, it derisks the County, gives operators enough leeway to start working, with enough oversight and review through the Major Use Process to ensure only good actors get through to full entitlement. The county collects taxes at planting and harvest, so it gives the county financial security and a pay-it-forward process that allows the county to make the appropriate staffing and department structuring decisions to support the growth of the

program. It's a great program for the county budgets. And while Mendocino might have to handle the tax a little differently, because it's based on gross receipts in Mendocino and (\$\$ / sq ft) in Lake Co., there are solutions to collecting that in a way that accomplishes the same outcome. From the Lake County application, *"The early activation of use permit does not allow any construction, grading, or removal of mature trees on the property. Adequate measures shall be included in the early activation of use permit application and implemented upon commencement of the use for dust control, parking, traffic safety, drainage, erosion control, waste disposal, and Health Department requirements. The early activation of use permit shall expire six (6) months from the date of issuance or upon issuance or denial of the required minor or major use permit for early activation of any appeal thereof. An application for an early activation of use permit for early activation of use may be denied if the use may result in adverse environmental impacts or if the use is currently being operated in violation of Lake County Code."*

Facilities Ordinance

We are very excited to support the proposed changes to the facilities ordinance, especially the introduction of farmers markets, farm tours and sales, and cannabis lodging. Mendocino County has immense potential in agritourism and the proposed additions to the facilities code will enable the cannabis tourism industry to contribute to the economic development of the county. Additionally, broadening definitions of processing activities so that more of these activities can be easily done on the farm will benefit those who want to process and package their own products.

Overall, we are very supportive of this package of policy changes for Mendocino cannabis. Enacting these ordinances will move this county forward on this issue after treading water for so long. Again, thank you for your work and the dedication you have shown to this community.

Best,

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