

April 18, 2021

Mendocino County Board of Supervisors

Re: Phase III-Cannabis Expansion

Dear Board:

I am writing this letter to show my support of the Phase III Cannabis Expansion in Mendocino County. I have had the opportunity to speak to several Board Members and also meet to discuss why I believe passing the Phase III Cannabis is a solid and required policy of the Board. I will list my reasons for you to support this policy.

1. **Economic and Fiscal:** The expansion of legally permitted cannabis cultivation will increase jobs in the local economy. Job growth will come from the cultivation side but also more importantly the expansion of local companies to meet the needs of increased supply.

Example: Emerald Sun based on Ukiah is a new company to the local area and has already providing close to 100 jobs at their facility. The jobs are both entry level and at management levels with associated salaries from \$40,000-\$175,000 per year. Emerald Sun provides a health plan and other employee benefits. Many companies will choose to locate to Mendocino County and only increase the overall employment in the local area.

Example: If Phase III is enacted, local farmers will have the ability to farm cannabis in addition to their other crops. This extra and increased revenue will allow farms and vineyards to be more profitable and invest in their property. This extra revenue will allow many vineyard owners to pay their current employees more money but maybe even offer benefits as well.

Example: Increased Property Valuations: Our property tax base will increase significantly due to an increase in property valuations. We recently purchased a 10-acre industrial site in Hopland that had an assessed valuation on the books of approximately \$400,000. Our recent construction and planned investment to the property will increase by 10-15 million within 2-3 years.

Example: Increased local direct investment: Local contractors and businesses will benefit directly for local facility growth and expansion. Emerald Sun has invested over **\$20 million dollars** with local contractors and suppliers since they chose to locate to Mendocino County. This number will only increase as more cannabis companies choose to call Mendocino County home.

Summary:

- Increase in local jobs
- Increased Revenues (vineyard and farm owners)
- Increase in property valuations (increased tax base)
- Increase in local expenditures and investment (construction)

2. **Enforcement of Illegal (Black Market) Cultivation:** Increasing supply of cannabis in Mendocino County (and surrounding counties) will drive down the cost of cannabis to levels that will not motivate or make it economically feasible to grow cannabis illegally. Limiting supply will only make it harder to enforce.

Summary:

- Lower cannabis prices will drive “Black Market” Illegal growers out of the county.

3. **Environmental:** Allowing increased cannabis cultivation to areas and locations more suitable to better farming practices would improve many of the outstanding issues with the environment. Obtaining a license to grow in Ag 50 and Suitable RL zoned properties will solve many of the issues related to illegal water use and light pollution. Cultivation of cannabis in the mountains where water, power and resources are hard to supply would be less of an issue and harder to operate. Why would a local cannabis farmer choose to farm 10 miles up a mountain with little water when they could choose to cultivate on flat Ag 40 land with proper water and resources.

Summary:

- **Allowing Cannabis to be grown on more suitable Ag 40 type lands will provide economic incentives to abandon non-suitable sites in the mountains with no water or proper resources.**

4. **Tourism and Hospitality:** As the owner of two (2) Hopland Hotels, (2) restaurants and a winery we simply need a boost in both Bay Area, California and United States visitors. We have struggled to attract visitors over the last ten years and the cannabis industry offers Mendocino County a unique

opportunity to become the Burgundy, Bordeaux or Napa of the cannabis industry. We have the most unique climate in the world to grow full-term outdoor (non-greenhouse) cannabis. We must not let this unique opportunity pass us by. Our neighboring counties in California only hoping we do not act so they can jump on this opportunity.

Summary: We have a unique once in lifetime opportunity to become a unique destination for cannabis tourists from across the United States. Hopland and Mendocino County can be that special “Gateway to the Emerald Triangle”.

Phase III Cannabis Expansion is a solid and needed policy for Mendocino County.

Sincerely,

GARY M. BREEN (OWNER-PARTNER)

CAMPOVIDA WINERY (HOPLAND)
THATCHER HOTEL (HOPLAND)
STOCK FARM HOTEL (HOPLAND)
POPPY CAFÉ (HOPLAND)
STOCK FARM RESTAURANT (HOPLAND)
FELIZ CREEK CELLARS (HOPLAND)
EMERALD SUN (UKIAH)
MENDOCINO BREWING-RED TAIL ALE (HOPLAND)