From:

Julie Patterson-Hunter

ent:

Tuesday, February 20, 2018 9:45 AM

To:

All BOS Board Members

Cc:

Rick Haffey; Alison Barratt-Green; Alison Lehman; Sean Powers; Mali Dyck

Subject:

FW: Marijuana Ordinance

Dist 1

From: Heidi Hall

Sent: Tuesday, February 20, 2018 9:15 AM

To: Julie Patterson-Hunter < Julie.Patterson-Hunter@co.nevada.ca.us>

Subject: FW: Marijuana Ordinance

From: joanne ellena [

Sent: Monday, February 19, 2018 9:48 AM
To: Heidi Hall < Heidi. Hall @co.nevada.ca.us >

Subject: Marijuana Ordinance

Dear Supervisor Hall,

l attended the meeting last Tuesday February 13, 2018. Thank you for pointing out some of the data presented was not accurate.

I was disappointed that medical marijuana rules for individuals was not in the discussions. When we voted on Measure it was for the medical side as Prop 64 had not been passed. There is going to need to be 1 set of rules for commercial and another for personal.

On subject of acreage, I live on res/ag 1.4 acres. The subdiv I live in has approximately 42 parcels of similar size. A big argument for parcels of my size is "smell". Yet, my next door neighbor acquired 4 adult alpacas and I now live with a stench that makes my eyes water. I don't enjoy the smell, but if the biggest complaint about growing marijuana outdoors is the smell, marijuana only smells during the flowering (about 6-8 weeks). I smell these alpacas 12 months a year.

I hope the BOS will include reasonable ordinance for medical patients just growing for themselves.

Thank you for listening,

Jeff and Joanne Ellena

Sent from Mail for Windows 10







RECEIVED

Gary M. Baker

February 19, 2018

FEB 22 2018

NEVADA COUNT BOARD OF SUPERVISORS

ec: AI(BOS CGO Counsel

Honorable Ed Scofield, Chairman Nevada County Board of Supervisors 959 Maidu Avenue Nevada City, CA 95959

Regarding: Cannabis Cultivation in RA-Rural Zones

Dear Chairman Scofield.

In response to the Board of Supervisors discussion on February 13, 2018 regarding cannabis cultivation in the RA-Rural zones in the county, the following information is provided for your review and consideration. I have attended 9 of the CAG meetings and all of the Board meetings over the past several years and have witnessed the evolution of the commercial cannabis dialog in the county. There are many parcels in the RA-Rural zone over 5 acres that should be considered in the commercial cannabis licensing program, providing that those activities do not interfere with adjacent smaller lots which are perhaps more residential in nature.

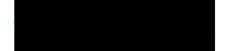
Background

The CAG recommendations included RA zones for commercial cultivation. The Board has utilized the CAG recommendations for all other zones but has neglected to include RA-Rural zones for commercial cultivation, based on an assessment that these lots are more residential in character than AG zoned lots. In truth it varies.

The current cannabis ordinance (Ordinance 2416) treats RA-Rural the same as the AG, AE FR and TPZ zones for plant counts and setbacks.

Discussion

The RA-Rural zone allows for various agricultural uses which exactly match the uses allowed in both the AG and AE zones in Nevada County. Agricultural operations and natural resource related uses and residential uses are of equal importance in the county general plan for the RA-Rural zones while agricultural operations are of primary importance in the AG and AE zones. Allowable uses include private greenhouses, packing facilities for products grown onsite, wholesale plant nurseries, field retail stand and farm stand, crop and tree farming and wineries. Other than the designations of equal importance or primary importance, the zones are the same as far as allowable agricultural uses and residential uses. Realistically, residential units located in any agricultural zone







have the potential to be impacted by outdoor cannabis cultivation. Adequate setbacks from property lines and adjacent residential structures are one way to help mitigate the impacts of cultivation. Another very effective way is to enclose the cannabis cultivation in a greenhouse.

Cannabis cultivation on parcels of 5 acres or more (land zones RA-Rural) with setbacks consistent with other agricultural zoned properties would likely have minimal to no impacts on neighbors if the cannabis grow site were enclosed in a greenhouse with an odor control system. Odors from outdoor cultivation are the main complaint from neighbors and are not exclusive an exclusive problem to just the RA-Rural zoned parcels in the county. With proper controls in place, commercial cannabis cultivation should be considered in the RA-Rural zoned portions of the county on lots of adequate size. Parcels smaller than 5 acres in size which meet the setback requirements could also be considered, if the commercial cannabis was cultivated in an odor controlled greenhouse.

The following recommendations for canopy and lot size are consistent with state licensing categories. Mixed light is separated into either Tier 1 or Tier 2, with Tier 1 using 6 watts or less per square foot of canopy and Tier 2 using between 6 watts and 25 watts. Mixed-Light cultivation allows the state licensed grower to cultivated more than 1 crop annually. Greenhouse grown plants may obtain a higher price than outdoor grown plants, which helps offset the addition costs of electrify and greenhouse construction costs. Greenhouse grown plants without lights would be considered outdoor grows for state licenses and would need to contain odor control systems.

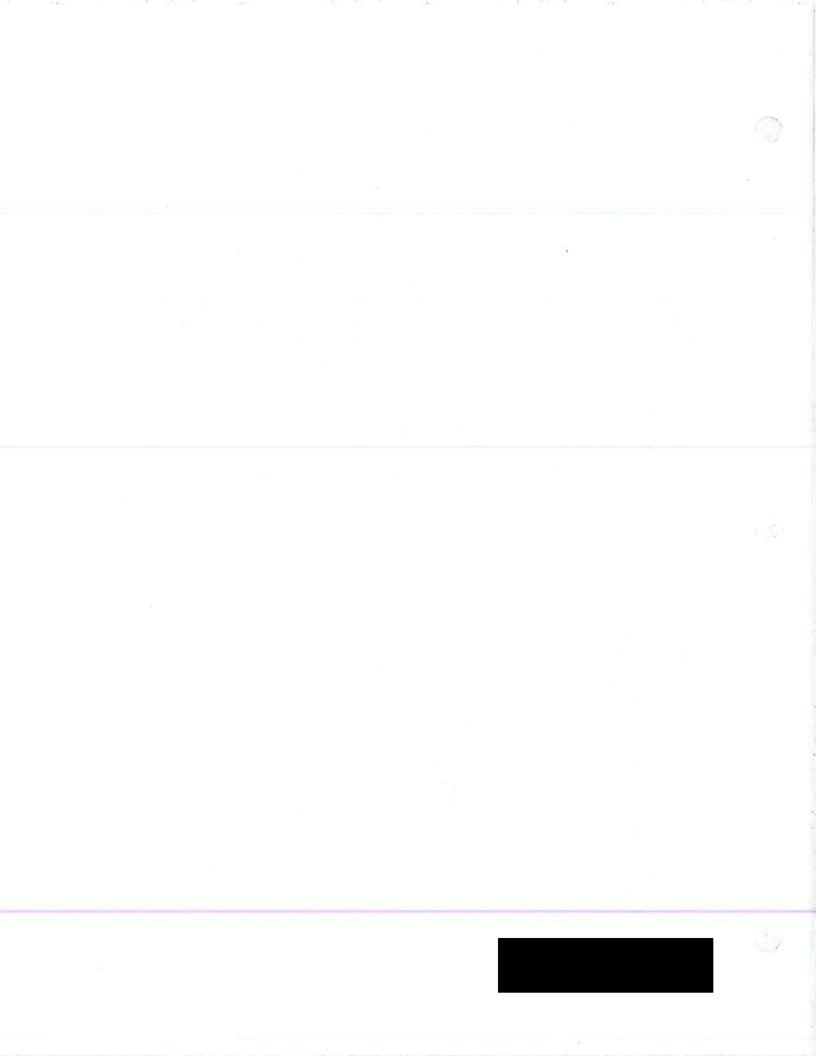
Proposed allowable grow sizes in the RA-Rural zones

- A Specialty Cottage Mixed-Light cultivation site with 2,500 square feet or less of total canopy on parcels of 5 to 10 acres in RA-Rural zones
- A Specialty Mixed-Light cultivation site between 2,501 and 5,000 square feet of total canopy on parcels of 10 to 20 acres in RA-Rural zones
- A Small Mixed-Light cultivation site, between 5,001 and 10,000 square feet of total canopy on parcels of 20 acres or more in RA-Rural zones
- Commercial outdoor cultivation would be prohibited in the RA-Rural zone except in a greenhouse with an odor control system
- Personal use outdoor grows would be allowed based on parcel size

Respectfully,

Gary M. Baker, Partner

Plan-aire Landscape Architects and Planning



D.514

February 17, 2018

Ed Scofield, District 2 Supervisor 950 Maidu Avenue, Suite 200 Nevada City, CA 95959 CDA RECEIVED

FEB **2 2** 2018

NEVADA COUNTY BOARD OF SUPERVISORS EACH SUPERVISOR REC'D.

We would like to give you a written description about what it has been like for us to live very close to a marijuana grow for 2 years.

For 27 years we have loved living in a quiet and peaceful neighborhood, and have felt safe because of the very private location at the end of the road. That all changed in 2016 because of these things:

In 2015 the 3.98 acre parcel in back of ours sold to someone who had made a lot of money selling pot in Humboldt County. He built a huge greenhouse and now grows pot year-round. He told our next door neighbor that he should also grow pot because he could also make a lot of money.

In April of 2016, our next door neighbor told us that he wanted to grow a little pot on his 3 acre parcel, and we thought he would grow a few plants for his personal use in a corner of his garden. We were not expecting him to also grow for other people, or sell it, so we were surprised when he kept planting more and had 45 plants that filled up most of the garden.

He told us that the workers in the garden were his disabled friends, and he had known them for years. That summer and Fall 4 or 5 people (or more) would be working in the garden for many hours each day. They were sometimes there when the neighbor's cars were gone. They played loud music, yelled at each other, and encouraged the 3 or 4 dogs they had with them to bark. Later in the season, they put up several tents and camped out by the garden. A lot of our visitors and some of our other neighbors complained to us about the noise, the strong skunky smell, the large grow operation, and the people camping there. Every week when our neighbor dropped off and picked up her trash cans at the corner in front of their house, she said she heard people yelling at the dogs and telling them to chase her, and they were trying to scare her away.

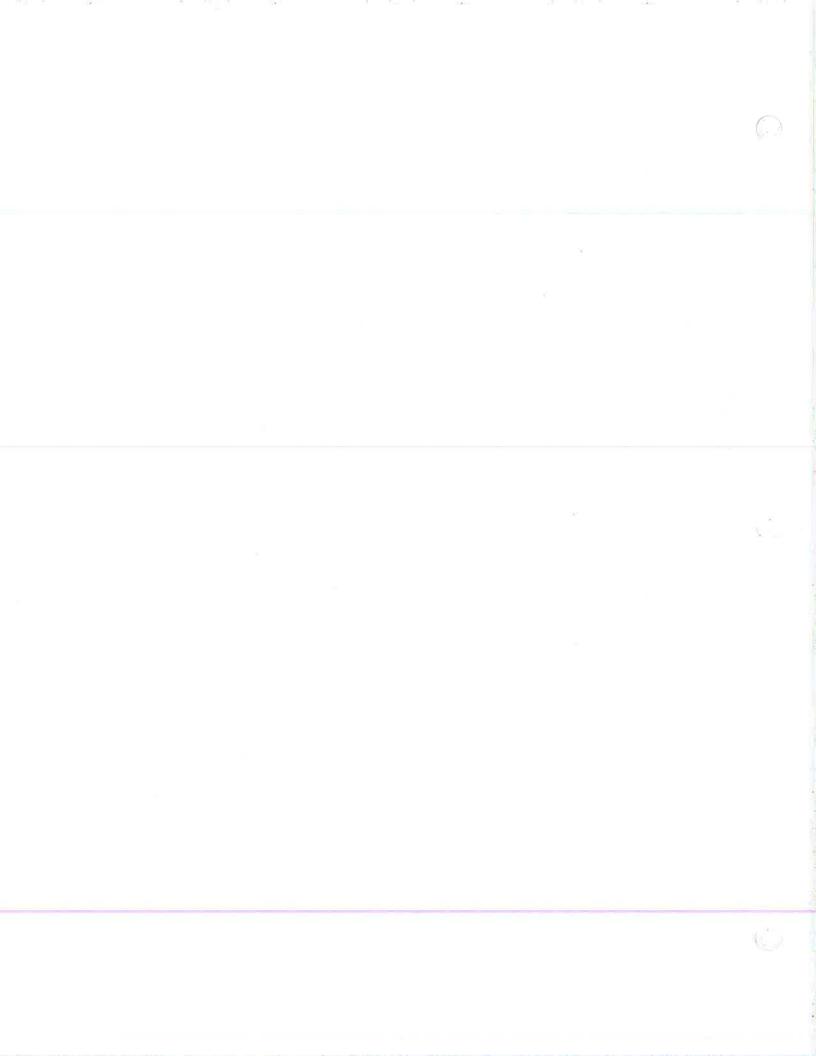
I work at home a few days each week and my boss sometimes comes by to drop off paperwork. We couldn't even have a conversation on the deck because of the loud music, people yelling, strong smell of pot plants, and pot smoke from several people that were smoking in the garden.

There were a lot of containers of pesticides and fertilizers both inside and outside of the garden. The garden is very close to our well, and pesticide or fertilizer residue will drain into our water.

The garden is also right by our property line, and it feels like it is in our front yard. The strong odor from so many plants made it impossible to sit on the deck or leave the windows open.

When I was on the deck or in the front yard working I heard some of the conversations between the people in the garden. Some of them said thieves had come into the garden on several different nights and ripped them off, and taken many pounds of pot. One of them made suggestions about what they wanted to do to keep people from stealing the pot. Those suggestions included leaving dogs out all night to bark and guard the crop, installing an electrical strip around the garden, and putting in trip wires or booby traps that would injure the burglars and keep other people out. We don't know if they did any of those things, but we had a lot of sleepless nights because those comments made us very concerned about the safety of our property and our house. After that we upgraded our burglar alarm system and added cameras. There are many stories in the news about people stealing pot plants, and sometimes killing or injuring people. We do not feel safe with a large amount of pot plants growing right next to our property line, and close to our house.

After those plants were harvested, the neighbor mentioned that he realized he had made a mistake by having those people come in and help with the garden. He also said he would probably not grow any the next year, but if he did he would have just a few plants up the hill closer to his house. We put in a privacy fence between our two houses in case he did grow some there.



When we spoke to him in February of 2017, he said he would probably be growing more plants that year, but he realized the smell bothered us, so he wouldn't grow any closer to his house and he would only have 3 or 4 plants in a corner of the garden. He also said we wouldn't see them, and we wouldn't be able to smell them. During that same conversation he also told us to let him know if the smell bothered us.

Later that spring he planted 14 plants in large containers that filled up more than half of the garden, but he said he would be removing the weakest 2 and only keep a total of 12. He kept all 14 large plants, and we had to live with the horrible smell of skunk for several weeks again. In addition to the very strong smell outside, it was worse inside of the house, in our garage, and in our cars.

In October of 2017, he told us that if he grows again he will not have as many plants. We recently gave him a letter explaining all of the things we mentioned in this letter, and a copy of the current grow ordinance. We asked him to follow these restrictions from the ordinance if he grows again:

Nevada County General Code—Cannabis Grow Ordinance-Cultivation and Setback Restrictions
In areas designated primarily for agricultural uses (e.g., AG, AE, FR, TPZ and R-A) –

Cultivation of Marijuana on Legal Parcels which are greater than two (2) acres up to five (5) acres may not exceed a total maximum of six (6) plants, mature or immature.

These setbacks shall apply to cultivation areas and shall be measured in a straight line from the nearest border of the outdoor staked grow area or Indoor Cultivation area to the property line of any adjacent Legal Parcel under separate ownership. Parcels of greater than 2 acres up to 5 acres: 100 ft.

Any Hazardous Materials stored shall maintain a minimum setback distance of 100 feet from any private drinking water well, spring, water canal, creek, and 200 feet from any public water supply well. The production of any Hazardous Waste as part of the Cultivation process shall be prohibited.

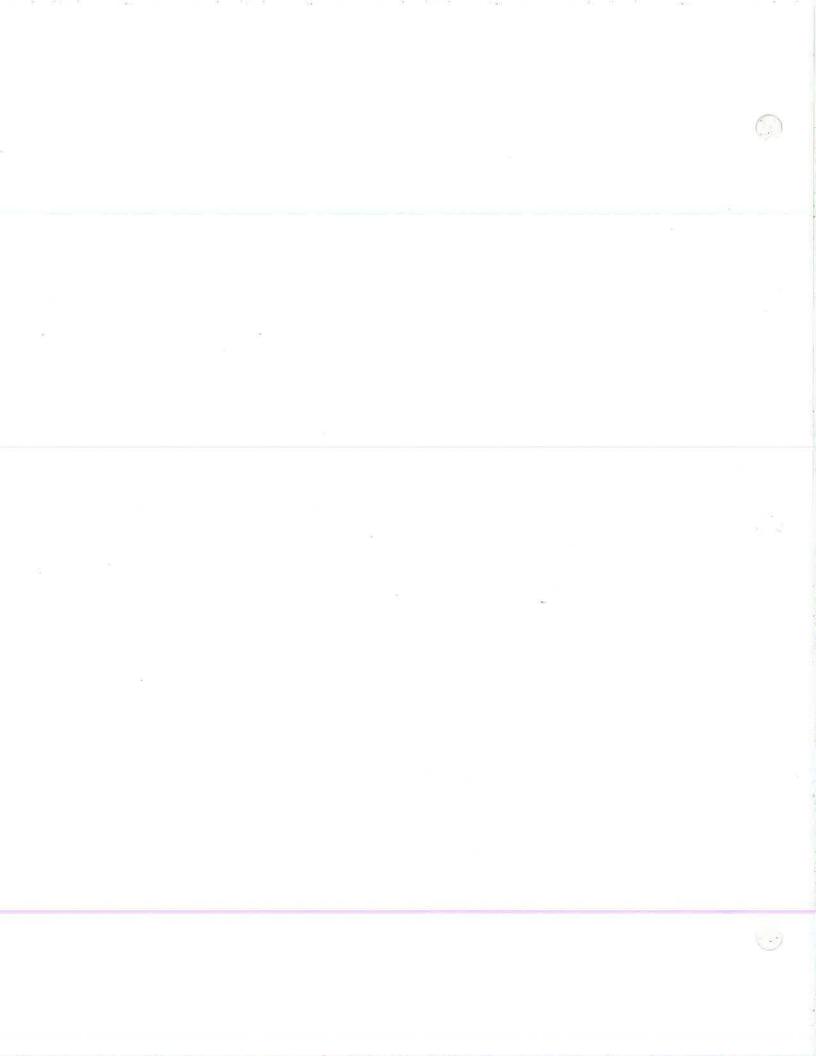
We want to protect our quality of life and be able to relax when we return from work, and we shouldn't have to be afraid. We don't want to worry about people coming onto our property if they are trying to steal several thousand dollars' worth of pot from our neighbor's garden or shed, or be concerned about the possibility of being shot if they bring guns with them. We also don't want to have to wear heavy duty masks inside and outside for a few months every year because of the skunky smell.

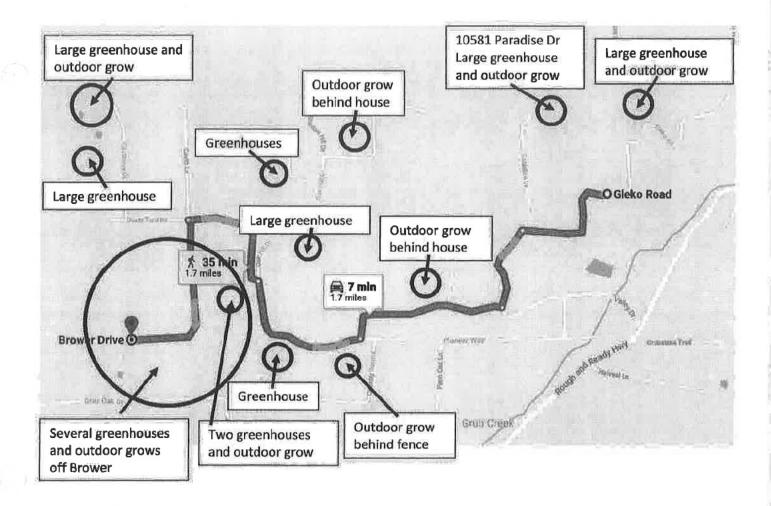
Our neighbor made enough money from growing pot during the last 2 years to purchase 2 new cars, and we are afraid he will continue to grow more right next to our house.

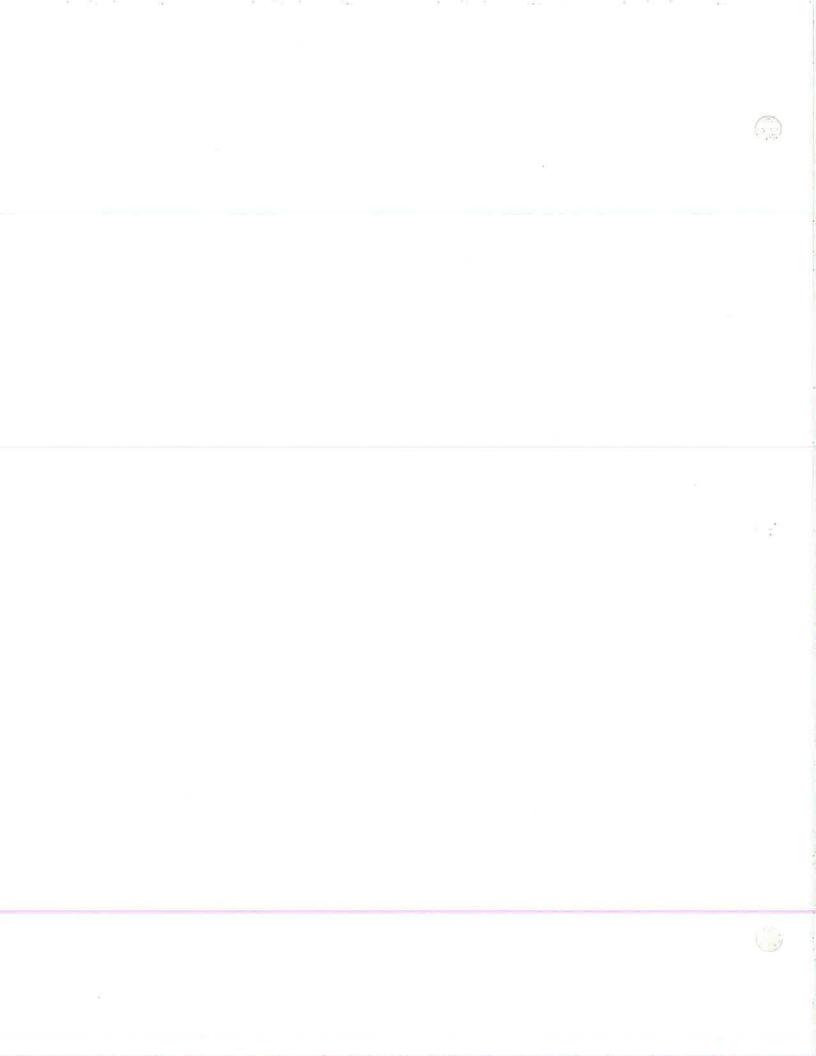
There are several large pot farms with huge greenhouses and outdoor grows around our neighborhood (Paradise Drive, Gleko Road, Valley Drive, Pioneer Way, Oak Hill Drive, Brower Drive and Castaway Court in Rough and Ready). Many are visible from the road, a plane or helicopter and they can also be seen on Google Earth. We have experienced a large increase in traffic during the past few years from all of the trimmers that come here every day, and there has also been an increase in break-ins and theft in the area during that time. Several of my neighbors are scared to drive up the hill on Pioneer Way, Brower Drive or Castaway Court because of the number of large grows there. As you can see, we have not included our names because we do not want any of the growers to know we are writing this letter.

People do not pay attention to the required setbacks or limits on the number of plants because there doesn't seem to be any consequences. I have written several letters to the Sheriff's Narcotics Task Force during the past few years, and included maps that identify where those illegal pot farms are located, and I have also enclosed a map with this letter. Nothing has been done about the problem, and it continues every year.

As you get closer to finalizing a permanent cannabis grow ordinance, we would like to ask you to not reduce the required setbacks or increase the number of plants allowed. If you do that we feel that the situation will only get worse.







From:

Julie Patterson-Hunter

Sent:

Tuesday, February 20, 2018 8:01 AM

To:

Rick Haffey; Alison Barratt-Green; Alison Lehman; Sean Powers; Mali Dyck

Subject:

FW: Legal Cannabis in Nevada Country

From: Julie Patterson-Hunter

Sent: Tuesday, February 20, 2018 8:01 AM

To: All BOS Board Members < AllBOSBoardMembers@co.nevada.ca.us>

Subject: FW: Legal Cannabis in Nevada Country

Dist 4

-----Original Message-----From: Hank Weston

Sent: Friday, February 16, 2018 8:36 PM

To: Julie Patterson-Hunter < Julie. Patterson-Hunter@co.nevada.ca.us>

Subject: Fw: Legal Cannabis in Nevada Country

fyi

From: Rebecca Vandegrift

Sent: Monday, February 12, 2018 2:59 PM

To: Hank Weston

Subject: Legal Cannabis in Nevada Country

Dear Mr. Weston as one of your constituents I am humbly asking that you and all the NCBOS where to the wishes of the majority of the NC voters. The NC voter spoke loud and clear when we voted on measure W. The voters spoke loud and clear when we voted to legalize Cannabis statewide. This community invested a lot of money and time on the Cannabis Advisory Group. I attended many of those meetings. Those on the CAG board were a group evenly split between those for and those against cannabis production in our country. From my perspective this board was give reams of Infomation, there were many available to answer all questions. Every member of the board was given all time and consideration to make their arguments, ask any question and present their facts, views and opinions. No one was coerced or bullied or disrespected for how they voted. The CAG based their recommendations on how the board voted. The CAG board must stand by their freely given vote. I respectfully ask the the NCBOS to accept the CAGs recommendations for Cannabis production in our country. The grower/citizens of Nevada Country want a clear and viable path to compliance. The children in our community whose very life depends on Cannabis need the growers to have a clear and viable path to compliance. Those few that live in gated and/or upscale communities can not be allowed to dictate how all our county will progress. That is not acceptable nor should it be allowed to stand. I have lived and worked in this county for over 25 years. Voting, paying taxes, volunteering my time, donating \$\$\$ To causes near to my heart locally and globally and to representatives whose views I respect regardless of party affiliation. Please remember your constituents, we are woke and we are watching and we remember when it's time to vote. I wish you a productive and blessed day. I will see you tomorrow. Sincerely Rebecca Amaro Vandegrift.



From:

Julie Patterson-Hunter

Sent:

Tuesday, February 20, 2018 8:03 AM

To:

All BOS Board Members

Cc:

Rick Haffey; Alison Barratt-Green; Alison Lehman; Sean Powers; Mali Dyck

Subject:

FW: something fishy...

Dist 4

From: Hank Weston

Sent: Friday, February 16, 2018 8:29 PM

To: Julie Patterson-Hunter < Julie. Patterson-Hunter@co.nevada.ca.us>

Subject: Fw: something fishy...

fyi

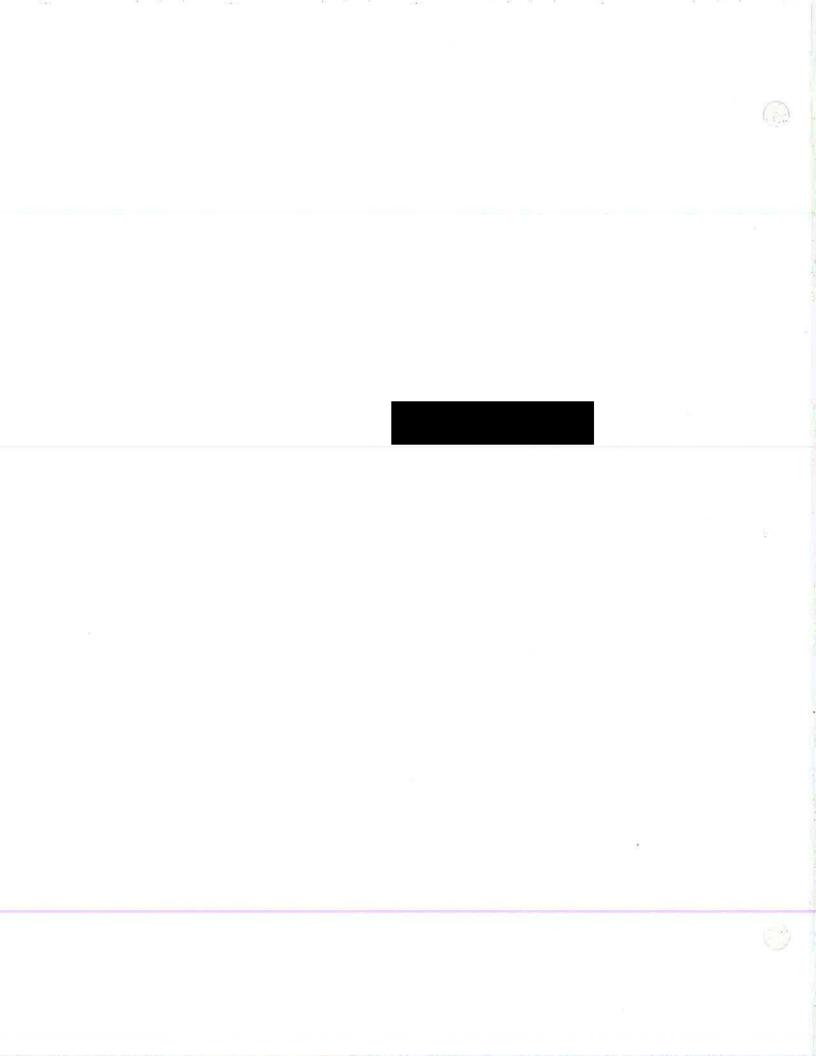
From: Kalyanamaitri Algrabeli

Sent: Friday, February 16, 2015 4.24 FW

To: Hank Weston; Heidi Hall Subject: something fishy...

After reading this I became outraged at the level of dirty tricks afoot in this administration. Cannabis is simply one of the last bastions of hope at leveling the playing field for the honest, hardworking, humble, family and community-oriented folks in this area. Working a minimum wage or even better job will never advance quality of life. Community involvment and investment and as well as family and personal investment all suffer when wage-slavery is the only option for livlihood. I'm not sure how this isn't apparent to every single one of you on the BOS.

Does anyone else find it odd that on Tuesday the BOS meets to discuss the future of cannabis regulation at the SAME time as NID holds a meeting to discuss cannabis and water? AND on Wed Nevada City discusses a moratorium on permits? Does anyone else find it odd that the prohibitionists FAILED to participate in the CAG whatsoever, but now are out in force with LaMalfa offering to quash our local cannabis movement? This smells to me like a coordinated attack by local GOP who allege in letters to BOS that the CAG violated the Brown Act and who also feel not enough republicans had a say in the process? Are we living together in this county or are we so segregated by ideology that the local GOP refuses to collaborate on a solution? Does local GOP run this county? seems like they do... Yes, we are a blue county, we voted to approve Prop 64 (yes that includes allowing commercial activity), we also voted to quash the ban on outdoor cultivation nearly 2 years ago. Still they argue that community survey of 1800 residents who predominantly reside in gated communities, says most folks don't want to allow cannabis activity in our county? Bottom line, if county does not allow everyone who has the ability to comply with state law to apply for a permit-then it's clear that county leadership panders to the gated community version of Nevada County, not the rural ag/small business/entrepreneurial spirit of Nevada County. Speak up people, SPEAK UP NOW.



om:

Julie Patterson-Hunter

sent:

Thursday, February 15, 2018 8:48 AM

To:

All BOS Board Members

Cc:

Rick Haffey; Alison Barratt-Green; Alison Lehman; Amanda Uhrhammer; Sean Powers;

Mali Dyck

Subject:

FW: Cannabis economic impact

Dist 4

Julie Patterson Hunter, CCB Clerk of the Board

----Original Message----

From: Drew G

Sent: Wednesday, February 14, 2018 6:55 PM

To: bdofsupervisors <bdofsupervisors@co.nevada.ca.us>

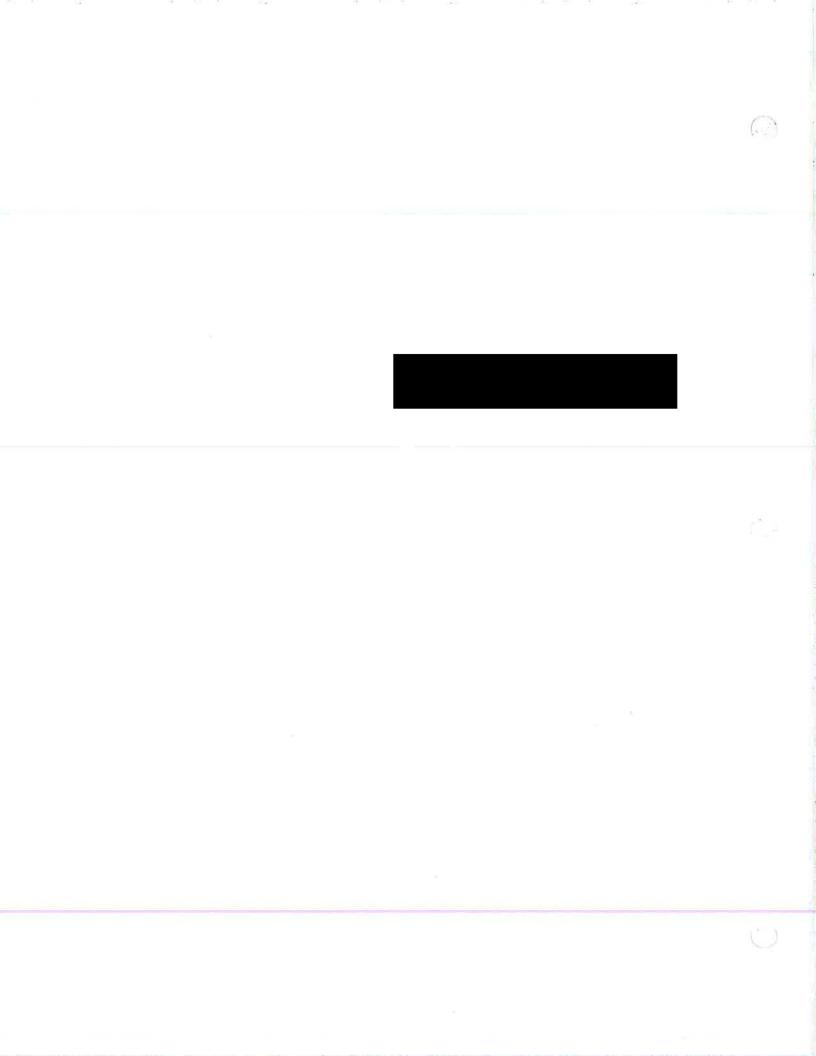
Subject: Cannabis economic impact

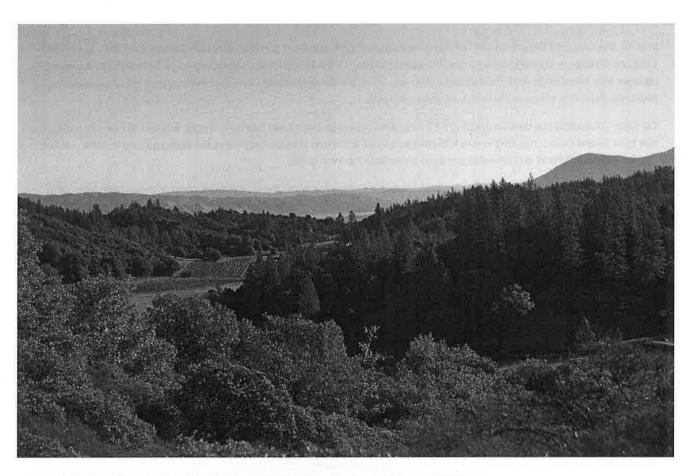
https://www.lakecountyeconomicdevelopment.com/images/docs/lake-county-economic-impact-report.pdf 50 acres of outdoor ganja could produce the economic value of the county's entire grape crop, create 'undreds of jobs, says new Lake County report.

Saw This

Andrew

Sent from my iPad





ECONOMIC DEVELOPMENT FOR LAKE COUNTYINTEGRATING CANNABIS CULTIVATION

February 2018
Prepared by: Terry Garrett at Sustaining Technologies t.garrett@sustainingtechnologies.com



INTRODUCTION

Cannabis economic development is a modern idea that would have been hard to conceptualize decades ago. Now, in the year 2018, the cannabis sector has emerged as a legitimate and leading economic force in California and many other states across the nation.

In 2016, the California Department of Food and Agriculture (CDFA) surveyed potential cannabis license applicants across the state and revealed a startling portrait of this emerging industry. Of the 23,000 respondents who participated in the survey, 55% reported their intention to apply for cultivation licenses. While the survey's results were hypothetical, they provide a basis for an economic force that will generate billions of dollars annually.

Cannabis production has been happening for a long time. However, the market has been mostly invisible to mainstream society due to its federal status, resulting in a lack of data for official economic analyses. Now that the state has begun sales, we can see the impact first hand and calculate accurate projections for the market.

It is useful to compare cannabis to other agricultural crops. California's agricultural crop production of vegetables, fruits, and nuts totaled approximately \$36 billion in sales. The CDFA survey results for cannabis cultivation licenses project an additional \$22 billion.

It is important to highlight the efficiency of cannabis production by comparing its cash yield per acre to other traditional agricultural crops. Cannabis cultivation demonstrates huge economic potential while relying on only a small amount of land and few natural resources.

The current growth of the cannabis market offers unprecedented potential to stimulate local economies across the United States. The Lake County General Plan Land Use Element contains an economic goal, and several policies, that are applicable to, and can support, cannabis-related business activities. The following report explores how the Lake County economy will be impacted by the regulated cannabis market.

Lake County General Plan Land Use Element

Economic Development Goal LU-6: To maintain a healthy and diverse local economy that meets the present and future employment, shopping, recreational, and service needs of Lake County residents.

Policy LU-6.1 Diverse Economic Base: The County shall actively promote the development of a diversified economic base by continuing to promote agriculture, recreation services, and commerce, and by expanding its efforts to encourage industrial and non - industrial corporate development, and the development of geothermal resources.

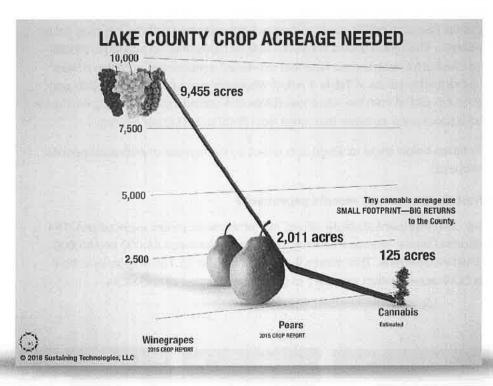
Policy LU - 6.4 High Quality Development: The County shall encourage high quality development projects that will entice visitors, businesses, and permanent residents to the area.

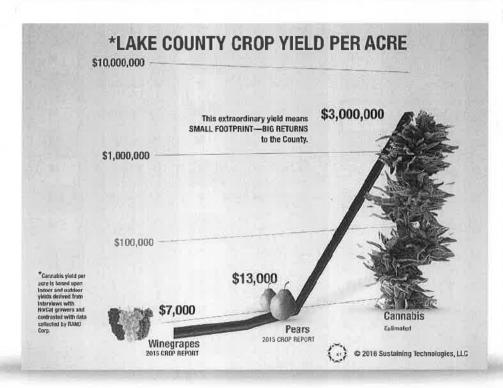
Policy LU - 6.5 Pursue Upscale Development: The County shall pursue businesses such as upscale resorts and lodging, wineries and tasting rooms, visitor - oriented retail businesses, and other businesses that would attract high income and multi - day visitors to the County.

Policy LU - 6.6 Permit Process Evaluation: The County shall continue to evaluate its permitting procedures to ensure certainty, consistency, timeliness, and cost - sensitivity in the permitting process.

Policy LU - 6.8 Promote Key Industries: The County shall promote agri - tourism, eco - tourism, and outdoor recreation in Lake County to outside markets.

Policy LU - 6.9 Image Enhancement: The County shall strive to communicate Lake County's amenities and attributes to those outside the county in order to meet or exceed the potential for tourism and enhance visitors' experience in the county.





SMALL FOOTPRINT WITH BIG RETURNS: CANNABIS OPPORTUNITY FOR LAKE COUNTY

The North Bay region has long been an agricultural bulwark. Wine grapes, dairy, nuts, fruits and vegetables are prolific and contribute to the economic well-being of the region. The aesthetic value of agriculture points to a bucolic lifestyle shared by a significant percentage of Lake County's population.

If regulated mindfully, cannabis offers a potential cash crop boom. It is noteworthy that this is possible while preserving the bucolic serenity of Lake County.

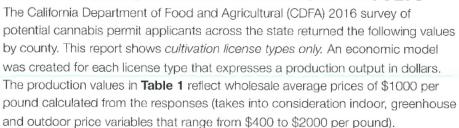
The potential cash yield per acre for cannabis makes that possible.

Cannabis cultivation can yield production values hundreds times greater than wine grapes. The footprint of cannabis growing operations are tiny by comparison with other agricultural products.

TABLE 1: CDFA Survey

License	
Types	Annual
	\$1,037,280,000
1a	\$2,042,400,000
1b	\$1,063,500,000
2	\$1,249,920,000
2a	\$2,961,600,000
2b	\$1,692,000,000
3	\$2,338,300,800
3a	\$6,093,120,000
3b	\$4,356,000,000
	\$22,834,120,800

CDFA CANNABIS SURVEY STATEWIDE RESULTS



The tables below show rankings of counties by the number of cultivation permits anticipated.

What do the survey results represent?

They don't represent absolute values, but rather development expectations. The California Grower Alliance estimates that there are between 55,000 and 65,000 cultivators statewide. That means the sample base of 12,759 respondents from the CDFA survey reflect the intent of about one-fourth of all cultivators.

Rank	County	Count	Rank	County	Count	Rank	County	Count	Hank	County	Count
1	Los Angeles	1,342	16	El Dorado	274	31	Santa Clara	109	46	Sutter	51
2	San Diego	753	17	Santa Cruz	258	32	Yuba	107	47	Lassen	43
3	Mendocino	628	18	Butte	241	33	Tuolumne	98	48	Amador	42
4	San Bernardino	617	19	Ventura	233	34	Solano	97	49	Del Norte	39
5	Sacramento	606	20	Lake	231	35	Stanislaus	96	50	Tehama	39
6	Nevada	573	21	San Francisco	230	36	Marin	88	51	Sierra	30
7	Alameda	523	22	Yolo	207	37	Imperial	85	52	Inyo	28
8	Calaveras	513	23	Contra Costa	192	38	Siskiyou	ชา	53	Plumas	25
9	Riverside	508	24	Kern	180	39	Tulare	73	54	Glenn	18
10	Sonoma	431	25	Santa Barbara	180	40	Merced	72	55	Colusa	9
41	Placer	430	26	Trinity	156	41	San Mateo	69	56	Modoc	9
12	Orange	389	27	Fresno	143	42	Napa	68	57	Mono	U 6
13	Humboldt	380	28	San Joaquin	132	43	Mariposa	65	THEN		21
14	San Luis Obispo	325	29	Kings	127	44	Alpine	56			
15	Monterey	276	30	Shasta	124	45	Madera	54			

CULTIVATION LICENSE TYPES DESCRIPTIONS

1	1A	1B	2	2A	2B	3	ЗА	3B
outdoor	indoor	greenhouse	outdoor	indoor	greenhouse	outdoor	indoor	greenhouse
5,000 SF	5,000 SF	5,000 SF	10,000 SF	10,000 SF	10,000 SF	1 acre	22,000 SF	22,000 SF

That's a significant number and demonstrates a high engagement level of licensed cultivators. It also represents the potential for statewide production to range from \$22 billion to over \$40 billion per year in the near future.

Given that projection, it becomes evident that California's cannabis producers will become net exporters similar to the wine sector and fruits, nuts and vegetables. **Economic development practitioners will hear that as music to their ears for the simple reason that cannabis production consumes far fewer land and natural resources than wine production, and yet is capable of achieving significantly higher production levels.**

Regional CDFA Survey Results

	La	ike	Son	oma	Mend	ocino
License Types	#	%	#	%	#	%
Type 1	40	11%	63	8%	159	15%
Type 1A	16	5%	53	7%	36	3%
Type 1B	22	6%	46	6%	79	8%
Type 2	29	8%	48	6%	83	8%
Type 2A	11	3%	33	4%	19	2%
Type 2B	25	7%	42	5%	64	6%
Type 3	39	11%	55	7%	104	10%
Type 3A	19	5%	40	5%	16	2%
Type 3B	30	8%	51	6%	68	7%
Type 4	30	8%	54	7%	71	7%
Type 6/7	24	7%	93	12%	101	10%
Type 8	3	1%	11	1%	11	1%
Type 10	17	5%	51	6%	49	5%
Type 11	21	6%	65	8%	69	7%
Type 12	27	8%	86	11%	112	11%
Total	353		791		1041	
Cultivation	231		431		628	
% Cultivation	65%		54%		60%	

CANNABIS CULTIVATION PROFILE FOR LAKE COUNTY

CDFA Survey Results for Lake, Sonoma and Mendocino Counties

As with wine grapes, it's important to look at regional cannabis cultivation. The table shows a regional county view with Lake County's southern and western neighbors.

The cultivation license types are 1 through 3b.

Lake County is the leader in percentage of permits for cultivation.

In all three counties cultivation permits represent between half and two-thirds of all license types, which reflects the agricultural strength of the region.

To get an idea of the size of the cannabis production for Lake County, we've applied financial production models for each license type (cultivation only).

Keep in mind that the NorCal counties in the Emerald Triangle are under represented due to the high number of existing grow sites. Table 2 shows two estimates, high and low, representing a range driven by pricing volatility and in the low estimate, outdoor production is dedicated to supplying directly to manufacturers for extraction.

It is clear that Lake County will be a significant producer with an annual production exceeding the current Lake County agricultural output at \$101 million.

> The most impressive fact is the small land and natural resource footprint for cultivation of cannabis relative to the cash yield. That means big returns to Lake County.

As the table below indicates, Lake's total cannabis crop production value could be produced on less than 125 acres

space is still minuscule in comparison.

in contrast to 13,908 bearing acres for all other crops. That, of course, is based on today's market realities, which will likely change. Even so, a tripling of cannabis cultivation

Bear in mind these figures reflect a straight extrapolation from the CDFA survey results, which indicate 231 anticipated cultivation permits to be sought. Most likely there are more cultivation operations than that currently given the popularity of cultivation sites in the total region which number in the thousands.

It is possible that Lake County could produce 2 times the CDFA results, or close to \$300 million per year. Even at the high end, that level of production could be accomplished on less than 250 acres.

Lake County 2015	Actual Crop Value	Production Value per Acre		
Total Crop Production	\$101,135,648			
Wine Grapes	\$63,390,181	\$6,716		
Pears	\$26,098,171	\$12,978		
Walnuts	\$5,383,560	\$1,435		
Projected Cannabis	\$183,000,000	\$3,600,000*		

*Projected cannabis yield per acre reflects a skew of indoor and greenhouse higher price yields. Outdoor can be half the figure shown.

TABLE 2: Revenue by License Types Lake County

License Types	High	Low
	\$8,400,000	\$4,200,000
1a	\$5,702,400	\$5,702,400
1b	\$6,352,500	\$6,352,500
2	\$12,180,000	\$6,090,000
2a	\$10,692,000	\$10,692,000
2b	\$19,687,500	\$19,687,500
3	\$81,900,000	\$40,950,000
3a	\$39,398,400	\$39,398,400
3b	\$50,400,000	\$50,400,000
TOTAL	\$234,712,800	\$183,472,800

To put that in perspective, Lake County spans a total of 850,560 land acres. That leaves 850,310 acres that are not cannabis cultivation.



THE POSITIVE ECONOMIC IMPACTS FOR LAKE COUNTY

Economic multipliers from cannabis production are similar to food and beverage retail store performance combined with local food agriculture production. The food and beverage sector must be used as a surrogate to produce multipliers since no cannabis sector exists within the framework of IMPLAN (IMpact analysis for PLANning), an economic modeling software. The following describes the impacts used by IMPLAN.

Direct impacts, which are impacts in the primary industries where spending by consumers would be focused. In this analysis, the grocery and beverage store sector is used as a reference.

Indirect impacts, which are impacts in the industries that supply or interact with the cannabis sector businesses. For example, when a cannabis company spends money on security services, laboratory testing, or soil and farming implements, impacts are felt in those sectors.

Induced impacts, which represent increased spending by workers who earn money due to the increased industry activity, such as when a cannabis company staff, or their suppliers' staff use their wages to purchase goods and services from local shops.

"Multipliers are a numeric way of describing the secondary impacts stemming from a change. For example, an employment multiplier of 1.8 would suggest that for every 10 employees hired in the given industry, 8 additional jobs would be created in other industries, such that 18 total jobs would be added to the given economic region."

Christopher McIntosh, Professor of Agriculture Economics

THE CANNABIS SUPPLY CHAIN—CREATING LOTS OF JOBS

It's important to note that the cannabis sector offers a unique opportunity to develop businesses across the supply chain from cultivation to retail. Since this sector is just forming on a legal foundation, opportunities abound to start

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new businesses within each county. As a matter of fact, the CDFA survey results indicate that will happen.

The more diverse the business array across the supply chain the higher the multipliers.

The Employment
Opportunity table shows
examples of the jobs that will
be supported by the
cannabis sector.

The economic multiplier could range from 1.4 to 1.6,

which means for every job created by cannabis businesses, 4 to 6 new jobs typically could be created in other categories. The table indicates the categories of jobs needed by a corresponding supply chain profile. Given the

estimated cultivation income at \$183 million in Lake County, plus businesses across the supply chain that could add another \$100 million, the cannabis sector could represent around \$300 million dollars in economic impact. The added economic activity from indirect and induced impacts could be over \$500 million per year.

Considering that conservatively, the \$300 million cannabis sparked activity could create around 1,700 Lake County jobs, it's a sector worthy of development.

A Few Employment Opportunities Across the Supply Chain

Employment Categories	Breeding Cultivation Harvest	Manufacturing /Production/ Processing	Testing	Distribution	Transport	Dispensary/ Retail
Accountants		•			ě	
Administrative and Sales Personnel						
Advertising and promotions		•				
Architects				3.		
Attorneys		• :	•	2003	2.62	
Building supply and construction material				Hills, Hill		
Building, HVAC, plumbing, electricians, roofing and paving contractors	•	•	•		No. 10	100
Commercial kitchens and equipment	Kell					
Computers						(*1)
Construction			- Maritin	L III LIVE ST		
Education		•		•	•	
Financial Services	• 7					
Furniture and furnishings			•			
IT Products and services			•			But it
Janitorial and Maintenance				300)		
Lab equipment and processing supplies						
Machinery and equipment	•	•			•	
Marketing and communications services						
Real Estate Brokers				:•1	(*).	•
Security systems and services						
Shelving and display case makers and installers		•				•
Transportation/Trucking						

CALIFORNIA AND LAKE COUNTY CANNABIS CONSUMER MARKET WHAT DOES IT LOOK LIKE TODAY?

Since the regulatory apparatus for reporting of retail sales tax data and other conventional methods are not fully representative yet, it takes research and making a few assumptions to arrive at total estimated consumption. That being said, there are methods we use to get fairly reliable estimates. The consumer market is defined as residents of Lake County.

There are several estimates for California consumption ranging from a low of \$5 billion to a high of \$19 billion. Keeping in mind that there are differences in consumption patterns within the regions of California, it's more likely the consumption amount is between \$8 billion to \$9 billion among state residents, with another \$1 billion going to tourists. On the low end, that ranks California residents slightly below Colorado's per capita resident consumption.

The estimates are based upon a number of studies and analyses conducted nationwide through the National Survey on Drug Use and Health (NSDUH); from Colorado via the Marijuana Policy Group; Headset Cannabis Intelligence from retailer data sets and ICF Economic Analysis.

The table below conservatively shows estimated consumption in Lake County at \$10.4 million per year by 6,864 regular resident consumers (out of 53,000 adults). They are segmented by frequency and volume of usage into 7 segments and 3 types.

Lake County Cannabis Consumers

onsumers Types by Usage	LIGHT/0	CASUAL		MEDIUM		HEA		
Segments	1	2	3	4	5	6	7	
Percent by User Type	20%	20%	15%	10%	10%	10%	15%	100%
(Pop.) Cumulative Total	40	%		35%		25	%	TOTAL
Number of Consumers	1,373	1,373	1,030	686	686	686	1,030	6,864
Annual Purchase Per Consumer	\$200	\$400	\$1,000	\$1,500	\$2,000	\$3,000	\$4,000	\$1,520
Total Monthly	\$17	\$33	\$83	\$125	\$167	\$250	\$333	\$127
Total Yearly	\$274,560	\$549,120	\$1,029,600	\$1,029,600	\$1,372,800	\$2,059,200	\$4,118,400	\$10,433,280
% Consumed by Segment	2.6%	5.3%	10%	10%	13%	20%	39%	
(Consumption) Cumulative Total	8	%		33%		59	%	

The Economic Multiplier for Lake County from Local Consumption

Given the number of Lake County respondents who wish to apply for cultivation permits, the Lake County consumer market can be served predominantly by local production with the majority of production headed for export markets. Economic multipliers really work their magic when cannabis is grown and purchased locally. The indirect and induced impacts are nearly 1.5 times the direct economic activity. If the \$10.4 million in cannabis is grown locally and purchased from locally owned dispensaries the total economic activity amounts to \$25 million.

SUMMARY

Small Footprint of Land Use and Less Water

It doesn't take a lot of land to produce cannabis compared with other crops. As shown earlier, while wine grapes take 9,455 acres to produce \$63.5 million, it's conceivable that a 25-acre parcel of indoor or greenhouse cannabis cultivation can achieve that gross revenue. For an outdoor cultivation the acreage would double to 50 acres. Again, the water use is less for cannabis cultivation on a dollar-for-dollar comparison of crop value because of the small acreage required.

Big Returns Means Good Jobs

It's no secret that when an operation can achieve high dollar yield for a crop that higher wages will follow. Cannabis is more labor intensive than most agricultural products, and therefore it must attract good workers and pay them more to remain competitive. Combined with the small footprint, cannabis projects will employ more Lake County residents at higher wages than most other agricultural operations of a comparable size. There are currently 17,623 full time jobs in Lake County, which represents 27% of the total population (65,976)—half the rate of surrounding counties.

Cannabis enterprises could conservatively add another 1,700 aboveaverage wage jobs, which will represent 10% of the local workforce.

Injecting an estimated \$60 million through new jobs in Lake County will be a significant stimulation to increase wages in other sectors (like retail and professional services) as tens of millions new dollars recirculate through the Lake County economy. As it stands now, Lake County per capita income lags the US average by 28%. That is a major drag on economic health that marginalizes large swathes of the population. New cannabis jobs will lift all boats.

Lake County Reaps the Benefits of Cannabis

Tax Revenue In addition to sales tax at retail, there is an opportunity to apply a county tax to cover cultivation, manufacturing and distribution. This is one benefit not provided by alcohol taxes at the county level. Even at a low tax rate on wholesale production, Lake County could generate \$5 million to \$10 million per year.

Serve Local Cannabis Consumers There are over 6,800 Lake County residents (13% of the population) who regularly consume cannabis products to the tune of \$10.4 million annually. Providing them with locally grown and produced cannabis increases the economic multipliers, and adds to the sense of local pride.

Create Hundreds of Jobs If Lake County is successful in developing cannabis businesses along the supply chain in addition to cultivation, then the positive economic impact from indirect and induced economic activity will spark thousands of new jobs across professional services, wholesale and retail businesses.

California cannabis licensed cultivators have been producing the best product in the US for decades and they will continue that tradition. Lake County has a unique opportunity to produce new income for the county and jobs for residents. This can be done with such a small footprint it is nearly invisible.

AUTHOR'S BIO AND NOTES

Terry Garrett

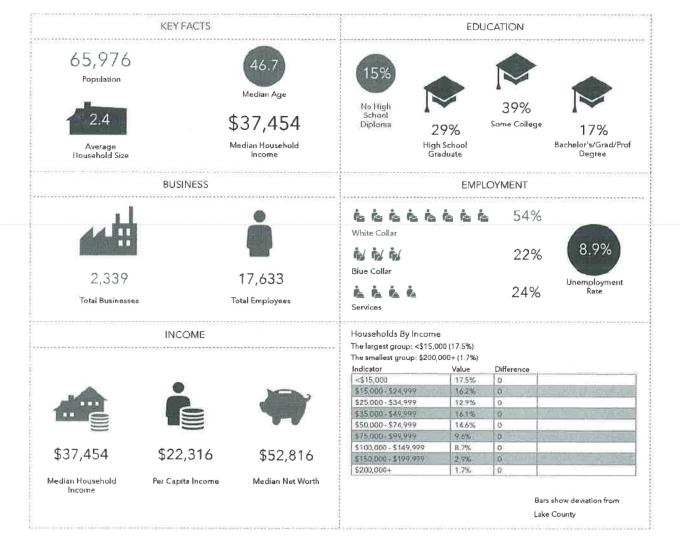
He is executive manager of Sonoma County GO LOCAL, a regional economic development cooperative that serves over 400 businesses, nonprofits and government agencies. For the past ten years, Terry and GO LOCAL have implemented import substitution strategies, i.e. establish local production of goods and services that meet local demand.

Terry is co-publisher of Made Local Magazine which serves as the official journal for the Sonoma County Food Action Plan. Its aim is to increase local food and beverage production and the market share for local retailers.

He serves as a board member of the Sonoma County Economic Development Board. Additionally, he served on the Sonoma County Cannabis Task Force (2016) and is currently the co-chair of the Sonoma County Cannabis Advisory Group. His research into cannabis economics has been regularly quoted in the New York Times, Forbes and other journals covering the topic.

APPENDIX

Lake County Key Facts



TO SENTER Y	Busine	sses	Employees		
NAISC Categories	Number	Percent	Number	Percent	
Agriculture, Forestry, Flshing & Hunting	24	1.0%	440	2.5%	
Mining	2	0.1%	15 16 7	0.0%	
Utilities	30	1.3%	842	4.8%	
Construction	187	8.0%	619	3.5%	
Manufacturing	70	3.0%	459 :	2.6%	
Wholesale Trade	83	3.5%	800	4,5%	
Retail Trade	349	14.9%	2378	13.5%	
Motor Vehicle & Parts Dealers	40	1,7%	175	1.0%	
Furniture & Home Furnishings Stores	22	0.9%	68	0.4%	
Electronics & Appliance Stores	13	0.6%	35	0.2%	
Bldg Material & Garden Equipment & Supplies Dealers	41	1.8%	270	1.5%	
Food & Beverage Stores	67	2.9%	826	4.7%	
Health & Personal Care Stores	23	1.0%	181	1.0%	
Gasoline Stations	16	0.7%	115	0.7%	
Clothing & Clothing Accessories Stores	24	1,0%	57	0.3%	
Sport Goods, Hobby, Book, & Music Stores	26	1.1%	42	0.2%	
General Merchandise Stores	10	0.4%	426	2.4%	
Miscellaneous Store Retailers	64	2,7%	162	0.9%	
Nonstore Retallers	3	0.1%	21	0.1%	
Transportation & Warehousing	53	2.3%	329	1.9%	
Information	44	1.9%	238	1.3%	
Finance & Insurance	Sec. 177	3.3%	288	1.6%	
Central Bank/Credit Intermediation & Related Activities	29	1.2%	182	1.0%	
Securities, Commodity Contracts & Other Financial	8	0.3%	23	0.1%	
Investments & Other Related Activities Insurance Carriers & Related Activities; Funds, Trusts &	40	1.7%	83	0.5%	
Other Financial Vehicles Real Estate, Rental & Leasing	189	8.1%	606	3.4%	
Professional, Scientific & Tech Services	143	6.1%	526	3.0%	
Legal Services	36	1.5%	62	0.5%	
Management of Companies & Enterprises	0	0.0%	0	0.0%	
Administrative & Support & Waste Management &	73	3.1%	465	2.6%	
Remediation Services Educational Services	72	3.1%	1316	7.5%	
Health Care & Social Assistance	193	8.3%	2755	15.6%	
Arts, Entertainment & Recreation	47	2.0%	1061	6.0%	
Accommodation & Food Services	177	7.6%	1700	9.6%	
Accommodation	61	2,6%	261	1,5%	
Food Services & Drinking Places	116	5.0%	1439	8.2%	
Other Services (except Public Administration)	345	14.7%	1121	6.4%	
Automotive Repair & Maintenance	67	2.9%	174	1.0%	
Public Administration	135	5.8%	1669	9.5%	
AND ANTIHISCIACOL		C 3 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	W. 1 1 2 1 2 1 1 1 2 2	33-1	
Unclassified Establishments	46	2.0%	14	0.1%	
Total	2,339	100.0%	17633	100.0%	

The table shows the number of businesses and employees by industry sector in Lake County.

Provided by ESRI 2017.

Cannabis Cultivation Production Estimates Methodology Notes

Designing financial models for each cultivation license type requires understanding the variables for each one, which naturally leads to a preponderance of minute distinctions given all the different farming methods and target market uses.

The major classification scheme divides cultivation into indoor, greenhouse and outdoor. The variables that follow from that are the number of harvests cycles per year for each type. Next, I look at yields of usable product per harvest cycle for each type and then apply pricing variables depending on the target market, i.e. trimmed flower to retail, trimmings and bulk feed to manufacturing for extraction.

For the purpose of this report, I used the following prices per pound. Indoor at \$1200 and targeted to finished flower at retail. Greenhouse at \$1000 per pound and primarily targeted to finished flower at retail and secondarily full plant delivered to manufacturers. Outdoor at \$700 per pound and the majority delivered direct to manufacturers, while some will go to retail. For the low end estimate of production for Lake County regarding outdoor I pegged it at \$400 per pound assuming all was going directly to manufacturers.

The other main variable in calculating production value is yield per square foot in each type of cultivation. This factor varies widely because of the many different farming techniques, cannabis strains, site configuration density of plants and cultivation site location. Over the course of the past 18 months, I have interviewed cultivators to assess yields. I work an average from there to arrive at the numbers used in this report. The average yields range from one pound (indoor) to five pounds (outdoor) per plant with a distinction for flower versus bulk feed for manufacturing.

bm:

Julie Patterson-Hunter

Sent:

Tuesday, February 27, 2018 7:56 AM

To:

All BOS Board Members

Cc:

Rick Haffey; Alison Barratt-Green; Alison Lehman; Brian Foss; Tyler Barrington

Subject:

FW: A concerned citizen who supports Cannabis

Attachments:

CANNABIS ZONING LTR to Nevada County Board of Supervisors.docx

Cannot identify district

Julie Patterson Hunter, CCB

Clerk of the Board

From: Richard Costanzo

Sent: Monday, February 26, 2018 8:43 PM

To: bdofsupervisors <bdofsupervisors@co.nevada.ca.us> **Subject:** A concerned citizen who supports Cannabis

Please read the attached pleading. Thank You



Respectfully to Nevada County Board of Supervisors,

I wanted to take this opportunity to express our desire as tax paying citizens and property owners in Nevada County to request a reconsideration of your position against Residential Agricultural zoning in Nevada County as it relates to Cannabis. As you know the larger parcels over 5 acres with homes which are usually over 500 ft away from other homes. We feel that our zoning is being cited due to the word "Residential" which doesn't make sense as property owners like ourselves would like to earn a living and support the county and overall community as a whole.

The Cag group held over 11 meetings over the last year and was very comfortable with allowing greenhouses in RA zoning for several reasons. First and foremost is that there are many people who felt strongly this zoning would be best suited for family grows. There could be as many as 1000 parcels which are being condemned and families affected by your decision.

Having previously worked in the Cannabis business in Colorado a few years ago, I was very surprised with the many homeowners protesting about smells, that the Board didn't address this issue. The way it could be solved is not by restricting the use on certain parcels, but by requiring anyone growing to have carbon filters installed which can reduce smells by over 90%. This way, growers can grow and people won't have the random smells emitting from their greenhouse grows.

Once again, those who have grown illegally in the area for years which the county decides to restrict, will more than likely stay under the radar and continue to grow. Everyone loses this way, no sales tax revenue for the county, creating more work for law enforcement etc.

Please reconsider and approve this RA zoning and help us to help support legal cannabis growth in Nevada County.

Thank You,

A concerned Nevada County Resident

