



PLANNING & DEVELOPMENT
APPEAL FORM

SITE ADDRESS: 2200 Highway 246, Buellton, CA

ASSESSOR PARCEL NUMBER: 099-230-034

Are there previous permits/applications? no yes numbers: _____
(include permit# & lot # if tract)

Is this appeal (potentially) related to cannabis activities? no yes

Are there previous environmental (CEQA) documents? no yes numbers: _____

1. **Appellant:** Santa Barbara Coalition for Responsible Cannabis Phone: _____ FAX: _____

Mailing Address: POB 278, Santa Barbara, CA 93102 E-mail: info@sbcountycoalition.com
Street City State Zip

2. **Owner:** _____ Phone: _____ FAX: _____

Mailing Address: _____ E-mail: _____
Street City State Zip

3. **Agent:** TW Land Planning & Development LLC Phone: (805) 698-7153 FAX: _____

Mailing Address: 903 State Street, Suite 202, Santa Barbara, CA 93101 E-mail: twhite@twlandplan.com
Street City State Zip

4. **Attorney:** Law Office of Courtney E. Taylor and Marc Chytilo Phone: (805) 316-1278 FAX: _____

Mailing Address: 6465 Nursery Way, San Luis Obispo, CA 93405 E-mail: me@courtneyetaylor.com
Street City State Zip

COUNTY USE ONLY

Case Number: _____ Companion Case Number: _____
Supervisorial District: _____ Submittal Date: _____
Applicable Zoning Ordinance: _____ Receipt Number: _____
Project Planner: _____ Accepted for Processing _____
Zoning Designation: _____ Comp: Plan Designation _____

RECEIVED
2019 JUL 20 P 4: 01
COUNTY OF SANTA BARBARA
CLERK OF THE
BOARD OF SUPERVISORS

COUNTY OF SANTA BARBARA APPEAL TO THE:

BOARD OF SUPERVISORS

PLANNING COMMISSION: COUNTY MONTECITO

RE: Project Title Castlerock Family Farms II, LLC - Cannabis Cultivation

Case No. 19LUP-00000-00050

Date of Action 7/8/2020

I hereby appeal the approval approval w/conditions denial of the:

Board of Architectural Review – Which Board? _____

Coastal Development Permit decision

Land Use Permit decision

Planning Commission decision – Which Commission? County Planning Commission

Planning & Development Director decision

Zoning Administrator decision

Is the appellant the applicant or an aggrieved party?

Applicant

Aggrieved party – if you are not the applicant, provide an explanation of how you are and “aggrieved party” as defined on page two of this appeal form:

Appeared below. See attached

Reason of grounds for the appeal – Write the reason for the appeal below or submit 8 copies of your appeal letter that addresses the appeal requirements listed on page two of this appeal form:

- A clear, complete and concise statement of the reasons why the decision or determination is inconsistent with the provisions and purposes of the County's Zoning Ordinances or other applicable law; and
- Grounds shall be specifically stated if it is claimed that there was error or abuse of discretion, or lack of a fair and impartial hearing, or that the decision is not supported by the evidence presented for consideration, or that there is significant new evidence relevant to the decision which could not have been presented at the time the decision was made.

See attached

Specific conditions imposed which I wish to appeal are (if applicable):

a. See attached

b.

c.

d.

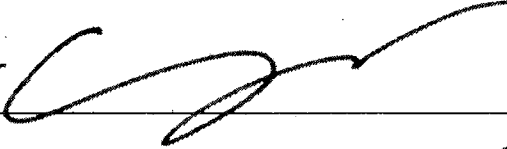
Please include any other information you feel is relevant to this application.

CERTIFICATION OF ACCURACY AND COMPLETENESS Signatures must be completed for each line. If one or more of the parties are the same, please re-sign the applicable line.

Applicant's signature authorizes County staff to enter the property described above for the purposes of inspection.

I hereby declare under penalty of perjury that the information contained in this application and all attached materials are correct, true and complete. I acknowledge and agree that the County of Santa Barbara is relying on the accuracy of this information and my representations in order to process this application and that any permits issued by the County may be rescinded if it is determined that the information and materials submitted are not true and correct. I further acknowledge that I may be liable for any costs associated with rescission of such permits.

Law Office of Courtney E. Taylor

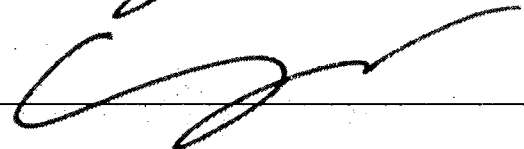


7/20/2020

Print name and sign – Firm

Date

Law Office of Courtney E. Taylor



7/20/2020

Print name and sign – Preparer of this form

Date

7/20/20

Print name and sign – Applicant

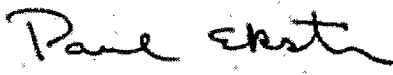
Date

7/20/20

Print name and sign – Agent

Date

Santa Barbara Coalition for Responsible Cannabis



7/20/2020

Print name and sign – ~~Landowner~~
Aggrieved Party

Date

ENVIRONMENTAL LAW

July 20, 2020

Santa Barbara County Board of Supervisors
123 E. Anapamu Street
Santa Barbara, California 93101
By email to sbcob@co.santa-barbara.ca.us

**RE: Appeal of Planning Commission Approval
Castlerock Family Farms II, LLC (19LUP-00000-00050)**

Chair Hart and Honorable Supervisors:

Please accept this appeal of the Planning Commission's approval of 19LUP-00000-00050, a Land Use Permit for the Castlerock Family Farms II, LLC outdoor cannabis cultivation operation located at 2200 Highway 246 in Buellton ("Project"). This appeal is filed on behalf of the Santa Barbara Coalition for Responsible Cannabis ("SBCRC").

SBCRC is an aggrieved party to this permit. It is a community-based advocacy organization seeking to promote the development of a cannabis industry in Santa Barbara County that respects surrounding land uses and existing businesses. Its members live and operate various business within the vicinity of the Project, and are chiefly concerned about the odor impacts of the Project to adjacent land uses, and a failure of the County to comply with the California Environmental Quality Act ("CEQA"). It appeared and raised objections to the Planning Commission for itself and through its members and supporters.

The Planning Commission approved the Project, but cited issues with and concerns over the County's lack of environmental review and compliance under CEQA. A new project-level environmental document is required for this Project because (among other things) Board-initiated amendments to the County's Uniform Rules after PEIR for the County's Cannabis Ordinance ("PEIR") certification gutted protections for neighboring agricultural operations that the PEIR expressly relied on to reduce impacts to agriculture, including tasting rooms. In fact, the PEIR did not address the negative impacts odors have on both tourism and tasting room visits and sales, specifically how cannabis odors would negatively impact tourism and sales to generated at local wine tasting room and the long-term impacts this would have on agricultural viability in the region. Most wineries in Santa Barbara County rely on the direct sales from tasting room visits for more than 40% of their revenue. Further, amendments to the Right to Farm Act after PEIR certification and clarification that have made odor mitigation on AG-II zoned parcels now feasible – mitigation would greatly reduce the odor impacts to supportive agricultural uses, like tasting rooms.

Environmental review of the Project's site specific and cumulative impacts must be completed pursuant to the California Environmental Quality Act ("CEQA"). Appellant believes that such environmental review, in addition to being required by law, is necessary to ensure that the Project will be compatible with neighboring uses (including supportive agricultural uses, such as tasting rooms) and to mitigate odor impacts of this Project, as well as cumulative odor impacts from multiple approved outdoor cannabis cultivation projects in the vicinity. The County is well within its discretion to insist on stringent conditions to protect the public health, safety, and general welfare, and to reduce the environmental impacts of this outdoor cannabis cultivation on the environment, including by ensuring preservation of existing agriculture and their primary path to market through tourism and tasting room experiences. Additionally, there are major compliance issues with respect to the subject property, including the illegal expansion in scope of a nonconforming use, and the existence of an unresolved zoning violation with respect to that illegal expansion. For all these reasons, the Board cannot make the findings of approval that are required to approve the Project.

For the reasons explained in this letter, Appellant respectfully requests that the Board of Supervisors uphold the appeal and deny the Project. If the Board feels the site could potentially be used for outdoor cannabis cultivation, we urge the Board to develop enforceable mitigation to address the issues raised in this letter, namely with regard to odor impacts to tasting rooms in the vicinity and with Project-specific environmental review.

Key Cannabis Issues

Early approval cannabis projects set a precedent countywide:

Cannabis projects, like this Project, present unique and complex legal and practical issues. However, there is a clear trend by the Board, the Planning Commission, County staff, and cannabis project applicants to look to prior approved projects for guidance on acceptable scope, standards, and conditions for cannabis projects in Santa Barbara County. It has become common for subsequent projects to refer to prior project approvals to find commonalities to support a similar approval. As such, clear precedent will be set with this appeal vis-à-vis future outdoor cannabis cultivation projects near tasting rooms in AG-II zones that are not in the Santa Ynez Valley Community Plan.

A Grand Jury Report entitled "Cannabis"¹ have confirmed and validated that the PEIR is fatally flawed:

Specifically, the Grand Jury Report found that the EIR did not address the issue of incompatibility between traditional agriculture and cannabis. It further found that over 625 acres of open air cannabis grows will produce strong odors that "makes it virtually impossible for these two types of operations to co-exist, weighing heavily against the viability of the wine industry.... Several hundred acres of cannabis will be devastating to the region's wine reputation, tourism and sales." This finding is based on the fact that the flavors inherent in wine rely heavily on sense of smell to produce a favorable experience while consuming. When strong odors are introduced, such as cannabis nuisance odors, it changes the perception of the taster.

¹ Available here: <http://www.sbcgi.org/2020/Cannabis.pdf>. See also Exhibit 1.

Tasting rooms are critical to the viability of the local wine industry and will be severely impacted by cannabis odors:

Tasting rooms are supportive agricultural uses, and account for a significant percentage of the total wines sales for wineries in Santa Barbara County. In 2013, the total consumer direct sales for wineries in Santa Barbara County are estimated to total \$136M, which is more than 34% of the value of wines produced in the County. In other words, Santa Barbara's wineries depend on consumer direct sales for more than one third of their revenue. Uniquely to Santa Barbara County, direct sales from tasting rooms are significantly higher than that in similar regions.² Further, it is well recognized that the wine tasting room is "the engine that drives the wine club and is the main recruiting place for wine club members. The tasting room establishes the culture of the winery and tells the story of the wine. Without the tasting room and the wine's story, the wine sold from a wine club would be just another wine competing with all of the other low-cost retailers."³

The product of wine grapes, wine, is primarily valued on its organoleptic qualities (smell and taste), and where it is grown. A consumer's ability to taste, appreciate, and chose to purchase Santa Barbara County wines is highly contingent on a positive tasting room experience, which is conditioned up a consumer's ability to smell and taste the wines. According to a study conducted for Napa County in August 2019, "odor impacts from nearby commercial cannabis operations could detract from both outdoor and indoor tasting areas at adjacent wineries."⁴ Odor from cannabis grows will significantly impact the customer's ability to appreciate the principal value of wine grape's product: its aroma. This simple fact has been the underlying policy rationale for the current prohibition on cannabis cultivation in Napa County.

If odor impacts deter consumer direct sales in tasting rooms, many wineries in the Santa Ynez Valley AVA would see material economic impacts to their business – with reduced tasting room visits, reduced direct sales, reduced wine club memberships, and reduced aggregate sales. This would clearly result in the potential loss of revenues jeopardizing the ability to sustain farming operations and agricultural viability of the wine industry in Santa Barbara County. This is a CEQA impact – without the ability to direct market and sell wines to consumers, revenues will be materially impacted and the viability of the wine tasting business model is threatened. Further, approximately 55% of Santa Barbara County's taxable bottles sales (totaling \$165M annually) is generated from only 13% of wineries from their onsite tasting rooms – these tasting rooms are located outside of municipalities and are in rural areas, primarily in AG-II zones.

Outdoor cultivation generates strong odors while plants are in their flowering phase, increasing in intensity to the point of harvest. These sites are generally undertaking multiple harvests annually using short-cycle varieties and methods, and pose conflicts with surrounding agriculture and with downwind residences and communities, including tasting rooms. The PEIR

² See "The Economic Impact of Santa Barbara's County's Wine and Grapes, 2013", available at: https://sbcountywines.com/wp-content/uploads/2018/11/sb_impact_final_december_15.pdf.

³ See Direct to Consumer Sales in Small Wineries: A Case Study of Tasting Room and Wine Club Sales, available at: http://academyofwinebusiness.com/wp-content/uploads/2010/04/Direct-to-consumer-sales-in-small-winerries_paper.pdf.

⁴ See "Elections Code Section 9111 Report Regarding the Napa County Cannabis Regulation Initiative", available at: https://www.winebusiness.com/content/file/9111_Report_082019.pdf.

asserted that odor impacts would be mitigated by Odor Abatement Plans (MM AQ-5) that are supposed to “ensure that odors are ... generally confined within the cannabis activity site property.” [PEIR 3.3-24] The PEIR relied on a flawed assumption that imposing odor controls on AG-II cannabis cultivation operations would conflict with agricultural policies allowing choice of crops. Changes and clarification in law establish this justification was incorrect, and that Odor Abatement Plans can and should be required in AG-II areas.

The PEIR assumed also assumed that any incompatibilities between land uses would be reviewed by the County’s Agricultural Preserve Advisory Committee (“APAC”) on a case-by-case basis. Neither of these are true today. After the PEIR was certified, the Right to Farm Act protections were removed for cannabis making odor mitigation legally feasible in AG-II zones (like all other counties with legal recreational cannabis programs have done), and amendments to the Uniform Rules have removed APAC’s review of projects for compatibility with adjacent land uses. These factors require CEQA review of the Project to address site-specific impacts to adjacent land uses, and specifically implementation of odor abatement measures.

Odor control standards in AG-II zones are now feasible:

The migration of odors produced by cannabis operations onto adjacent parcels has created substantial land use conflicts in areas of the County where cannabis is currently grown and processed, including conflicts with residential uses, schools, agriculture, and other businesses including wineries and tasting rooms. Presently, most AG-II zoned parcels are exempt from the County’s Odor Abatement Plan requirements for cannabis, including this Project. At the time of Cannabis Ordinance adoption, this exemption was adopted in AG-II zones because the Board assumed that cannabis would be protected by its Right to Farm Act. The PEIR assumed and discussed the same. Since that time, the County’s Right to Farm Act was amended to exclude cannabis from its protections, and odor management is now feasible and appropriate in AG-II. As such, the Board can and should use its broad discretion to require odor abatement mitigation for this Project.

Appellant supports the Planning Commission’s previous recommendation to the Board of Supervisors that outdoor cannabis projects have the following condition of approval:

All cannabis cultivation shall be sited and/or operated in a manner that prevents cannabis nuisance odors from being detected offsite. All structures utilized for indoor cannabis cultivation shall be equipped and/or maintained with sufficient ventilation controls (e.g. carbon scrubbers) to eliminate nuisance odor emissions from being detected offsite.

In order to confirm compliance with this condition, Appellant suggests the Board adopt a condition of approval that odors from the Project’s boundaries be sampled and tested to determine the odor concentrations. Point, area, and volume emission sources would be sampled and tested to determine the odor concentration. The permit would place odor concentration limits on the cannabis emissions, and require the County to conduct periodic source sampling and odor testing to verify compliance, and air dispersion modeling (odor modeling) to estimate the ambient odor concentrations at the Project’s property line. If ambient odor limits are exceeded, this would be deemed a permit violation, a nuisance, and would require the Project to develop an

Appeal of Castlerock Family Farms II, LLC

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odor reduction plan to reduce odor emissions at the source, based on the odor dispersion modeling.

Assertions by Applicant about operations that are not enumerated as a Project condition are not binding or enforceable upon Applicant or future operators:

Land use permits issued by the County run with the land, not the operator – they are perpetual entitlements. Any promises or assurances made by the Applicant that are not specified in the Project Description and conditions of approval are unenforceable as to this Applicant and as to future operators and owners of the parcel. That is particularly true here, where the Applicant is a tenant and not the landowner. The annual business licensing process does not address this issue, as a business license can be revoked or not renewed under certain specific conditions, but the site will retain its underlying entitlement for another operator to utilize.

Expansion of the legal nonconforming cannabis cultivation violates County ordinance but the County's practice is to ignore the violation and validate the use:

Based on evidence, as of January 2016, there was no cannabis being cultivated on the Project parcel. The entity applying for this entitlement did not exist in January 2016, in fact it was formed on January 24, 2018. Nevertheless, the applicant submitted an affidavit contending it was cultivating medicinal cannabis on the site on or before January 19, 2016, a contention that is not supported by any evidence. Cannabis operations did commence or were underway in Fall of 2018 and Spring of 2019, and the site was the subject of a Planning Department zoning enforcement action in March 2019, at which time the site was shut down and cannabis activity ceased. The County's regulations are clear that only operations and structures that were legal and conforming as of January 19, 2016 could be considered legal nonconforming after that date, and that any expansion in a legal nonconforming use is a violation of the ordinance, as well as State law. In order to approve a Land Use Permit the County decisionmaker must find that the property is in compliance with all laws, regulations and rules pertaining to uses . . . and any applicable provisions of the Development code, and any applicable zoning violation enforcement fees have been paid. Here, the site experienced unpermitted cannabis cultivation and may not even claim rights as a legal nonconforming use. The history of illegal and unpermitted cannabis activity by the applicants on this site (and other sites) precludes a finding that the site is in compliance with all applicable laws.

The Land Use and Development Code (LUDC) at §35.101.010.B establishes that the County's intent concerning nonconforming uses is to "Prevent nonconforming uses and structures from being enlarged, expanded, or extended." §35.101.020.B prohibits any expansion of a nonconforming use of land: "No existing nonconforming use of land outside structures, or not involving structures, shall be enlarged, extended, or increased to occupy a greater area of land than was occupied at the time the use became nonconforming, or moved to any portion of the lot not currently occupied by the nonconforming use."

The Staff Report and Findings ignore LUDC requirements for assessing fees and penalties for permits seeking to validate unpermitted uses. This approach incentivizes bad actors to unlawfully expand their operations, then procure land use entitlements for the expanded use without repercussion. This practice is inconsistent with how other zoning violations and

expansions of legal nonconforming uses are treated by the County, the intent of the Cannabis Ordinance, and State law.

Scope of Board Discretion and Applicability of CEQA

Land Use Permits can be either “discretionary” or “ministerial” permits. Whether a permit is “discretionary” or “ministerial” has bearing on the Board’s authority and discretion to review and condition a project prior to approval or deny a project. The Land Use Permit required for this Project is a discretionary permit which, in this case, gives the Board broad authority and discretion to review and condition the Project, or deny the Project.

CEQA does not define “discretionary” or “ministerial” permits. The Guidelines, however, define the terms “discretionary project” and “ministerial.”

“Discretionary project” means a project that “requires the exercise of judgment or deliberation when the public agency or body decides to approve or disapprove a particular activity, as distinguished from situations where the public agency or body merely has to determine whether there has been conformity with applicable statutes, ordinances, or regulations.”⁵ Thus, “where a governmental agency can use its judgment in deciding whether and how to carry out or approve a project,” the project is discretionary.⁶

“Ministerial” project means a project that requires “little or no personal judgment by the public official as to the wisdom or manner of carrying out the project. The public official merely applies the law to the facts as presented but uses no special discretion or judgment in reaching a decision. A ministerial decision involves only the use of fixed standards or objective measurements, and the public official cannot use personal, subjective judgment in deciding whether or how the project should be carried out.”⁷

The Guidelines’ statement of the principles for determining whether a particular agency action is discretionary or ministerial are supplemented by case law. The often-cited *Friends of Westwood, Inc. v. City of Los Angeles* (1987) 191 Cal.App.3d 259, 235 Cal. Rptr. 788 (Westwood) discussed the discretionary-ministerial distinction in detail. (Id. at pp. 264-273.) In *Westwood*, the appellate court concluded that the permit approval process for the 26-floor office tower was discretionary and reversed the trial court.⁸ The court determined city employees set, or had the opportunity to set, standards and conditions for various aspects of the proposed building.⁹

In contrast, a permit is ministerial if “[t]he fixed approval standards delineate objective criteria or measures which merely require the agency official to apply the local law ... to the facts as presented in a given ... application. The approval process is one of determining

⁵ CEQA Guidelines, § 15357.

⁶ *Id.* at § 15002, subd. (i).

⁷ *Id.* at § 15369.

⁸ *Westwood, supra*, 191 Cal.App.3d at p. 282.

⁹ *Id.* at p. 274.

conformity with applicable ordinances and regulations, and the official has no ability to exercise discretion to mitigate environmental impacts.”¹⁰

Here, this Project, like all cannabis projects, requires the exercise of judgment and some level of deliberation among County staff and the Planning Director when the Department decides to approve, disapprove, or require modifications to a particular cannabis project. In adopting the Cannabis Ordinance the Board declared its purpose was to establish the “minimum land use requirements” for cannabis cultivation, codifying the County’s discretion to impose additional requirements needed “to protect public health, safety and welfare, enact strong and effective regulatory and enforcement controls, . . . and minimize adverse impacts on people, communities and the environment”. § 35.42.075.A.1. With the Project specifically, the County exercised its discretion to modify the Project prior to approval, although these modifications remain insufficient to mitigate impacts as required by CEQA and protect public health, safety and welfare and the environment.

It is well established that CEQA applies to “discretionary projects”.¹¹ With this in mind, the Board must review this Project as a discretionary permit subject to CEQA regulations and requirements.

CEQA Requires Project-Specific Environmental Review, the Absence of Which Mandates Denial

As will be discussed, the Project and surrounding projects will have significant direct and cumulative impacts to agricultural resources and land use compatibility that were not adequately reviewed in the Santa Barbara County’s Programmatic Environmental Impact Report for the Cannabis Land Use Ordinance and Licensing Program (“PEIR”) or by staff prior to approval of the Project. Thus, additional CEQA review of this Project is clearly required. The Board is barred by law from approving this Project until such CEQA review has been completed if there is *substantial evidence* supporting a *fair argument* that either of the following are true:

Substantial changes have occurred which result in new significant environmental effects of a substantial increase in the severity of previously identified significant effects.¹²

New information, which was not known and could not have been known at the time the PEIR was certified as complete, is available, shows significant effects that were not examined by the PEIR, or the effects examined in the PEIR will be substantially more severe, or mitigation measures previously found not to be feasible would now be feasible.¹³

Substantial evidence may take many forms for the purposes of determining whether there is a *fair argument* that either the foregoing are true with regard to a project. The following constitute substantial evidence:

¹⁰ *Sierra Club v. Napa County Bd. of Supervisors* (2012) 205 Cal.App.4th 162, 180 [139 Cal. Rptr. 3d 897].

¹¹ See CEQA Guidelines at § 15357.

¹² Cal. Pub. Resources Code at § 21166(b); CEQA Guidelines § 15162(a) (1-2).

¹³ *Id.* at § 21166(c); CEQA Guidelines § 15162(a) (3)

Expert opinion if supported by facts, even if not based on specific observations as to the site under review.¹⁴ Where such expert opinions clash, the County should require preparation of a tiered EIR.¹⁵

Relevant personal observations of area residents on nontechnical subjects.¹⁶

When there is doubt or uncertainty as to whether there is *substantial evidence* supporting a *fair argument*, all doubts must be resolved in favor of environmental review and the agency must prepare a new tiered EIR, **notwithstanding the existence of contrary evidence**. CEQA provides that the Board merely need enough relevant information and reasonable inferences that a *fair argument* can be made to support a conclusion, even though other conclusions might also be reached.¹⁷ Specifically, as explained in more detail below, the Project presents four impacts that require substantive and meaningful review and mitigation:

- (1) changed circumstances with respect to the County's Uniform Rules for Agricultural Preserves leading to new and substantially more severe impacts to agriculture;
- (2) changes to the County's Right to Farm Act which now make odor mitigation on AG-II zones and this Project feasible;
- (3) extent and severity of the land use incompatibility with adjacent agriculture, including critical, supportive uses such as tasting rooms; and
- (4) the severity of cumulative impacts of concentration of cannabis projects west of Buellton without any odor control requirements.

By law, the Board must seek review and resolution of these issues through use of the CEQA review process *prior to* approval of the Project. It cannot proceed with Project approval in any form without this information in hand to make reasoned and informed decisions, supported by fact and law.

For the reasons explained above and further detailed below, Appellant respectfully requests that the Board uphold the appeal and deny the Project. Alternatively, the Board should direct the Applicant and County staff to undertake appropriate environmental review under CEQA,¹⁸ and mitigate the odor impacts to adjacent uses, namely tasting rooms in the vicinity.

¹⁴ *The Pocket Protectors v. City of Sacramento* (2004) 124 Cal.App.4th 903, 928, citing *Friends of the Old Trees v. Department of Forestry & Fire Protection* (1997) 52 Cal.App.4th 1383, 1398–1399 & fn. 10).

¹⁵ *Sierra Club v. County of Sonoma*, 6 Cal.App.4th at 1322; see also *Pocket Protectors*, 124 Cal.App.4th at 928, citing Guidelines, § 15064 (g).

¹⁶ *Pocket Protectors*, 124 Cal.App.4th at 928, citing *Ocean View Estates Homeowners Ass'n Inc. v. Montecito Water District* (2004) 116 Cal.App.4th 396, 402.

¹⁷ CEQA Guidelines, § 15384 (a).

¹⁸ CEQA Guidelines § 15126.4(a)(1)(D); see generally, *Stevens v. City of Glendale* (1981) 125 Cal.App.3d 986 (new mitigation measures that entail potentially significant impacts should be considered in environmental review document).

1. Approval of the Project Violates CEQA

The Program EIR for the County's Cannabis Ordinance ("PEIR") was prepared in 2017 and certified February 6, 2018, when the legal cannabis industry was in its infancy, and the range and severity of environmental impacts resulting from commercial cannabis activities was not well understood. Since then, County residents and businesses have experienced first-hand just how impactful these operations are, and have testified at numerous public hearings identifying specific and substantial evidence documenting new information of new and substantially more severe impacts than disclosed and analyzed in the PEIR. These assertions have been validated and confirmed by the Grand Jury Report.

There is substantial evidence supporting a fair argument that the Project specifically will have one or more impacts that are either new or substantially more severe than those examined in the PEIR, and accordingly, the Board must direct additional environmental review or deny the Project.¹⁹ Despite this, the County has continued to rely on the defective and inadequate "CEQA Checklist" to establish that individual cannabis projects are within the scope of the PEIR and that no additional environmental review is required. Additionally, described at length in previously submitted appeal materials on August 5, 2019 and November 4, 2019 in connection with the appeal of Santa Barbara Westcoast Farms (19LUP-00000-00064), on August 5, 2019 in connection with the appeal of Santa Rita Valley Ag, Inc. (19LUP-00000-00351), and October 15, 2019 in connection with the appeal of Busy Bee Organics, Inc. (19LUP-00000-00496), the County's process for reviewing subsequent activities in the Cannabis program including this Project is legally inadequate, and constitutes a pattern and practice of violating CEQA.

a. Additional Environmental Review Is Required

i. Applicable Standard of Review

After a program EIR has been prepared, subsequent activities in the program like this Project must be examined in light of the PEIR to determine whether additional environmental review is necessary.²⁰ In order to approve the Project as being within the scope of the project covered by the PEIR, the County is required to find that pursuant to CEQA Section 15162, no new effects could occur or no new mitigation measures would be required.²¹ Conversely, if the Project would have effects that were not examined in the PEIR, a new Initial Study would need to be prepared specifically for this Project, leading to either an EIR or a Negative Declaration.²²

Guidelines §15162 identifies the circumstances under which subsequent environmental review is required including where "substantial changes occur with respect to the circumstances under which the project is undertaken, which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the

¹⁹ CEQA does not apply to projects which a public agency rejects or disapproves. (CEQA Guidelines § 15270 (a).)

²⁰ CEQA Guidelines § 15168 (c).

²¹ *Id. subd. (2)*.

²² *Id. subd. (3)*.

severity of previously identified significant effects.”²³ Subsequent environmental review is also required if new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time of the previous EIR was certified (here the PEIR on February 6, 2018), shows that 1) the project will have one or more significant effects not discussed in the previous EIR or negative declaration; 2) Significant effects previously examined will be substantially more severe than shown in the previous EIR; 3) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or 4) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.²⁴

An agency’s determination regarding whether a subsequent activity is covered by a program EIR is subject to the “fair argument” test which establishes a “low threshold for an agency’s determination whether to prepare a new EIR on a later new project which follows certification of a program or plan EIR.”²⁵ Specifically, “if there is substantial evidence in the record that the later project may arguably have a significant adverse effect on the environment which was not examined in the prior program EIR, doubts must be resolved in favor of environmental review and the agency must prepare a new tiered EIR, *notwithstanding the existence of contrary evidence.*”²⁶

“Substantial evidence . . . means enough relevant information and reasonable inferences from this information that a fair argument can be made to support a conclusion, even though other conclusions might also be reached.”²⁷ “Substantial evidence shall include facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts.”²⁸ Expert opinion if supported by facts, even if not based on specific observations as to the site under review, constitutes substantial evidence supporting a fair argument.²⁹ Where such expert opinions clash, the County should require preparation of a tiered EIR.³⁰

The fact-based opinions of agency staff and decisionmakers, stemming from experience in their respective fields, are also considered substantial evidence for a fair argument. (*Pocket Protectors*, 124 Cal.App.4th at 932; *Stanislaus Audubon Society*, 33 Cal. App. 4th at 155 (probable impacts recognized by the planning department and at least one member of the planning commission, based on professional opinion and consideration of other development projects, constituted substantial evidence supporting a fair argument that the project would have significant growth inducing impacts).) Moreover, “[r]elevant personal observations of area

²³ CEQA Guidelines § 15162 (a)(1-2); Pub. Res. Code § 21166 (a-b).

²⁴ CEQA Guidelines § 15162 (a)(3); Pub. Res. Code § 21166 (c).

²⁵ *Sierra Club v. County of Sonoma* (1992) 6 Cal.App.4th 1307, 1319.

²⁶ *Id.* (emphasis added).

²⁷ Guidelines, § 15384 (a).

²⁸ *Id. at subd. (b)*; Pub. Res. Code § 21080 (e)(1).

²⁹ *The Pocket Protectors v. City of Sacramento* (2004) 124 Cal.App.4th 903, 928, citing *Friends of the Old Trees v. Department of Forestry & Fire Protection* (1997) 52 Cal.App.4th 1383, 1398–1399 & fn. 10).

³⁰ *Sierra Club v. County of Sonoma*, 6 Cal.App.4th at 1322; see also *Pocket Protectors*, 124 Cal.App.4th at 928, citing Guidelines, § 15064 (g).

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residents on nontechnical subjects may qualify as substantial evidence for a fair argument.”³¹ Additionally, “[i]f substantial evidence supports a fair argument that the proposed project conflicts with policies [adopted for the purpose of avoiding or mitigating an environmental effect] this constitutes grounds for requiring an EIR.”³²

Discussed below, there is substantial evidence that the Project may have significant adverse effects on the environment that were not examined in the prior PEIR. This evidence is further supported by the Grand Jury Report. For this reason, the Board cannot approve this Project without a project-specific environmental impact report.³³

ii. Changes to the County’s Uniform Rules Triggers Additional Environmental Review

Since the PEIR’s certification, the Board has amended the County’s Uniform Rules to change the way cannabis is treated on parcels subject to Agricultural Preserve contracts. This amendment is at odds with the PEIR, and with prior recommendations of County staff and the County’s Agricultural Preserve Advisory Committee (“APAC”) (which recommendations were based on clear direction from staff to the Board that the adopted amendment was not covered in the PEIR). Further, as a January 17, 2020 letter from the California Farm Bureau to the County recently pointed out, the Uniform Rules amendment is now squarely at odds with State law. Exhibit 2. The Uniform Rules amendment leads to new and substantially more severe impacts to agriculture and its supportive uses, including from the Project specifically. Accordingly, the Board cannot rely on the PEIR and must perform project-level review.

(1) California Land Conservation Act of 1965 and Santa Barbara County’s Uniform Rules for Agricultural Preserves

The California Land Conservation Act of 1965, also known as the Williamson Act, enables local governments to enter into contracts with private landowners for the purpose of restricting specific parcels of land to agricultural or related open space use. In return, landowners receive property tax assessments which are much lower than normal because they are based upon farming and open space uses as opposed to full market value.

The Department of Conservation assists all levels of government and landowners in the interpretation of the Williamson Act related government code. The Department also researches, publishes, and disseminates information regarding the policies, purposes, procedures, and administration of the Williamson Act according to government code. Participating counties and cities are required to establish their own rules and regulations regarding implementation of the Williamson Act within their jurisdiction. These rules include, *inter alia*, which uses are deemed agricultural production versus those that are deemed secondary uses.

³¹ *Pocket Protectors*, 124 Cal.App.4th at 928, citing *Ocean View Estates Homeowners Ass’n Inc. v. Montecito Water District* (2004) 116 Cal.App.4th 396, 402.

³² *Pocket Protectors*, 124 Cal.App.4th at 930; Guidelines, App. G, § IX (b).

³³ *See Sierra Club v. County of Sonoma*, 6 Cal.App.4th 1307.

Santa Barbara County implemented an Agricultural Preserve Program to support the long term conservation of agricultural and open space lands. The program enrolls land in Agricultural Preserve contracts whereby the land is restricted to agricultural, open space, or recreational uses in exchange for reduced property tax assessments. The Santa Barbara County Uniform Rules for Agricultural Preserves and Farmland Security Zones (referred to as “Uniform Rules”) are the set of rules the County uses to implement the Agricultural Preserve program. The Uniform Rules define eligibility requirements and qualifying uses that each participating landowner must follow in order to receive a reduced property tax assessment under the Williamson Act.

Land enrolled in the Agricultural Preserve Program is to be used principally for commercial agricultural production. However, the County recognizes that it may be appropriate to allow secondary uses on contracted land that are either incidental to, or supportive of, the agricultural operation on the property. In Santa Barbara County, these secondary uses are called “compatible uses” and are only allowed on contracted lands *provided* the use is consistent with the Uniform Rules’ “principles of compatibility” as follows:

- 1. The use will not significantly compromise the long-term productive agricultural capability of the subject contracted parcel or parcels or on other contracted lands in agricultural preserves.*
- 2. The use will not significantly displace or impair current or reasonably foreseeable agricultural operations on the subject contracted parcel or parcels or on other contracted lands in agricultural preserves. Uses that significantly displace agricultural operations on the subject contracted parcel or parcels may be deemed compatible if they relate directly to the production of commercial agricultural products on the subject contracted parcel or parcels or neighboring lands, including activities such as harvesting, processing, or shipping.*
- 3. The use will not result in the significant removal of adjacent contracted land from agricultural or open-space use. In evaluating compatibility the Board of Supervisors shall consider the impacts on non-contracted lands in the agricultural preserve or preserves.*

(Uniform Rules p. 25, § 2-2.1.)

The APAC is responsible for administering the County’s Agricultural Preserve Program and the Uniform Rules. Its duties include reviewing applications and making recommendations for creating agricultural preserves, entering new contracts, making revisions to existing preserves or contracts, termination of contracts and disestablishing preserves. In conjunction with these duties, the APAC is responsible for monitoring and enforcement of the Agricultural Preserve Program, including by conducting the foregoing compatibility review for proposed projects where the proposed use is deemed “compatible” under the Uniform Rules.

(2) Amendments to the County's Uniform Rules for Agricultural Preserves
Trigger Further CEQA Review

On March 20, 2018, the County Board of Supervisors amended the County's Uniform Rules to allow cannabis activities on Williamson Act contracted lands and define cannabis cultivation as commercial production of an agricultural commodity on lands subject to Agricultural Preserve contracts.

The Board's decision to amend the Uniform Rules to define cannabis cultivation as commercial production of an agricultural commodity on lands subject to Agricultural Preserve contracts was at odds with the recommendation of the APAC, defied the recommendation of County staff that cannabis be considered a "compatible" use, conflicted with the Board Letter and then-proposed draft Uniform Rules amendments presented in the February 6, 2018 hearing during which the PEIR was certified, and was not analyzed in the PEIR, as expressly stated by County staff at the March 20, 2018 hearing.

Staff's Board Letter at page 6 specifically states in the "Environmental Review" section that the option ultimately adopted by the Board was not adequately covered by the PEIR:³⁴

Both options [APAC and County staff recommendations to classify cannabis cultivation as a compatible use] described in this Board Letter and shown in the attached Uniform Rules amendments (Attachments 2 and 3) are adequately covered by the Program EIR.

County staff cautioned against the Board's definition, stating:

Cannabis is Defined as Agriculture and Allowed as a Principle Use – Under this scenario, cannabis cultivation would be defined as an agricultural use and its production would be used to meet the eligibility requirements for a Williamson Act contract. Such an approach would likely raise concerns regarding "Right to Farm" protections that may affect the County's ability to mitigate impacts from cannabis (e.g., odor abatement measures). General public concerns have also been raised regarding the potential government subsidy of cannabis activities that would occur under this option.

When the PEIR was certified on February 6, 2018 the County Uniform Rules did not allow cannabis activities. (PEIR p. 3.9-30.) While the PEIR assumed that the Uniform Rules would be amended to allow cannabis activities in some form, the options being considered at the time all assumed that cannabis would be considered a "compatible" use. (See Exhibit 3; PEIR p. 2-1 and "Alternative 2" p. 4-34). At the time the PEIR was certified, APAC's recommendation was to classify cannabis as a "compatible use" and allow cannabis cultivation within or outside the designated development envelope of a premises, but the land dedicated to cannabis cultivation outside of the development envelope could not exceed 5% of the premises or 5 acres, whichever is less.

³⁴ See 3/20/18 Board Letter, attached hereto as Exhibit 3.

The PEIR's analysis of the Cannabis Ordinance impacts on Williamson Act contracted land also assumed that cannabis cultivation would not be subject to acreage limitations, provided that the property owner complies with the minimum cultivation of non-cannabis crops and/or grazing requirements of the Uniform Rules. The only alternative analysis in the PEIR is "Alternative 2 – Preclusion of Cannabis Activities from Williamson Act Land Alternative", which (like APAC's recommendation and the PEIR's project analysis) also analyzed a scenario where cannabis is classified as a "compatible use", but the canopy is limited to one outdoor cannabis cultivation license of 22,000 square feet from the California Department of Food & Agriculture. Both the PEIR's Proposed Project Description and Alternative 2 assumed cannabis would be treated as a "compatible use" by the Uniform Rules.

To address potential adverse effects of incompatibility between cannabis and adjacent agricultural crops, the PEIR relied on APAC review under the Uniform Rules to ensure compatibility with agricultural uses, and to ensure that "cannabis activities would not conflict with properties that are subject to Williamson Act contract." Specifically, the PEIR's analysis of Impact AG-1 provides:

The APAC evaluates the compatibility of uses on an Agricultural Preserve on a case-by-case basis, and the uses are subject to development standards and requirements in County zoning ordinances. . . . Additionally, land use compatibility with adjacent agricultural crops would be ensured by APAC review which ensures compatibility with agricultural uses, and cannabis activities would not conflict with properties that are subject to Williamson Act contracts. For instance, due to extensive testing requirements for cannabis products, it is a benefit for cannabis cultivators to be located further away from agricultural operations which utilize potentially hazardous pesticides, such as grape and strawberry harvesters.

(PEIR p. 3.2-20.) This provision for APAC compatibility review is the only means identified in the PEIR that purports address conflicts between neighboring agricultural operations including the effects of odors on agricultural uses, such as tasting rooms.

Subsequent revisions to the Uniform Rules after PEIR certification classified cannabis cultivation as commercial production of an agricultural commodity, eliminating the compatibility review relied on in the PEIR to protect neighboring agricultural operations and to mitigate significant impacts to agriculture resulting from conflicts with existing zoning for agricultural use (including impacts to tasting rooms as a winery's direct sale of its farm products), Agricultural Preserve contracts pursuant to the Williamson Act, or the conversion of farmland to non-agricultural use. Now that it is no longer occurring by virtue of the Uniform Rules change, there is no support whatsoever for the claim that the PEIR analyzed the Cannabis Ordinance's potential to introduce incompatible agricultural uses, and further environmental review is plainly required. Attachment 12 contains APAC's hearing minutes of June 21, 2019, which indicate that APAC reviewed the Project and determined that it was consistent with the Uniform Rules which include the Principles of Compatibility. However, APAC did not review the proposed cultivation for compatibility with adjacent agriculture, including issues concerning odor impacts to

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supportive agricultural retail sales uses like tasting rooms. (Board Letter, Attachment M, APAC Meeting Minutes, 6/21/19, Item 7).

The provision for APAC compatibility review is the only means identified in the PEIR that purports to address conflicts between neighboring agricultural operations, including the effects of odors in wine tasting rooms. The PEIR did not anticipate, and thus evaluate in its principal analysis or Alternative 2, the impacts if cannabis would be defined as commercial production of an agricultural commodity and thus included in the minimum production requirements in the Uniform Rules for commercial production of "agricultural commodities." The PEIR could not and did not analyze the impacts of this new classification either to existing agriculture generally or to Williamson Act contracted lands specifically. Lastly, the PEIR could not and did not analyze the effect of the changed definition on the County's ability to mitigate the impacts of individual cannabis cultivation projects. In short, the Uniform Rules revisions eliminated a critical procedural and substantive element of ensuring compatibility between cannabis cultivation projects and adjacent conventional agricultural uses, rendering that portion of the PEIR and Alternative 2 moot, and thus unavailable to serve as permit-level environmental review for this issue.

The Board's March 2018 decision to define cannabis as commercial production of an agricultural commodity on Williamson Act contracted lands conflicted with and eviscerated the PEIR's reliance on APAC review to ensure cannabis' compatibility with non-cannabis agricultural uses on the parcel, and eliminated the process of APAC review that was relied on in the PEIR to separately ensure that cannabis activities would not conflict with other adjacent and nearby properties and farming operations subject to Williamson Act contracts.

There are at least two practical consequences of the Board's decision that affect cannabis projects proposed on contracted land that were not considered in the PEIR. First, because cannabis is treated as agricultural production, APAC does not review applications for cannabis cultivation to assess whether they are compatible with agriculture occurring on other contracted lands as expressly assumed and relied on in the PEIR's environmental analysis. Second, the minimum production requirements in the Uniform Rules for agricultural production uses can require that an applicant to grow *more* cannabis than they otherwise want to in order to stay in compliance with their Williamson Act contract. Given the Board's subsequent adoption of an acreage limit on cannabis countywide, the requirement to increase grow sizes on Williamson Act contracted lands will likely result in a concentration of larger grows in a smaller area for the first generation of permittees and a less equitable and distributed pattern of cultivation. These represent a substantial change in circumstances with potentially significant impacts.

The Uniform Rules amendment defining cannabis cultivation as an allowed, qualifying agricultural use exempt from any odor control and without limitations on the size of grows per parcel undermines the PEIR's adequacy and triggers CEQA's subsequent environmental review requirements.

CEQA Guidelines § 15162 require an assessment of whether there are changed circumstances necessitating supplemental environmental review before approving a later project. When an agency has prepared an EIR for a project, it must prepare a subsequent, independent

project EIR for later projects in three circumstances.³⁵ First, where “[s]ubstantial changes are proposed in the project which will require major revisions of the environmental impact report.”³⁶ Second, where “[s]ubstantial changes occur with respect to the circumstances under which the project is being undertaken which will require major revisions in the environmental impact report.”³⁷ And third, when “[n]ew information, which was not known and could not have been known at the time the environmental impact report was certified as complete, becomes available.”³⁸ The PEIR was certified on February 6, 2018. Since the adoption of the PEIR, substantial changes have occurred with respect to the circumstances under which the County’s Cannabis Ordinance operates with respect to Agricultural Preserve contracts and new information relevant to the County’s Cannabis Ordinance and compatibility of projects processed under such ordinance has become available. Under these circumstances, the County must prepare a stand-alone Project EIR for this Project.

(3) Substantial Evidence of New and Substantially Increased Impacts to Agriculture from this Project Resulting from the Uniform Rules Change

Under CEQA’s Appendix G and the PEIR, a Project results in potentially significant impacts to agriculture where the Project conflicts with existing zoning for agricultural use, or a Williamson Act contract, or results in the conversion of farmland to non-agricultural use.³⁹ Due to this change in circumstances, the Project’s proposed cannabis cultivation was not reviewed by APAC for compatibility with the Agricultural Preserve contracts held by adjacent landowners (many contracts in place for 50+ years) including properties to the north of the Project site (84AP018), and adjacent properties east of the Project site (83AP012, 72AP162, 03AP027, 03AP028) and west (69AP053).⁴⁰ This issue was confirmed by the Grand Jury Report. Any indication by County staff that this review occurred is incorrect. Agricultural conflicts, including how odor impacts on wine tasting rooms affect long-term viability of grape farming, would be addressed through APAC compatibility review but for the change.

(4) Amendments to the California Land Conservation Act of 1965 Require the County to Amend its Uniform Rules to Comport with State Law

On January 1, 2020, Senate Bill 527 was enacted by amending Sections 51201 and 51231 of the Government Code, relating to local government and the Williamson Act. SB527 and enacting legislation provides that commercial cultivation of cannabis may constitute a “compatible use” on contracted or non-contracted lands within an agricultural preserve. By omission, SB527 does not allow cannabis to be treated as agricultural production. The bill expressly stated that the enacted provisions are declaratory statements of existing law. With this clarification of State law, the adopted language in the County’s Uniform Rules to treat cannabis

³⁵ *Sierra Club v. County of Sonoma* (1992) 6 Cal.App.4th 1307, 1317.

³⁶ Cal. Pub. Resources Code, § 21166(a).

³⁷ *Id.* at § 21166(b).

³⁸ *Id.* at § 21166(c).

³⁹ CEQA Appendix G § II (b, e); PEIR pp. 3.2-18.

⁴⁰ See GIS map of Williamson Act parcel, available at:

<https://sbcblueprint.databasin.org/maps/new#datasets=293bb2006edc4c8986d6b564d4502527>

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as “agricultural production” is plainly impermissible and jeopardizes the County’s Williamson Act Program.

This change is consistent with how cannabis is treated pursuant to existing State law. For example, cannabis is not an agricultural commodity under the Food and Agricultural Code and Government Code. Proposition 64 and subsequently, Business & Professions Code Section 26069(a), specify that cannabis is an “agricultural commodity” only for the purposes of the BPC regulations. If cannabis were treated as an agricultural commodity under any other circumstances, including Food and Agricultural Code or Government Code, all of the existing requirements for agricultural commodities would apply to cannabis, which they do not.⁴¹ Most notably, cannabis has a State licensing structure that operates on an annual basis – no other agricultural commodity has annual licensing requirements. This is a similar legal framework that is applied to timber, which also is not an agricultural commodity under State law and is subject to its own statutory framework pursuant to the California Timberland Productivity Act of 1982.⁴²

The definition of “agricultural use” under the Williamson Act⁴³ is predicated on the use furthering the production of an “agricultural commodity”⁴⁴. As discussed, *infra*, cannabis is not an agricultural commodity under State law and thus it cannot be included as “agricultural production” under the Williamson Act. SB527 makes this designation clear. Local jurisdictions do not have discretion to deviate from the determination of which crops are agricultural commodities and which are not.

Based on the foregoing, it is clear State law requires cannabis be treated as a “compatible” use subject to the compatibility principles described above. The County’s Uniform Rules violate the Williamson Act and may not be relied upon in approving the Project. Further, the County’s Uniform Rules must be amended to authorize cannabis as a compatible use to comport with State law or risk intervention from the Department of Conservation.

iii. Changed Circumstances Regarding the County’s Right to Farm Act Trigger Additional Environmental Review

The PEIR’s discussion of any potential impact of odors from cannabis on AG-II lands reasons that “Agricultural operations are not typically monitored for their odors and are generally protected from odor related and other complaints under the County’s Right to Farm Ordinance” and accordingly that any odor abatement mitigation should not apply in the AG-II areas such as this Project site. (*Id.*, pp. 8-9.)

Since the EIR’s certification, circumstances have changed with respect to the status of cannabis under the County’s Right to Farm Act that render odor abatement mitigation feasible. Specifically, on May 8, 2018, the County Board of Supervisors approved the amendment to the Right to Farm Act to exclude cannabis from its protections.⁴⁵ The County’s new position that the

⁴¹ See California laws governing seeds, nursery licensing, and produce dealers and handlers.

⁴² See Gov. Code Section 51100 et. al.

⁴³ Gov. Code Section 51201(b)

⁴⁴ Gov. Code Section 51201(a)

⁴⁵ See 5/8/18 Board Letter dated 5/1/2018, attached hereto as Exhibit 4.

Right to Farm Act does not protect AG-II cannabis cultivation from County odor regulations constitutes new information that a mitigation measure previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of this Project (and the Project proponents have declined to adopt the mitigation measure). Accordingly additional environmental review is required pursuant to CEQA Guidelines § 15162 (a)(3)(c) on this issue alone.

iv. Newly Discovered Agricultural Conflicts Requires Additional Environmental Review

New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the PEIR was certified, has become available showing that the Project will have substantially increased impacts to agriculture as a consequence of pesticide migration. Specifically, the occurrence of migration of pesticide waft that can occur after lawful applications of pesticides, in conjunction with the prohibition on pesticides or insecticides in cannabis, including most commonly used organically-certified pesticides, will likely result in the conversion of farmland to non-agricultural uses when conventional agriculture becomes impossible or uneconomical.

After the PEIR's certification, substantial evidence has come forward showing that commercial, third-party pesticide applicators (used for decades and necessary for much of the County's economically productive avocado, grape and citrus production) have refused to apply materials to either conventional or organic avocado and citrus crops due to incompatibility with nearby cannabis cultivation operations. Thresholds for cannabis are as little as one microgram per gram, or 0.1 part per million. Other farmers in Santa Barbara County, in at least two instances, have lost crops after switching to other less effective pest management products to reduce potential liability from the legal application of pesticides after threats of legal action by cannabis operators.

The conflict has manifested already between a cannabis cultivation operation in the Project's vicinity and one of its farming neighbors, who had their pest control applicator threatened for using materials essential to their agricultural production. Furthermore, the County has received testimony of the now-known severity of this impact from the Grower-Shipper Association (reporting the experience of their members reflecting cannabis' incompatibility with organic and conventional Central Coast agriculture, see January 16, 2020), Santa Barbara County Agricultural Advisory Committee ("AAC", asking for delay in Board action pending ordinance revisions and if not, imposition of additional Project conditions "to address predictable conflicts that have arisen in many situations in the County" on January 17, 2020), the Santa Barbara Vintners (asking for cannabis odors to be contained on the property on January 17, 2020), and the Santa Barbara County Farm Bureau (asking the County to require indoor cultivation with odor control only to prevent agricultural conflicts on May 29, 2020).⁴⁶ This is clear evidence that conventional farms nearby existing and proposed cannabis cultivation sites are unable to produce economically viable crops due to cannabis cultivators' threats, which has chilled pest control applicators from providing pest control services to sites near cannabis cultivations. The Project

⁴⁶ See Exhibits 5, 6, 7 and 8 attached hereto.

will cause these farms to cease production and potentially go out of business, creating blight and facilitating the collapse of the wine industry and food production in the vicinity of the Project and elsewhere in Santa Barbara County, with secondary impacts to hospitality facilities in wine country.

v. Cumulative Impacts of Project Clusters

State CEQA Guidelines Section 15130 require that an agency analyze cumulative impacts in an EIR when the resulting impacts are “cumulatively considerable” and, therefore, potentially significant. Cumulative impacts refer to the combined effect of project impacts with the impacts of other past, present, and reasonably foreseeable future projects.⁴⁷ Generally, projects that are located within geographical proximity to each other (e.g., two or more projects utilizing the same roadways) have the potential to contribute to cumulative impacts to an environmental resource or issue area. The impacts of a project and related projects are considered “cumulatively considerable” when “the incremental effects of an individual project are significant when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.” (CEQA Guidelines, § 15065(a)(3).)

Currently, there are 19 pending outdoor cannabis cultivation projects and two approved in the Santa Rita Valley area that are pending approval or that have been approved (and appealed), averaging 30 acres each. For context, Sonoma County has capped cannabis cultivation at 1 acre per parcel, with 88 growers currently operating, totaling 88 acres countywide. Note: the first project approved in Sonoma County is for 1 acre and was approved with 133 conditions the operator must follow and they must return to the board after two years to discuss how the smell is impacting neighbors.⁴⁸ These 19 projects total 612 acres of outdoor cannabis cultivation, or 39% of Santa Barbara County’s 1,575 acres cannabis production cap. This is 55% of the total 1,100 acres of cannabis estimated as needed to supply the entire State of California. Of this cluster of 6 projects, of which the Project is one, there is 184 acres proposed. The PEIR does not analyze or examine cumulative impact of this proliferation of cannabis cultivation projects in AG-II zones between Buellton and Lompoc along Highway 246, within the Santa Rita Hills American Viticultural Area and a scenic corridor that is considered the gateway to the Valley.

There are specific impacts to cannabis cultivation sited near vineyards and tasting rooms, specifically with regard to odor. Both vineyards and tasting rooms are treated by the County and related agencies as supportive agricultural uses; such uses are also impacted by the odors from unmitigated cannabis cultivation which interfere with wine tasting and thus threaten the largest source of income for most local vintners. This issue was not addressed, not even a cursory discussion, in the PEIR. Pence Winery is located 3,000 feet north from the proposed cultivation

⁴⁷ CEQA Guidelines, § 15355 state: “‘Cumulative impacts’ refer to two or more individual effects which, when considered together, are considerable or which compound or increase other environmental impacts. (a) The individual effects may be changes resulting from a single project or several separate projects. (b) The cumulative impact from several projects is the change in the environment which results from the incremental impact of the project when added to other closely related past, present, and reasonably foreseeable probable future projects. Cumulative impacts can result from individually minor but collectively significant projects taking place over a period of time.”

⁴⁸ See <https://www.pressdemocrat.com/news/9711880-181/sonoma-county-begins-to-process?sba=AAS>.

site for this Project and Peake Ranch Winery is located ¼ miles south. Cumulatively with the other adjacent outdoor cannabis cultivation sites nearby, these tasting rooms will be significantly impacted by the aggregate odors that emanate from the outdoor cannabis projects, including this Project. Further, the majority of the land in the Santa Ynez Valley AVA and other areas where cannabis projects are proposed are subject to Williamson Act contracts, implicating the CEQA issues discussed previously with regard to the Uniform Rules and conflicts with State law.

The Board Letter claims that the PEIR adequately covered the issue, and no substantial changes, changed circumstances, or new information lead to new or substantially increased impacts. (Board Letter, pp. 9-10.) However, the PEIR did not anticipate either the number or size of the potential cultivation operations in this area, or the magnitude of their impact to visual impacts. Moreover, the Board Letter does not even claim that the PEIR identified or examined the potential cumulative impact to agriculture and land use conflicts from odor impacts associated with this intensity of cannabis cultivation in this important wine producing region. Discussed above, new information revealed substantial evidence of these impacts, and accordingly additional environmental review is required.

b. The CEQA Checklist is Flawed

The County's CEQA analysis for cannabis activity permitting relies on and tiers from the PEIR. The PEIR specifically analyzed the effects of the Cannabis Ordinance, but included some potentially applicable project-specific analyses that could be used for later activities authorized by the Project (ordinance) such as site specific individual permits. The PEIR did not address all possible impacts, and the County's CEQA compliance relies on a subsequent analysis that is flawed due to improper use of the Checklist, new information and changed circumstances entailing new potentially significant impacts. Additional environmental review is necessary before the Board can properly consider the Project. Of note, the CEQA Checklist for the Project does not anywhere examine or address conflicts with traditional agriculture, changes to the Right to Farm Ordinance, or changes in the Uniform Rules.

The CEQA Guidelines direct that, "[w]here the later activities involve site specific operations, the agency should use a written checklist or similar device to document the evaluation of the site and the activity to determine whether the environmental effects of the operation were covered within the scope of the program EIR." Guidelines § 15168(c)(4) (emphasis added). CEQA clearly requires that the Checklist focus on the Project's site and specific activities. The County's CEQA Checklist falls short of the requirement that a public agency must examine the later project in a detailed manner before determining that the later project does not require an EIR,⁴⁹ that an initial study is required, and if not, to disclose data or evidence supporting their findings.⁵⁰

The substantive elements of the CEQA Checklist provided by the County is found at § C.1 of the Checklist. This section, and the Checklist as a whole, is focused exclusively on whether specific mitigation measures or requirements of the PEIR are deemed to apply to the

⁴⁹ *Sierra Club, supra*, 6 Cal.App.4th at 1319.

⁵⁰ *Citizens Ass'n for Sensible Dev., supra*, 172 CA3d at 171.

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Project. This is the incorrect focus, which should be on the Project's impacts resulting from the site and specific operations. The CEQA Checklist does not demonstrate that County staff engaged in any substantive evaluation of the Project site or activity to determine whether the environmental effects of the Project were actually disclosed and evaluated in the PEIR. It contains no site-specific analysis, no data regarding site activity, and completely ignores many of the impacts associated with the Project that were not analyzed in the PEIR, as discussed elsewhere in this correspondence. This falls short of the requirement that a public agency must examine the later project in a detailed manner before determining that the later project does not require an EIR,⁵¹ that an initial study is required, and if not, to disclose data or evidence supporting their findings.⁵²

Further, the CEQA Checklist determinations are not supported by substantial evidence. Under CEQA, an agency's analysis and determinations must be supported by evidence in the record.⁵³ A public agency must prepare a tiered EIR if a project "may arguably have a significant adverse effect on the environment which was not examined in the prior program EIR."⁵⁴ This establishes a "low threshold" for when a public agency must prepare a tiered EIR.⁵⁵ Any doubts "must be resolved in favor of environmental review and the agency must prepare a new tiered EIR" even if there is "contrary evidence."⁵⁶

As discussed above, there are numerous impacts associated with the Project that were not examined by the PEIR, that are not addressed in the Checklist. For example, the checklist omits any discussion of impacts to adjacent agricultural operations, only addressing whether the Project will result in loss of prime soils, which is only one of several potentially significant agricultural impacts. Discussed above, conflicts with Williamson Act contracts, and agricultural conflicts leading to lost agricultural viability are recognized CEQA impacts, and substantial evidence supports a fair argument that this Project may result in new and substantially increased impacts in those areas.

As such, the County's determination that the Project does not "involve a project site with sensitive or unusual environmental characteristics or require unusual development activities which will result in a significant environmental impact that was not evaluated in the PEIR" is not supported by the evidence. Under these circumstances, the agency's analysis is not supported by substantial evidence and, if adopted, would be subject to reversal by a reviewing court.

The CEQA Checklist does not comply with the requirements of CEQA. Consequently, at a minimum, the County must prepare an initial study and follow the conclusions indicated by that study prior to making any final environmental determination of or County approval of the Project. To do so, please direct this application back to the Planning and Development staff for a proper and comprehensive CEQA environmental determination.

⁵¹ *Sierra Club, supra*, 6 Cal.App.4th at 1319.

⁵² *Citizens Ass'n for Sensible Dev., supra*, 172 CA3d at 171.

⁵³ Cal. Code Civ. Proc. § 1094.5; Cal. Pub. Resources Code, § 21168.

⁵⁴ *Sierra Club, supra*, 6 Cal.App.4th at 1319 (emphasis added).

⁵⁵ *Ibid.*

⁵⁶ *Ibid.*

We note that the County's practice of CEQA compliance in reliance on the defective and inadequate Checklist process represents a County-wide pattern and practice of evading CEQA for all cannabis entitlements. Project-level environmental review is plainly required by cannabis permits, and your Board should direct staff to employ a complete and adequate initial study process for each application for an entitlement for cannabis cultivation and/or processing activities.

c. Odors and Sensitive Receptors

i. Impacts to Tasting Rooms

The PEIR also did not identify tasting rooms as sensitive receptors and thus did not examine the impact of odors from cannabis operations on business that serve the public near Buellton or along Highway 246. The Project is located near at least two tasting rooms: Pence Winery and Peake Ranch Winery. The PEIR references visitors to "outdoor facilities" as sensitive "users", but does not assess impacts to such users in the PEIR. As explained by Professor Holden and a number of other scientific analyses, the emissions generated by the Project will have a significant impact on human health and safety, which will particularly harm sensitive receptors in residential areas.

Indeed, one of the stated Project Objectives in the PEIR is to:

"Limit potential for adverse impacts on children and sensitive populations by ensuring compatibility of commercial cannabis activities with surrounding existing land uses, including residential neighborhoods, agricultural operations, youth facilities, recreational amenities, and educational institutions."

Id., Project Objectives, § 2.3.2.

The PEIR acknowledges that tourists visit Santa Barbara County for purposes of "tourism, wine-tasting, beach going, bicycling, hiking, equestrian, cultural events, and other recreational activities." The PEIR, however, fails to analyze project incompatibility with surrounding agriculture and uses, including areas used by tourists (like tasting rooms) that are considered a "sensitive group" in the PEIR.⁵⁷ It also fails to fully assess odor impacts in neighborhoods.⁵⁸ As the Project individually and cumulatively will arguably have a significant impact on land use compatibility, the County must to examine, and, if necessary, mitigate these impacts.

Appendix G of the CEQA Guidelines provides that a project may have significant air quality impacts if it "creates objectionable odors effecting a substantial number of people." Likewise, *Santa Barbara County's Environmental Thresholds and Guidance Manual* provides that a project "creates odor... impacting a significant number of people" may have significant air

⁵⁷ See PEIR, pp. 3.9-47 - 3.9-48.

⁵⁸ See discussion, *supra*, in the Air Quality section.

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quality impacts.⁵⁹ The PEIR did not examine whether the Project, specifically, would create odors, the intensity of such odors, nor how many people would be impacted by odors emanating from the Project site.⁶⁰ Nor did the PEIR adequately assess whether odor mitigation measures proposed by the PEIR are actually effective in reducing environmental impacts specific to this Project. Though the PEIR itself recognized that odor impacts vary widely depending on the location and siting of a cannabis project, the County failed to analyze specific odor impacts for the Project.⁶¹ As discussed *supra*, the Project will result in the release of significant odors particularly during an inversion and is located near numerous residential areas and tasting rooms, which will have an impact on a significant number of people. As such, the County is required, pursuant to CEQA, to develop a tiered EIR for this Project to analyze and, if necessary, mitigate such impacts.

The Board should direct the preparation of a robust and complete air quality impact analysis assessing the likely location of sensitive receptors, including tasting rooms and evaluate the Project's potentially significant impacts upon them.

Notably, the Grand Jury Report found:

For vineyard and winery owners in the Santa Rita Hills AVA, the area between Buellton and Lompoc, the issues of odor and terpenes, an aromatic hydrocarbon obtained from plant oils, are severe. Vintners have been growing in the Santa Rita Hills since 1971 and the area finally became recognized as a coveted AVA in 2001. There are now 2,700 planted acres by 59 total wineries.

...Flavors inherent in wine, much like food, rely heavily on sense of smell to produce a favorable experience while consuming. When other strong odors are introduced, it obviously changes the perception of the taster.

...Winery and vineyard operators have spent millions of dollars developing and building their operations and brands. The proposed introduction of over 625 acres of open air cannabis grows, with the ever-present north and west winds averaging between 9.1 to 10.5 MPH daily, **makes it virtually impossible for these two types of operations to co-exist, weighing heavily against the viability of the wine industry.** The heavy skunky odor, of even just a few cannabis plants, can elicit a strong response from people nearby. Olfactory molecules do not stop at the property line. **Several hundred acres of cannabis will be devastating to the region's wine reputation, tourism and sales.**

Id. at pp. 12.

The odor impacts to onsite wine tasting rooms cannot be understated. Santa Barbara's wineries depend on consumer direct sales for more than one third of their revenue – it is a critical

⁵⁹ *Santa Barbara County's Environmental Thresholds and Guidance Manual*, p. 23.

⁶⁰ See generally PEIR, pp. 3.3-22 – 23.

⁶¹ PEIR, p. 3.3-8 (“the predictability and degree to which cannabis odors can travel is highly variable and depending on climatic and topographic conditions near a cannabis site”).

function to the success and long-term viability of a robust wine industry. Uniquely to Santa Barbara County, direct sales from tasting rooms made in California is significantly higher than that in similar regions.⁶² Again, ...”[w]ithout the tasting room and the wine’s story, the wine sold from a wine club would be just another wine competing with all of the other low-cost retailers.”

⁶³ According to a study conducted for Napa County in August 2019, “odor impacts from nearby commercial cannabis operations could detract from both outdoor and indoor tasting areas at adjacent wineries.”⁶⁴ If odor impacts deter consumers from visiting tasting rooms, direct sales in tasting rooms will suffer. This economic impact will jeopardize the ability of local wineries to sustain farming operations, impacting the long-term agricultural viability of the wine industry in Santa Barbara County. This is a CEQA impact – without the ability to direct market and sell wines to consumers, revenues will be materially impacted and the viability of the wine tasting business model is threatened.

Specifically, at the Project location, the predominate wind is from the West and is almost equally distributed from WWS to WVN for over 50% of the time. To impact the Peake Ranch Winery tasting room, the wind direction at the Castlerock grow site would need to be almost from the N (347° on the wind rose). Wind flow from this direction (i.e. 347°) would be expected about 3% of the time based on the composite wind rose. These winds would be in excess of 4 knots which translate to impact the tasting room in a 20-30 minute time period from the onset of this wind flow. In the case of the Pence Vineyard tasting room, SW winds would generally be needed to impact it. Based on the wind rose, these winds occur almost 10% of the time. The impact to the Pence Vineyard would be within 10 minutes of the onset of winds from this direction.

In both cases, the percentage of time is the lower limit of that expected for impact. Wind flow varies continuously with a horizontal dispersion that in low wind cases (less than 3 knots) can be as high as a standard deviation of 80 degrees. In high wind cases the horizontal variation of the wind may only vary by 10 degrees. There is a variation and that variation means that the impact percentages at both facilities is likely much greater by factors up to 4 times the conservative estimates that were previously called out.⁶⁵ As such, this evidence suggests that odor impacts to nearby tasting rooms are extremely likely.

The PEIR assumed that odor mitigation would be impossible in AG-II zones citing the Right to Farm Act protections for agricultural operations. After the PEIR was certified, the Right to Farm Act protections were removed for cannabis making odor mitigation legally feasible in AG-II zones (like all other counties with legal recreational cannabis programs have done). This change requires CEQA review of the Project to address site-specific impacts to adjacent land uses, and specifically implementation of odor abatement measures.

⁶² See “The Economic Impact of Santa Barbara’s County’s Wine and Grapes, 2013”, available at: https://sbcountywines.com/wp-content/uploads/2018/11/sb_impact_final_december_15.pdf.

⁶³ See Direct to Consumer Sales in Small Wineries: A Case Study of Tasting Room and Wine Club Sales, available at: http://academyofwinebusiness.com/wp-content/uploads/2010/04/Direct-to-consumer-sales-in-small-winerries_paper.pdf.

⁶⁴ See “Elections Code Section 9111 Report Regarding the Napa County Cannabis Regulation Initiative”, available at: https://www.winebusiness.com/content/file/9111_Report_082019.pdf.

⁶⁵ See letter from Dr. Ken Underwood, dated July 6, 2020 attached as Exhibit 9.

ii. Air Pollution Control District (“APCD”) Recommendations

According to the Grand Jury Report, on Friday, April 26, 2019, the APCD issued online an APCD Advisory (“Advisory”) titled *Air Quality and Cannabis Operations*. In the Advisory, the APCD advised that with outdoor cannabis cultivation should have a reasonable buffer between the grow site and any residential, commercial or public access point. The APCD went on to state it:

“strongly encourage[es] large buffer zones, (e.g., 1 mile) to allow for maximum odor dispersion, as well as other odor abatement strategies, to avoid nuisance odors”

As the behest of the Planning Department, the revised Advisory recommends a buffer without reference to a specified distance. Appellant believes APCD should be afforded deference, and their initial recommendation should be given significant weight by the Board. The Board should support a Project condition of a 1-mile buffer from adjacent uses, such as residences and tasting rooms, and “other odor abatement strategies” such as a Project condition that no odor be detected offsite.

Id. pp. 18-19.

iii. Appellant Recommendation

Appellant supports the Planning Commission’s previous recommendation to the Board of Supervisors that outdoor cannabis projects have the condition of approval:

All cannabis cultivation shall be sited and/or operated in a manner that prevents cannabis nuisance odors from being detected offsite. All structures utilized for indoor cannabis cultivation shall be equipped and/or maintained with sufficient ventilation controls (e.g. carbon scrubbers) to eliminate nuisance odor emissions from being detected offsite.

The above condition is now feasible pursuant to CEQA in light of the amendments to the Right to Farm Act to exclude cannabis from its protections. In order to confirm compliance with this condition, Appellant suggests the Board adopt a condition of approval that odors from the Project’s boundaries be sampled and tested to determine the odor concentrations. Point, area, and volume emission sources would be sampled and tested to determine the odor concentration. The permit would place odor concentration limits on the cannabis emissions, and require the County to conduct periodic source sampling and odor testing to verify compliance, and air dispersion modeling (odor modeling) to estimate the ambient odor concentrations at the Project’s property line. If ambient odor limits are exceeded, this would be deemed a permit violation, a nuisance, and would require the Project to develop an odor reduction plan to reduce odor emissions at the source, based on the odor dispersion modeling.

2. **The Project Is Inconsistent with the Comprehensive Plan**

A project that conflicts with the applicable Comprehensive Plan must be denied. *Friends of Lagoon Valley v. City of Vacaville* (2007) 154 Cal.App.4th 807, 815. The Project is inconsistent the Agricultural Element of the County's Comprehensive Plan. The Agricultural Element provides as its first goal:

GOAL I. Santa Barbara County shall assure and enhance the continuation of agriculture as a major viable production industry in Santa Barbara Country. Agriculture shall be encouraged. Where conditions allow, (taking into account environmental impacts) expansion and intensification shall be supported.

The Project has and will conflict with nearby Williamson Act contracts and legacy agricultural operations, including precluding the operation of onsite tasting rooms. The effect of these conflicts will be to undermine the viability of these agricultural operations and the viability of the wine industry as a production industry in Santa Barbara County. The Project's impacts on adjacent agriculture (for the reasons discussed previously) clearly conflict with the primary goal of the County's Agricultural Element to ensure the viability of agriculture in the County, and thus the Board must deny the Project.

3. **The Project Has Expanded Beyond its Legal Nonconforming Status**

In addition to conformity with the Comprehensive Plan, the Board must make the following finding, or the appeal must be upheld and the Project denied:

The subject property is in compliance with all laws, regulations, and rules pertaining to uses, subdivisions, setbacks and any other applicable provisions of this Development Code, and any applicable zoning violation enforcement fees and processing fees have been paid.

As discussed, *infra*, the Applicant has exceeded its legal nonconforming status and the Project site is not in compliance with all laws, regulations, and rules pertaining to uses. There is also a pending zoning violation for the expanded cultivation (19ZEV-00000-00103– see attached as Exhibit 10). Thus, this finding cannot be made.

a. **Scope of Nonconforming Status**

The Applicant claims legal nonconforming status for this parcel pursuant to an affidavit executed by Justin Holdaway on May 30, 2018. (Exhibit 11). The operative date under Art. X of the Santa Barbara County Code is the existence and scope of cannabis activity on January 19, 2016. Based on Google Earth and Zoom Earth (NASA) photos over this time period (Exhibit 12), there was likely no cultivation onsite until August 2018. This is supported by a lack of any submission to the County's cannabis registry claiming previous cultivation of medical marijuana and the Applicant's date of incorporation of January 24, 2018 (Exhibit 13).

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The County has to date, inexplicably, condoned the issuance of 30 licenses equating to 313,560 square feet of outdoor cultivation licenses (Exhibit 14) by providing local authorization to the California Department of Food and Agriculture (CDFA), which issues the State cultivation permits once authorization is received from the local county. Applicant is required to hold these CDFA permits in order to continue its legal nonconforming operations, but the mere issuance of these permits by CDFA does not somehow allow Applicant to expand cultivation beyond what the County allows as legal nonconforming.

Presumably, Applicant sought 313,560 square feet of cultivation permits from the CDFA because that square footage reflects Applicant's current scope of cultivation on the Project site. Such CDFA permits are required for Applicant to legally cultivate this square footage in compliance with State law. If Applicant intended to expand only after authorized by the County issuance of proposed land use entitlement, Applicant (like other projects that are not currently cultivating) would have applied for the CDFA permits after this Project was approved. Nothing precludes Applicant from applying for CDFA permits after Project approval – the CDFA does not cap the number of permits Applicant may be issued or the total number for the State. It is patently clear based on substantial evidence that the Applicant has expanded to at least the square footage authorized by CDFA, with no ability to claim legal nonconforming use.

By way of background on medical cannabis grows operating within the law at the time operations were recognized on this parcel, AB 266 was enacted in October 2015 and provides that a "Primary Caregiver" can have no more than 100 square feet of medical cannabis under cultivation, and not more than 500 square feet if they are the "Primary Caregiver" for up to 5 "Qualified Patients". AB 266 also allowed cities and counties to regulate medical cannabis cultivation so long as their ordinances were in place prior to March 1, 2016. As allowed by AB 266, the County adopted County Ordinance No. 15ORD -00000-00018 on January 19, 2016 which Ordinance limited the cultivation of medical cannabis to lots containing a legal residential structure and only on a cultivation site which did not exceed 100 square feet by a "Primary Caregiver" on behalf of a "Qualified Patient." According to the *People v. Mentch*, 45 Cal.4th 274, 283 (2008), a "Primary Caregiver" is defined as an individual designated by the patient who: (1) consistently provided caregiving, (2) independent of any assistance in taking medical marijuana, (3) at or before the time he or she assumed responsibility for assisting with medical marijuana. Therefore, all legal cultivation of medical marijuana was limited to 100 square feet only.

The County's adult use cannabis zoning and licensing ordinances in February 2018 state that "existing legal" cannabis cultivation operations are "legal nonconforming uses". Based on County Ordinance No. 15ORD -00000-00018, any cultivation that exceeds 100 square feet cannot qualify for legal nonconforming status as any cultivation exceeding that threshold was never consistent with the State limits on the cultivation of medical cannabis nor was it consistent with County's 100 square foot cultivation limitation enacted in January 2016 which superseded the AB 266 limits when it was enacted.

b. Expansion of Nonconforming Status

Santa Barbara County Ordinance No. 18ORD-00000-00001 passed on February 6, 2018 provides that operators of nonconforming medical marijuana cultivation locations that have submitted a complete application to permit their nonconforming site may continue to do so while their permit application is being processed, provided the cultivation site is managed in compliance with Article X, State law, and Santa Barbara County LUDC Section 35.101.020. The LUDC at Section 35.101.010.B provides that nonconforming uses are not to be enlarged, extended or expanded.⁶⁶ Further, California legal precedent has long held that “[i]ntensification or expansion of the existing nonconforming use, or moving the operation to another location on the property is not permitted,⁶⁷ and “[t]he burden of proof is on the party asserting a right to a nonconforming use to establish the lawful and continuing existence of the use at the time of the enactment of the ordinance.”⁶⁸

The veracity of the affidavit submitted by Applicant and the scope of the claimed legal nonconforming use was not, and still has not been investigated. However, Applicant’s lack of a submission to the County’s cannabis registry makes clear Applicant was likely not growing cannabis until January 2018 at the earliest, and likely not until summer of 2018. Thus, Applicant likely cannot even claim any legal nonconforming use. Based on photographs obtained by Appellant, it appears Applicant’s current cultivation significantly exceeds the scope of any even *possible* claim to legal nonconforming use.

California courts have consistently and uniformly embraced the rule of law that a nonconforming use is limited to the area in use as of the date of the restrictive zoning ordinance.⁶⁹ California’s only exception to this general rule is in case of a “diminishing asset”, which would allow a nonconforming use to follow subsurface resources for which a physical intent to follow was manifested at the time of the first regulation.⁷⁰ This doctrine, however, is narrow and limited to certain uses where the nature of the initial nonconforming use, in the light of the character and adaptability to such use of the entire parcel, manifestly implies that the entire property was appropriated to such use prior to adoption of the restrictive zoning ordinance.

⁶⁶ Section 35.101.20.B.1 provides that “An existing nonconforming use may be extended throughout or relocated within an existing structure; provided no structural alterations are made except those required by law or ordinance (e.g. Building Code regulations)”.

⁶⁷ *Hansen Brothers Enterprises, Inc. v. Board of Supervisors* (1996) 12 Cal.4th 533, 552.

⁶⁸ *Melton v. City of San Pablo* (1967) 252 Cal.App.2d 794, 804.

⁶⁹ See *Yuba City v Cherniavsky* (1931) 117 Cal App 568, 4 P2d 299, *Fontana v Atkinson* (1963, 4th Dist) 212 Cal App 2d 499, 28 Cal Rptr 25

⁷⁰ See *McCaslin v Monterey Park* (1958, 2d Dist) 163 Cal App 2d 339, 329 P2d 522.

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Courts have applied this doctrine only to quarry and mining operations.⁷¹ Courts have declined to extend this doctrine in cases of agricultural uses.⁷²

Further, California courts have consistently held that a contemplated use of property does not confer a vested right to complete the contemplated use. The scope of the nonconforming use excepted from the restrictions imposed by the ordinance is limited to the area and scope of use at the time the property becomes subject to a zoning ordinance and not such owners plans regarding the future use of that property. In *San Diego County v. McClurken*⁷³, the court stated:

“The purpose of the landowner in purchasing the property must yield to the public interest in the enforcement of a comprehensive zoning plan. *Wilkins v. City of San Bernardino*, 29 Cal.2d 332, 337, 175 P.2d 542; *Acker v. Baldwin*, 18 Cal.2d 341, 344, 115 P.2d 455; *Sunny Slope Water Co. v. City of Pasadena*, 1 Cal.2d 87, 93-94, 33 P.2d 672; cf. *Skalko v. City of Sunnyvale*, 14 Cal.2d 213, 215, 93 P.2d 93. The intention to expand the business in the future does not give defendants the right to expand a nonconforming use. *Town of Ballerica v. Quinn*, 320 Mass. 687, 71 N.E.2d 235, 236; *Chayt v. Board of Zoning Appeals of Baltimore City*, 177 Md. 426, 9 A.2d 747, 750. The ordinance has made allowance for the continuance of non-conforming uses existent in 1942; it does not permit the enlargement of such uses as the owners find expansion desirable. It is immaterial that a property owner in an area zoned for residential purposes contemplated the maximum commercial utilization of his property previous to the zoning ordinance.”

The Land Use and Development Code (LUDC) at § 35.101.010.B establishes that the County's intent concerning nonconforming uses is to “Prevent nonconforming uses and structures from being enlarged, expanded, or extended.” § 35.101.020.B prohibits any expansion of a nonconforming use of land: “No existing nonconforming use of land outside structures, or not involving structures, shall be enlarged, extended, or increased to occupy a greater area of land than was occupied at the time the use became nonconforming, or moved to any portion of the lot not currently occupied by the nonconforming use.”

A second applicable section of the LUDC provides that: “A use lawfully existing without the approval of a discretionary permit that would be required by this Development Code, shall be

⁷¹ “It is because of the unique realities of gravel mining that most courts which have addressed the particular issue involved herein have recognized that quarrying constitutes the use of land as a ‘diminishing asset.’...Consequently, these courts have been nearly unanimous in holding that quarrying, as a nonconforming use, cannot be limited to the land actually excavated at the time of enactment of the restrictive ordinance because to do so would, in effect, deprive the landowner of his use of the property as a quarry.” *Hansen Brothers*, supra at 554. “Were the diminishing asset doctrine inapplicable, a mining enterprise would be required to immediately initiate mining on all areas of its property lest, under a subsequent zoning change, its right to further mining be extinguished.” *Id.* at 559.

⁷² See *City of Fontana v. Atkinson* (1963) 212 Cal.App.2d 499 (holding that the city could legally prohibit the owners of a dairy operation from extending the area used at the time of the adoption of the zoning ordinance. The court noted that the city zoning ordinance provided that no nonconforming use could be enlarged to occupy a greater area or moved to any portion of the area without the approval of the planning commission.)

⁷³ *San Diego County v. McClurken* (1951) 37 Cal.2d 683, 690.

deemed conforming only to the extent that it previously existed (e.g., maintain the same site area boundaries, hours of operation).” This authority is directly applicable to the instant situation – to the extent the applicant had established a legal nonconforming use to cultivate medical cannabis on January 19, 2016, any use beyond the boundaries of that use is de facto an illegally expanded use outside the scope of Applicant’s legal nonconforming use.

As such, any expansion beyond the original footprint of medical marijuana cultivation on January 19, 2016 is impermissible and must be abated pending approval of Applicant’s land use permit. The County is without authority to recognize a nonconforming use that expands beyond what was in place at the time the regulation became effective, which here, was very likely no cultivation. *Hansen Brothers, supra*. 12 Cal. 4th at 564 (“the county lacks the power to waive or consent to violation of the zoning law.”).

c. Effect of Affidavit and Expansion on Permit Approvals

The Board should direct staff to immediately require Applicant to provide substantial evidence that it was legally cultivating medical cannabis on or before January 19, 2016; substantial evidence demonstrating the scope of such use on that date, and demonstrate whether the cultivation activity occurred before January 19, 2016 and if so, whether the use was expanded. Such an investigation is necessary both: first, to determine whether the designation of legal nonconforming use status was accurate, legally made, and is valid under California law. This is necessary in order for the Board to make the finding that the Project site is in compliance with all laws, regulations, and rules pertaining to uses. Second, the investigation will avoid issuance of a land use entitlement for a use that could potentially never be effected.

All cannabis cultivators must be issued both a land use entitlement for cultivation, and a cannabis business license for the use. Section 50-17 of Article X, Chapter 50 of the Santa Barbara County Code provides certain grounds for denial of a cannabis business license. Such denial could occur after issuance of a land use entitlement for the same parcel and the same applicant. Section 50-17 provides, in part, that a cannabis business license,

“may be denied based on any of the following criteria:

a) Any grounds for denial listed in Section 22-55, 22-56 or 22-57 of the Santa Barbara County Code;

b) The Applicant has knowingly, willfully or negligently made a false statement of material fact or omitted a material fact from: The application for a cannabis business license; or Any prior affidavit to the County concerning cannabis, whether medical marijuana or non-medical marijuana...”

Section 22-55. states a license shall not issue a license to a business, occupation or activity has been, will be, or is apt to become, *inter alia*: a public nuisance, or in any way detrimental to the public interest.

Based on the foregoing, it is reasonably likely that Applicant may be denied a cannabis business license on any of the grounds discussed *supra*. It would be an absurdity to issue a land use entitlement to an applicant that potentially cannot effect the use granted in the approved land use entitlement. Further, the acreage cap implemented by the Board of Supervisors is governed by Article X, Chapter 35 and would be against the principles of sound land use planning, and if nothing else problematic, if Applicant were issued a perpetual land use entitlement for the requested 23 acres of cannabis cultivation, then was unable to obtain a business license or was issued a business license that was later revoked.

Either the land use entitlement duration needs to be tied to business license approval, annual renewal, and revocation to ensure the applicant's land use entitlement sunsets with the business license, or the Project must be evaluated objectively based solely on the various plans submitted in support of the application, and not in any way based on Applicant's character or representations made outside the four-corners of the application and permit. Those elements should be left to the business licensing process which allows for evaluation of an applicant's character and suitability to operate a cannabis business.

d. Sanctions Associated with Past Violations Are Not Imposed

LUDC § 35.108.070.D requires the assessment of administrative fees to recover the County's costs for the enforcement action. § 35.108.080 mandates the imposition of a processing fee penalty for "Any person who shall alter, construct, enlarge, erect, maintain, or move any structure, or institute a use for which a permit is required by this Development Code without first having obtained the permit, shall, if subsequently granted a permit for that structure or use, or any related structure or use on the property, first pay an additional penalty permit processing fee for after the fact authorization of development, in compliance with the Board's current Fee Resolution." The Applicant's 2016 medical cannabis cultivation operation, if it even existed, has expanded grossly and the instant permit triggers the need to impose the LUDC's sanctions for after-the-fact permitting. The failure to do so is arbitrary and capricious.

4. Summary and Conclusion

After investing millions in dozens of vineyards and wineries, creating thousands of jobs and adding billions to the local economy, the local wine community, along with many other agriculturalists, face what could be (and is perceived by many in these communities to be) a threat to their existence due to the extent and severity of the land use incompatibility of cannabis with adjacent agriculture or severity of cumulative impacts of concentration of cannabis projects west of Buellton, including odor impacts to supportive uses such as tasting rooms. The extent of the impacts were not considered in the PEIR or by the Board in adopting the Cannabis Ordinance.

If cannabis nuisance odors deter consumer direct sales in tasting rooms, many wineries in rural areas of the County would see material economic impacts to their business – with reduced tasting room visits, reduced direct sales, reduced wine club memberships, and reduced aggregate sales. This would clearly result in the potential loss of revenues jeopardizing the ability to sustain ongoing farming and winery operations, and the viability of the wine industry in Santa Barbara County would decline leading to its collapse. At scale, the blight from abandoned and idle farms would lead to physical impacts on the environment. These are CEQA impacts – without the ability to direct market and sell wines to consumers, revenues will be materially impacted and the viability of the wine industry, including grape growing, is at risk. Further, approximately 55% of Santa Barbara County's taxable bottles sales (totaling \$165M annually) is generated from only 13% of wineries from their onsite tasting rooms – these tasting rooms are located outside of municipalities and are in rural areas, primarily in AG-II zones.

Further, changed circumstances with respect to the County's Uniform Rules for Agricultural Preserves and changes to the County's Right to Farm Act now make odor mitigation even more critical (because APAC is no longer reviewing projects for compatibility, including with tasting rooms as onsite agricultural processing) and odor requirements are feasible. Specifically, the County's amendment to the Uniform Rules has a number of important implications for this Project and the County's Cannabis Program more broadly, both legal and practical. As discussed, the PEIR assumed that all cannabis projects would undergo a compatibility review process whereby APAC would assess each project's compatibility with adjacent agricultural operations, including tasting rooms as supportive agricultural uses. Thus, the impacts to legacy agriculture, including the issues identified in this letter, are completely ignored during the County's permitting process. Further, the minimum production requirements in the Uniform Rules require that an applicant to grow more cannabis than they otherwise want to in order to stay in compliance with their Williamson Act contract. Given the Board's adoption of an acreage limit on cannabis countywide, the requirement to increase grow sizes on Williamson Act contracted lands will likely result in a concentration of larger grows in a smaller area for the first generation of permittees and a less equitable and distributed pattern of cultivation. These represent a substantial change in circumstances with potentially significant, irreparable, and longstanding negative impacts to discrete areas of the County. The County must act to amend its Uniform Rules to reclassify cannabis as a compatible – and *not* qualifying use – to ensure compatibility review as relied on by the PEIR and required by State law occurs.

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The Grand Jury Report affirms these issues. Each qualifies as a legitimate CEQA issue and provides a basis for the Board's denial of the project on CEQA grounds. The Board should use this opportunity to establish that these projects cannot be approved until the odor impacts to adjacent uses are addressed.

For reasons stated herein, and in the materials submitted concurrently with our appeal, approval of this Project would violate CEQA and the Comprehensive Plan, and would represent an abdication of the County's responsibility to protect the public health, safety, and welfare. Accordingly we urge the Board to uphold the appeal and deny the Project.

Respectfully Submitted,

LAW OFFICE OF COURTNEY TAYLOR, APC

A handwritten signature in black ink, appearing to read 'Courtney Taylor', is written over a faint, illegible stamp or watermark.

Courtney Taylor

EXHIBIT 1

Grand Jury Report on “Cannabis” June 30, 2020

Available here: <http://www.sbcgi.org/2020/Cannabis.pdf>

Exhibit 2



CALIFORNIA FARM BUREAU FEDERATION

GOVERNMENTAL AFFAIRS DIVISION

1127-1111 STREET, SUITE 626, SACRAMENTO, CA 95814 • PHONE (916) 446-4647

January 17, 2020

Planning Commission
County of Santa Barbara
Betteravia Government Center
511 East Lakeside Parkway
Santa Maria, CA 93455

RECEIVED

JAN 17 2020

S.B. COUNTY
PLANNING & DEVELOPMENT
HEARING SUPPORT

ITEM #	2
DATE	1/22/20

RE: Special Hearing, Agenda Item VII (2)

Dear Planning Commissioners:

On behalf of the California Farm Bureau Federation (Farm Bureau), we respectfully submit the following comment regarding Agenda Item VII (2): Cannabis Zoning Ordinance Amendments, slated to be heard on January 22, 2020. Farm Bureau is a non-governmental, non-profit, voluntary organization representing nearly 40,000 members, many of them from the County of Santa Barbara, who strive to provide a reliable supply of food and fiber through responsible stewardship of California's resources.

Farm Bureau would like to preface this comment with the understanding that it does not advocate for or against cannabis operations or policies governing cannabis cultivation. We encourage our county Farm Bureaus to take individualized positions, based on their jurisdictions' approaches and unique county characteristics. However, Farm Bureau does advocate on issues wherein which proposed policies, particularly related to the implementation of the California Land Conservation Act of 1965 ("Williamson Act"), will have a deleterious effect on agricultural commodities and/or are contrary to State laws, regulations and the guiding principles of the Williamson Act.

Under the existing "Uniform Rules for Agricultural Preserves and Farmland Security Zones" for Santa Barbara County, commercial cannabis cultivation is considered an agriculture or "qualifying use" under the Williamson Act. Farm Bureau would like to respectfully inform the Planning Commission and associated County staff to newly amended California statute, Government Code §51231(b), which, in reference to use designation, states:

"51231. (a) For the purposes of this chapter, the board or council, by resolution, shall adopt rules governing the administration of agricultural preserves, including procedures for initiating, filing, and processing requests to establish agricultural preserves. Rules related to compatible-uses shall be consistent with the provisions of Section 51238.1. Those rules shall be applied uniformly throughout the preserve...

*(b) The rules adopted pursuant to this section may provide that commercial cultivation of cannabis in accordance with Division 10 (commencing with Section 26000) of the Business and Professions Code may constitute a compatible use on contracted or noncontracted lands.*¹

It is significant to note, subdivision (b) in Section 51231 did not constitute a change to State law, but rather a declaratory statement of the existing requirements of Counties. As explicitly referenced, in the process of adopting rules governing agricultural preserves, cannabis cultivation may only be deemed a "compatible" not "agricultural" or qualifying use on contracted or noncontracted lands.

¹ Senate Bill 527 (Caballero, Chapter 273, Statutes of 2019)

Therefore, it has come to our attention that the current Santa Barbara County "Uniform Rules for Agricultural Preserves and Farmland Security Zones" are not compliant with existing law. The California Department of Conservation, in accordance with §51206 of the Government code, is empowered to assist local jurisdictions in proper interpretation and application of the law. Therefore, in consideration of Agenda Item VII (2), Farm Bureau implores the Commission to redress this previous error and consult with the Department of Conservation, as necessary, to allow for the appropriate application of the explicit State standard. We also encourage the County of Santa Barbara's Uniform Rules be compliant with the California Environmental Quality Act and that the County conduct a complete compatibility review of all non-agricultural, compatible activities on contracted lands.²

Thank you for the opportunity to share our perspective. If you have questions or comments, please feel free to reach out to the California Farm Bureau at 916-446-4647.

Sincerely,



Taylor Roschen
Director of Land Use and Commodities
California Farm Bureau Federation

² Article 2.5 (commencing with §51230) of Chapter 7 of Part 1 of Division 1 of Title 5 of the Government Code

Exhibit 3



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Planning & Development
Department No.: 053
For Agenda Of: March 20, 2018
Placement: Departmental
Estimated Time: 2 hours
Continued Item:
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Glenn S. Russell, Ph.D., Director, Planning and Development
Director(s) (805) 568-2085
Contact Info: Daniel T. Klemann, Deputy Director, Long Range Planning
(805) 568-2072
SUBJECT: Cannabis Amendments to the *Santa Barbara County Uniform Rules for Agricultural Preserves and Farmland Security Zones*

County Counsel Concurrence

As to form: Yes

Other Concurrence:

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors (Board):

- a) Consider options for amending the *Santa Barbara County Uniform Rules for Agricultural Preserves and Farmland Security Zones* (Uniform Rules) to address cannabis uses and development allowed pursuant to the Cannabis Land Use Ordinance and Licensing Program on lands subject to agricultural preserve contracts;
- b) Make the required findings for approval of amendments to the Uniform Rules, including California Environmental Quality Act (CEQA) findings (Attachment 1);
- c) Adopt a resolution (Case No. 17ORD-00000-00019) amending the Uniform Rules (Attachment 2); and
- d) Determine for the purposes of CEQA that:

- i. Approval of the amendments to the Uniform Rules (Case No. 17ORD-00000-00019) is within the scope of the Cannabis Land Use Ordinance and Licensing Program, and the Cannabis Land Use Ordinance and Licensing Program Final Programmatic Environmental Impact Report (PEIR) [Case No. 17EIR-00000-00003, State Clearinghouse No. 2017071016] (Attachment 4) adequately describes this activity for the purposes of CEQA.
- ii. Pursuant to CEQA Guidelines section 15162(a), after considering the PEIR certified by the Board of Supervisors on February 6, 2018, that no subsequent EIR or Negative Declaration is required because: i) no substantial changes are proposed which require major revisions of the PEIR; ii) no substantial changes have occurred with respect to the circumstances under which the ordinance is undertaken which require major revisions of the PEIR; and iii) no new information of substantial importance concerning the ordinance's significant effects or mitigation measures, which was not known and could not have been known with the exercise of reasonable diligence at the time that the PEIR was certified, has been received.

Summary Text:

Pursuant to Government Code § 51231, the Board is the decision making body for amendments to the Uniform Rules regarding allowed uses on lands that are subject to agricultural preserve contracts. Based on this authority, at the February 6, 2018, hearing regarding the Cannabis Land Use Ordinance and Licensing Program, the Board directed staff to return on March 13, 2018 (later rescheduled for March 20, 2018) to present options to the Board regarding amendments to the Uniform Rules to allow certain cannabis land uses and development on lands that are subject to agricultural preserve contracts.

Two options for amending the Uniform Rules are discussed in detail below. The first is the recommendation of the Agricultural Preserve Advisory Committee (APAC), as shown in Attachment 3. The second is the P&D staff recommendation that was recently prepared after meeting with stakeholders, reviewing public comment letters, and reviewing the Uniform Rules in light of the Cannabis Land Use Ordinances adopted on February 6 and 27, 2018. Although the APAC recommendation is a feasible option to amending the Uniform Rules, P&D staff is recommending that the Board adopt a more permissive option due to certain unique features of cannabis cultivation that do not apply to other compatible uses set forth in the Uniform Rules.

An additional direction from the Board on February 6, 2018, was for staff to return for consideration of capping retail cannabis permits to eight with a maximum of two per district. Further direction was received from the Board on February 27, 2018, to add cultivation to the discussion on caps. This discussion is presented separately under the item for the Cannabis Business License Ordinance.

Discussion:

The County's Uniform Rules implement the Williamson Act locally by defining eligibility requirements and addressing compatible uses. Each participating landowner must comply with the Uniform Rules in order to be eligible for a reduced tax assessment for lands in contract (Revenue and Taxation Code § 421 *et seq.*). The Government Code sets forth principles that the Board must consider when determining which uses and development are compatible on lands that are subject to agricultural preserve contracts (Government Code § 51238.1). These principles are set forth in Attachment 5. Based on these principles, the Board has adopted both general compatibility guidelines and guidelines that currently apply to specific uses (e.g., guidelines that apply to agricultural preparation and processing facilities,

animal boarding and breeding facilities, recreational uses, and temporary filming and special events) (Uniform Rules, Uniform Rule 2).

Given the Board's decisions on February 6 and 27, 2018, to allow certain types of cannabis uses and development on agricultural lands (many of which are subject to agricultural preserve contracts), the Board should amend the Uniform Rules to provide clear guidance regarding under what conditions (if any) cannabis uses and development may be allowed on lands that are subject to agricultural preserve contracts. Cannabis is similar in certain ways to other uses that are currently considered to be either qualifying or compatible uses pursuant to the Uniform Rules. For example, cannabis cultivation involves the growing of plants similar to crop production that may count towards the minimum cultivation requirements of the Uniform Rules (Uniform Rule 1, § 1-2.3). Furthermore, similar to certain types of crop production, cannabis cultivation requires at least a minimal amount preparation (e.g., drying and trimming) of cannabis in the raw state for the market, which under circumstances may not compromise the viability of agricultural lands. Also, certain cannabis products (e.g., oils and food products) require processing beyond the raw state, similar to how certain agricultural commodities are processed for the market (e.g., processing of grapes into wine).

However, cannabis differs from many of the uses that are currently considered to be qualifying or compatible uses pursuant to the Uniform Rules. For example, cannabis is a highly regulated, illegal controlled substance under federal law, the cultivation of which presents security and law enforcement challenges that generally do not apply to other types of crop production. Cannabis cultivation also creates odors to which many are unaccustomed and find more objectionable than the odors produced from more conventional types of crop production.

In summary, there are both important similarities and distinctions between cannabis activities, on the one hand, and agricultural uses and compatible uses which are currently allowed on agricultural preserves, on the other hand. As such, there are a number of legislative policy options that are available to the Board with regard to the allowance of cannabis activities on lands that are subject to agricultural preserve contracts. Historically, the Board has valued and supported the Williamson Act provisions by designating numerous agricultural preserves in Santa Barbara County and implementing specific rules for their protection. With the recent cannabis regulations, the Board provided a structure to permit and regulate cannabis activities without giving cannabis cultivation a "right to farm" status. Given the Board's direction on these issues to date, as well as input from the public, agricultural industry, and cannabis industry, staff recommends that the Board focus its consideration on the following two options—APAC's recommendation and an alternative P&D staff recommendation. Additional approaches that have been considered are also listed below under *Other Considerations*. However, if the Board decides to pursue a different option, staff recommends that the Board direct staff to return to the Board at a later date with the necessary findings, resolution(s), etc., for the Board's consideration of adoption.

APAC Recommendation

In 2017 APAC reviewed the draft Cannabis Land Use Ordinance and Licensing Program and associated Draft EIR, to assess the Cannabis Land Use Ordinance and Licensing Program's consistency with the Uniform Rules. On August 11, 2017, November 3, 2017, and December 1, 2017, APAC held publicly noticed meetings at which it reviewed and considered the suitability of cannabis uses on lands that are subject to agricultural preserve contracts. On December 1, 2017, by unanimous vote, APAC

recommended that the Board adopt specific cannabis-related amendments to the Uniform Rules (Attachment 3). In summary, APAC recommended that the Board amend the Uniform Rules as follows:

1. Add definitions related to cannabis.
2. Specify that cannabis cultivation and ancillary facilities in support of cannabis cultivation are compatible—but not qualifying—uses on contracted land.
3. Specify that manufacturing (excluding extraction), retail sales, testing, and marketing of cannabis or cannabis products are prohibited on Williamson Act lands.
4. For contracts involving lands with prime and non-prime soils, specify that cannabis cultivation and ancillary facilities may be located within the designated development envelope and/or outside of the development envelope of a premises. However, the amount of land dedicated to cannabis cultivation and ancillary facilities that are located outside of the development envelope cannot exceed 5% of the premises or 5 acres, whichever is less.
5. Specify that processing, distribution, and manufacturing (extraction only) of cannabis from off-site sources is allowed, however it shall be limited to no more than 49 percent of the total volume of cannabis that is processed, distributed, and manufactured on the premises.
6. For contracts involving superprime lands, specify that all cannabis cultivation and ancillary facilities must be located within the designated development envelope.

APAC's recommendation is consistent with how certain compatible uses (e.g., agriculture preparation facilities, and processing of wine grapes) are currently addressed in the Uniform Rules. However, by taking the approach of setting limits on the amount of cannabis activity that can occur on Agricultural Preserves, it substantially limits the amount of area in the County that can support cannabis operations and it would potentially displace existing medicinal cannabis operations and facilities. Furthermore, given that cannabis cultivation is similar to crop production that counts toward the minimum cultivation requirements of certain agricultural preserve contracts, and would not involve the permanent conversion of farmlands, the Board may want to treat cannabis differently than other compatible uses in the Uniform Rules. Neither the final Cannabis Land Use Ordinances adopted on February 6 and 27, 2018, nor the P&D recommendation described below, have been presented to APAC. Thus, the Committee has not reviewed these issues since its December 1, 2017, meeting.

P&D Staff Recommendation

Since the APAC recommendation was finalized, stakeholders have argued that the recommendation is too restrictive. Many of the concerns are related to the acreage limits which would potentially displace existing medicinal cannabis cultivation and ancillary facilities, prevent consolidation of operations, and discourage vertical integration strategies on contracted lands. Staff considered these concerns in light of the goals of the Agricultural Preserve Program and keeping in mind the unique features of cannabis that warrant different regulations from those which apply generally to agriculture. Staff concurs with APAC that the optimal approach is to allow certain cannabis activities as compatible uses on lands that are subject agricultural preserve contracts; however, staff recommends that cannabis cultivation and ancillary facilities should not be subject to acreage limitations, provided that the property owner complies with the minimum cultivation of non-cannabis crops and/or grazing requirements that are set forth in the eligibility requirements, as well as the applicable contract. In summary, the P&D recommendation (Attachment 2) would:

1. Add definitions related to cannabis.
2. Specify that cannabis cultivation and ancillary facilities in support of cannabis cultivation are compatible—but not qualifying—uses on contracted land.
3. Specify that retail sales and marketing of cannabis or cannabis products are prohibited on Williamson Act lands.
4. Specify that processing, distribution, and manufacturing of cannabis from off-site sources is allowed, however it shall be limited to no more than 49 percent of the total volume of cannabis that is processed, distributed, and manufactured on the premises.

This alternative would maintain the current criteria for commercial agricultural production, clarify that cannabis cultivation does not count towards the minimum eligibility criteria for commercial agricultural production, yet afford a considerable degree of flexibility to conduct certain cannabis activities on lands that are subject to agricultural preserve contracts. In doing so, it would address many stakeholder concerns while staying largely consistent with APAC's recommendation, and would not undermine the principles of compatibility for agricultural preserve contracts.

Other Considerations

While the two options discussed in detail above appear to best balance the objectives of the Cannabis Land Use Ordinance and Licensing Program with the provisions of the Uniform Rules, other options have been evaluated by staff and discussed with stakeholders. Some of the options explored are listed below with a brief explanation as to why they were not preferable to the APAC and P&D staff recommendations.

1. Prohibit Cannabis on Agricultural Preserves – This option would disallow any cannabis activities on contracted lands. Thus, it would prevent any conflicts with the Uniform Rules and minimize any potential incompatible uses on contracted lands. However, it would (1) conflict with the objectives of the Cannabis Land Use Ordinance and Licensing Program, (2) potentially displace established medicinal cannabis operations, and (3) potentially result in a significant number of landowners filing for non-renewal, which could induce a loss of agricultural preserves in the County.
2. Limited Cultivation Only as Compatible Use – This option was evaluated in the PEIR as Alternative 2, which specified that up to 22,000 square feet of cannabis cultivation could be allowed as a compatible use on contracted lands, while ancillary uses such as manufacturing, testing, distribution, and sales would be incompatible. This would have similar consequences as stated for No. 1 above, and would not address stakeholder concerns regarding consolidation of operations and vertical integration.
3. Unlimited Cannabis Activities as Compatible Use – This approach would be the most permissive in favor of the cannabis industry and would specify that all permitted cannabis activities are compatible with the principal agricultural use of the land under contract. While this would address most industry concerns, the permitted cannabis uses would potentially conflict with the general compatibility guidelines in the Uniform Rules (Rule 2-1). In addition, the resulting Uniform Rules would be substantially less restrictive toward ancillary cannabis uses than toward

supportive agricultural uses such as development of preparation facilities, processing facilities, and retail operations (Section 2-2). A more comprehensive update to the Uniform Rules would be recommended in this case to achieve a balance of allowed uses.

4. Cannabis is Defined as Agriculture and Allowed as a Principle Use – Under this scenario, cannabis cultivation would be defined as an agricultural use and its production would be used to meet the eligibility requirements for a Williamson Act contract. Such an approach would likely raise concerns regarding “Right to Farm” protections that may affect the County’s ability to mitigate impacts from cannabis (e.g., odor abatement measures). General public concerns have also been raised regarding the potential government subsidy of cannabis activities that would occur under this option.

Environmental Review

The Cannabis Land Use Ordinance and Licensing Program Final PEIR, (Attachment 4), was certified on February 6, 2018. Both options described in this Board Letter and shown in the attached Uniform Rules amendments (Attachments 2 and 3) are adequately covered by the Program EIR.

Fiscal Analysis

The fiscal impacts associated with the cannabis land use ordinances are described in the Board Letter dated February 6, 2018 (Attachment 6). No additional impacts would result from the changes proposed under this action (17ORD-00000-00019).

Attachments:

1. Findings for Approval
2. P&D Staff Recommended Board Resolution amending the Uniform Rules for Agricultural Preserves and Farmland Security Zones (Case No. 17ORD-00000-00019)
Exhibit 1 – P&D Staff Recommended Amendments to the Uniform Rules
3. APAC Recommended Board Resolution amending the Uniform Rules for Agricultural Preserves and Farmland Security Zones (Case No. 17ORD-00000-00019)
Exhibit 1 – APAC Staff Recommended Amendments to the Uniform Rules
4. Link to Final Program Environmental Impact Report and Revision Letter (Case No. 17EIR-00000-00003 and RV 01)
5. Government Code Provisions for Compatible Uses on Agricultural Preserves
6. Link to Board Agenda Letter for February 6, 2018
7. Maps Depicting Contracted Lands in Santa Barbara County

Authored by:

Mindy Fogg, Supervising Planner, 805-884-6848

Exhibit 4



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Planning & Development
Department No.: 053
For Agenda Of: May 1, 2018
Placement: Departmental
Estimated Time: 1.5 hours
Continued Item:
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Dianne M. Black, Director, Planning and Development
Director(s) (805) 568-2086
Contact Info: Daniel T. Klemann, Deputy Director, Long Range Planning
(805) 568-2072
SUBJECT: Cannabis Amendments to the *Santa Barbara County Uniform Rules for Agricultural Preserves and Farmland Security Zones* and the Right to Farm Ordinance

County Counsel Concurrence

As to form: Yes

Other Concurrence:

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors (Board):

- a) Make the required findings for approval of amendments to the *Santa Barbara County Uniform Rules for Agricultural Preserves and Farmland Security Zones* (Uniform Rules) and the Right to Farm Ordinance, including California Environmental Quality Act (CEQA) findings (Attachment 1);
- b) Adopt a resolution (Case No. 17ORD-00000-00019) amending the Uniform Rules to address cannabis uses and development allowed pursuant to the Cannabis Land Use Ordinance and Licensing Program on lands subject to agricultural preserve contracts (Attachment 2);
- c) Consider the introduction (First Reading) of an Ordinance (Case No. 18ORD-00000-00008) of the Board of Supervisors of the County of Santa Barbara amending Section 3-23 of the Santa Barbara County Code, the Right to Farm Ordinance, to address cannabis (Attachment 3);
- d) Read title "An Ordinance Amending Section 3-23, Agricultural Nuisances and Consumer Information, of Article V, the Right to Farm, of Chapter 3, Agriculture, of the County Code

to Exclude Cannabis from the Protections of the Ordinance, and Make Other Minor Clarifications, Corrections, and Revisions” and waive reading of the Ordinance in full;

- e) Determine for the purposes of CEQA that:
 - i. Approval of the amendments to the Uniform Rules and Right to Farm Ordinance (Case Nos. 17ORD-00000-00019 and 18ORD-00000-00008) is within the scope of the Cannabis Land Use Ordinance and Licensing Program, and the Cannabis Land Use Ordinance and Licensing Program Final Programmatic Environmental Impact Report (PEIR) [Case No. 17EIR-00000-00003, State Clearinghouse No. 2017071016] (Attachment 4) adequately describes this activity for the purposes of CEQA; and
 - ii. Pursuant to CEQA Guidelines section 15162(a), after considering the PEIR certified by the Board of Supervisors on February 6, 2018, that no subsequent EIR or Negative Declaration is required because: i) no substantial changes are proposed which require major revisions of the PEIR; ii) no substantial changes have occurred with respect to the circumstances under which the ordinance is undertaken which require major revisions of the PEIR; and iii) no new information of substantial importance concerning the ordinance’s significant effects or mitigation measures, which was not known and could not have been known with the exercise of reasonable diligence at the time that the PEIR was certified, has been received.

Summary Text:

Pursuant to Government Code § 51231, the Board is the decision making body for amendments to the Uniform Rules regarding allowed uses on lands that are subject to agricultural preserve contracts. Based on this authority, at the February 6, 2018, hearing regarding the Cannabis Land Use Ordinance and Licensing Program, the Board directed staff to return on March 13, 2018 (later rescheduled for March 20, 2018) to present options to the Board regarding amendments to the Uniform Rules to allow certain cannabis land uses and development on lands that are subject to agricultural preserve contracts. On March 20, 2018, the Board directed staff to return with amendments to the Uniform Rules to treat cannabis cultivation equivalent to other agriculture—that is, as an agricultural use that counts towards the minimum cultivation requirements for lands that are subject to agricultural preserve contracts.

On March 20, 2018, the Board also directed staff to return with amendments to Section 3-23 of the County Code, the Right to Farm Ordinance, to incorporate language that would ensure that cannabis cultivation and other related activities would not be afforded the same nuisance protections as other agricultural crops in the County.

Discussion:

Uniform Rules

The Uniform Rules implement the Williamson Act locally by defining eligibility requirements and addressing compatible uses. Each participating landowner must comply with the Uniform Rules in order to be eligible for a reduced tax assessment for lands in contract (Revenue and Taxation Code § 421 *et seq.*). The Board has adopted both general compatibility guidelines and guidelines that currently apply to specific uses (e.g., guidelines that apply to agricultural preparation and processing facilities, animal boarding and breeding facilities, recreational uses, and temporary filming and special events) (Uniform Rules, Uniform Rule 2).

Attachment 2, Exhibit 1 sets forth draft amendments to the Uniform Rules to allow cannabis cultivation as a qualifying use, pursuant to the Board's direction given on March 20, 2018. Furthermore, preparation (e.g., drying and trimming) of cannabis in the raw state for the market, the manufacturing of cannabis products (e.g., oils and food products) beyond the raw state, and distribution of cannabis will be allowed, as long as a minimum of 10% of the cannabis product is sourced from cannabis plant material cultivated on the same premise on which the activities occur.

Right to Farm

The Board also directed staff to amend Section 3-23 of the County Code, the Right to Farm Ordinance. California passed the Right to Farm Act (Act) in 1981 to protect farmers from public nuisance concerns (Attachment 5). The statute specifically states that it prevails over any contrary provision of a city or county ordinance or regulation, but allows cities and counties to require disclosures to be given to prospective home buyers that a dwelling is near an agricultural operation or agriculturally zoned land. While the law does not convey unlimited rights to agricultural businesses to conduct operations in any desired manner, the Act provides that a farming activity cannot be a public nuisance if all the following factors are met (Civil Code § 3482.5(a)(1) and 3482.6(a)):

- The agricultural activity is commercial in nature;
- The activity is conducted in a manner consistent with proper and accepted customs and standards as established and followed by similar agricultural operations in the same locality;
- The farming activity must have been in operation for at least 3 years; and
- The farming activity was not a nuisance at the time it began.

Santa Barbara County adopted a local right to farm ordinance in 1989 (Ordinance No. 3778, Attachment 6). Section 3-23(d) of the County's Right to Farm Ordinance states the following, consistent with the Right to Farm Act:

No agricultural activity, operation, or facility, or appurtenances thereof, conducted or maintained for commercial purposes, and in a manner consistent with proper and accepted customs and standards, as established and followed by similar agricultural operations in the same locality, shall be or become a nuisance, private or public, due to any changed condition in or about the locality, after it has been in operation for more than three years if it was not a nuisance at the time it began.

With the possible exception of legal nonconforming medicinal cultivation sites, most cannabis activities would not meet the three-year threshold requirement for protection from being determined a "nuisance" given that, to date, they have been impermissible in the County.

Furthermore, even if a cannabis cultivation site has been in operation for greater than three years and was not a nuisance at the time it began, there are other features of cannabis cultivation that make it inappropriate to be considered an agricultural use that is subject to the protections of the Right to Farm Ordinance. More specifically, given its status as a controlled substance, the cultivation of cannabis involves potential adverse effects that differ from the cultivation of other types of crops (e.g., criminal activity). Consequently, both the land use ordinances and the business licensing ordinance treat cannabis activities as subject to nuisance actions. The cannabis land use regulations adopted on February 27, 2018, include a number of development standards and permitting requirements to avoid or mitigate these adverse effects, which are not required for the cultivation of other types of crops on agricultural lands. In addition, the State does not tax other agricultural products in the manner that

cannabis is taxed, and the County does not tax other agricultural products in the manner that cannabis would be taxed if the voters approve a local tax on cannabis.

Therefore, Attachment 3 amends the Right to Farm Ordinance to explicitly exclude cannabis as a type of agricultural use that is subject to the protections set forth in the Right to Farm Ordinance, as directed by the Board on March 20, 2018.

Environmental Review

The Cannabis Land Use Ordinance and Licensing Program Final PEIR, (Attachment 4), was certified on February 6, 2018. The amendments to the Uniform Rules and the Right to Farm Ordinance described in this Board Letter (Attachments 2 and 3) are adequately covered by the Program EIR.

Fiscal Analysis

The fiscal impacts associated with the cannabis land use ordinances are described in the Board Letter dated February 6, 2018. No additional impacts would result from the changes proposed under this action (17ORD-00000-00019 and 18ORD-00000-00008).

Attachments:

1. Findings for Approval
2. Board Resolution amending the Uniform Rules for Agricultural Preserves and Farmland Security Zones (Case No. 17ORD-00000-00019)
Exhibit 1 – Amendments to the Uniform Rules
3. Ordinance amending Section 3-23 of the County Code, the Right to Farm Ordinance (Case No. 18ORD-00000-00008)
4. Link to Final Program Environmental Impact Report and Revision Letter (Case No. 17EIR-00000-00003 and RV 01)
5. Right to Farm Act
6. Section 3-23 of the County Code, the Right to Farm Ordinance

Authored by:

Jessica Metzger, Senior Planner, 805-568-3532

Exhibit 5



AGENDA ITEMS
2
MEETING DATE: 1/22/20

January 16, 2020

County of Santa Barbara
Planning Commission

Re: January 22, 2020 Santa Barbara County Planning Commission Agenda Item #2—Cannabis Zoning Ordinance Amendments

JAN 16 2020

S.B. COUNTY
PLANNING & DEVELOPMENT
HEARING SUPPORT

Dear Chair Bridley and Planning Commissioners:

The Grower-Shipper Association of Santa Barbara and San Luis Obispo Counties represents over 170 growers, shippers, farm labor contractors, and supporting agribusinesses. Our members grow diverse field and nursery crops such as broccoli, strawberries, wine grapes, vegetable transplants, flowers, and tree fruit. We appreciate the opportunity to comment on the Planning Commission's consideration of potential revisions to the Cannabis Zoning Ordinance. Our Board of Directors voted unanimously to submit this comment letter.

The Association advocates for thoughtful policy that anticipates and minimizes predictable land use conflicts. Our members have experienced similar conflicts with both hemp and cannabis (marijuana). Both hemp and cannabis cultivation have been the source of significant conflict with established Central Coast agriculture.

Based on the best information we have available and the extent of conflict that our members and others in the agricultural community have experienced in trying to grow near hemp and cannabis, we do not believe that hemp or cannabis cultivation is compatible with organic or conventional Central Coast agriculture.

Our Board of Directors and members have engaged in extensive, focused discussions since August. These extensive discussions and the experience of our members growing in close proximity to hemp and cannabis through a full production cycle have better informed our current policy position. Our policy position has evolved as we have become better informed on the specifics of hemp and cannabis cultivation, end uses, regulatory context, and experience of nearby agricultural operations. The Association believes in the value of a diverse, vibrant, and robust agricultural economy and communities and we support different types of Central Coast agriculture. We further believe that innovation and adaptation is essential to support agriculture and allow for future generations to continue to be viable in domestic agriculture in the face of increasing challenges related to labor, water, market, and the cumulative effect of regulatory and economic pressures. For these reasons we are open to opportunities that complement and secure a future for agriculture on the Central Coast and are mindful of the potential precedential implications of policy decisions. **However, based on the experience of our members operating in real-world Central Coast conditions, all evidence suggests that cannabis is not similarly situated to agricultural crops and these differences are driving severe conflicts.**

Hemp and cannabis are fundamentally different from other agricultural crops. Unlike any other crop, hemp and cannabis have demonstrated that it is virtually impossible to farm next to even when exercising best management practices in a manner consistent with proper and accepted customs and standards and local, State, and Federal rules and regulations.

Our members have reported conflicts with neighbors growing both hemp and/or cannabis in a variety of crops and locations in Santa Barbara and San Luis Obispo Counties. The conflicts that our members have experienced are not isolated to one particular location, individual, or crop type. Although there are some limited locations that have not generated conflict, the majority of our members operating near hemp and/or cannabis have experienced significant and acrimonious conflict. The types of conflict include disputes over normal cultivation activities, such as land cultivation, application of plant protection materials, application of fertilizers, and threatened litigation; other conflicts have included harvest crews reporting concerns from strong odors sometimes several miles away. Crop types that have been embroiled in conflicts have included broccoli, wine grapes, avocado orchards, and citrus orchards. Local businesses and community members that have been impacted by this conflict include farmers, harvesters, rural residents, shippers, custom machine operators, materials applicators, and farm labor contractors. Given the great extent and diversity of intrinsic conflicts, we restate that these experiences of conflict are not isolated events and should give pause to the future of hemp and cannabis cultivation on the Central Coast.

Although the significance of advocating for regulations weighs heavily on our Association, we cannot remain silent in the face of continued increases in the number of members whose ability to exercise best management practices is crippled by their proximity to hemp or cannabis cultivation.

Until we have evidence to the contrary we urge a conservative approach be exercised to maintain the viability of the established, diverse agriculture and a future for food crops on the Central Coast. Examples of policy and information gaps include broader State and Federal licensing of plant protection materials for hemp or cannabis cultivation and better understanding of odor concerns. We further believe that addressing liability protection for agriculturalists exercising best agricultural practices and their right to farm is a key component for compatibility between hemp or cannabis and other agricultural food crops.

In light of this information we urge you to consider the widespread and significant conflicts that hemp and cannabis cultivation have generated on the Central Coast demonstrating their incompatibility with existing food crops in Santa Barbara County.

Sincerely,



Claire Wineman, President

Exhibit 6



COUNTY OF SANTA BARBARA AGRICULTURAL ADVISORY COMMITTEE

January 17th, 2020

County of Santa Barbara
Planning Commission
123 Anapamu Street
Santa Barbara, CA 93101

RE: January 22 Hearing on Cannabis Zoning Ordinance Amendments

Dear Chair Bridley and Planning Commission Members:

At the Agricultural Advisory Committee (AAC) meeting on January 9, the Committee had continued discussions regarding issues surrounding cannabis cultivation in Santa Barbara County. The discussion reflected the fact that the agricultural community has a variety of viewpoints on the issue, both negative and positive. AAC would like to articulate that there are multiple points of view from the different commodity groups on AAC and that there are differing concerns in regards to the cultivation of cannabis, and that because these issues are complex and therefore don't lend themselves well to short written summaries, we would welcome the opportunity to discuss them with you in person.

Therefore, AAC continues to offer to hold a joint Planning Commission and AAC meeting or workshop to further discuss cannabis cultivation in the County and provide the Planning Commission assistance in any way we can.

Thank you for your thoughtful consideration of these comments and engagement on this complex issue.

A handwritten signature in black ink, appearing to read "P. Van Leer".

Paul Van Leer, Chair

Committee Members

Bradley Miles
Ron Caird
Sharyne Merritt
AJ Cisney
Randy Sharer
Carrie Jordan
Claire Wineman
Paul Van Leer, Chair
June Van Wingerden
Tyler Thomas
Andy Mills, Vice Chair
Chrissy Allen

Representing

1st District Supervisor, Das Williams
2nd District Supervisor, Gregg Hart
3rd District Supervisor, Joan Hartmann
4th District Supervisor, Peter Adam
5th District Supervisor, Steve Lavagnino, Chair
California Women for Agriculture
Grower-Shipper Association of SB and SLO Counties
Santa Barbara County Farm Bureau
Santa Barbara Flower & Nursery Growers' Association
Santa Barbara Vintners
Santa Barbara County Cattlemen's Assn.
California Strawberry Commission

Exhibit 7

RECEIVED

JAN 17 2020

S.B. COUNTY
PLANNING & DEVELOPMENT
HEARING SUPPORT



2

1/22/20

Planning Commission
County of Santa Barbara
Betteravia Government Center
511 East Lakeside Parkway
Santa Maria, CA 93455

RE: Special Hearing; Agenda Item VII (2): Position Statement on Cannabis and Wine compatibility from Santa Barbara Vintners

Dear Planning Commission,

With the significant growth of cannabis in Santa Barbara County, there have been several unintended consequences creating significant conflicts with the existing wine industry to vineyards and wineries. We need better governing to help mitigate these problems.

The Santa Barbara Vintners represents a large portion of wine grape growers and wine producers who are concerned about the growth and proximity of cannabis. We would like to make it clear that we have many members who support recreational use of cannabis, and who also support the freedom to grow cannabis on a farm; however, all our members also believe that such support should not be construed as relinquishing their rights to farm, protect, and control their wine grape crop's quality and viability.

Our crop's viability and quality – unlike some other agriculture products – is largely predicated on its potential to deliver organoleptic characters (sense of smell, taste and feel) that are inextricably linked to where it is grown. In other words, soil and location matter. Therefore, unlike other ag goods where availability, quantity, price, and cleanliness (free of rot) may be valued above flavor, the grape and wine industry rely heavily on place and taste to establish and sustain its value.

This may create unique incompatibilities with a crop like cannabis which cannot have any trace of pesticide AND produces a host of volatile chemicals that may impact wine grapes' primary quality parameter: flavor and taste. As mentioned, these are critical to row crop goods and to wine grapes; however, flavor compounds drifting from one parcel to another may threaten grapes even more as it has the potential to influence the core value of wine grapes.

As a result, our members are very concerned about terpene drift from cannabis farms being absorbed by wine grapes in nearby vineyards impacting wine characteristics and quality. This phenomenon has been documented with eucalyptus trees (which produce a terpene common to many strains of cannabis) in peer reviewed literature and anecdotally across the wine industry. Recently, an SBV member demonstrated that terpenes drift by analyzing grapes in 2019 grown near a cannabis grow. The results demonstrated the presence of terpenes known to be

associated with cannabis on the grapes. Additionally, during a recent hearing for a cannabis grow on Baseline in Santa Ynez, another study (which used some of our member's data) corroborated the possibility of terpene drift.

In the summary of that study (attached), the author's note it would take 1,121 days to reach "threshold" concentrations of terpenes and therefore conclude, reasonably based on that timeline, it should not be of concern; however, they do not appear to have used a fine tooth, scientific comb through their data.

1. First, their main conclusion ought to have been: terpene drift is a real possibility.
2. Second, they do not substantiate why the "thresholds" they selected are worth abiding by.
3. Third, they selected 2,000 plants per acre planting density, which is quite low for cannabis.
4. They only examined four of the 120 terpenes that cannabis emits.
5. Additionally, the three other compounds they evaluated but ignore in their executive summary all have fewer days to reach "threshold."
 - a. The threshold selected for those compounds all exceed 100 parts per billion (ppb), which would – by anyone in the wine industry- *be considered substantial and likely to have an impact on wine grape flavor.*
 - i. To note one example, beta-myrcene, the authors use 330 ppb as threshold and conclude it would take 75.9 days to reach such "threshold" concentration on neighboring vineyards at the planting density selected. Ignoring the fact that planting density may be debatable, any winemaker would be concerned with levels close to 50 ppb or more (and maybe even less). That is only 15% of the concentration used as "threshold." If one selected – less arbitrarily as these authors – 15% of 330 ppb, it would only take 11 days to reach such concentration on the grape tissue. This, unlike 1,121 days, certainly seems plausible.

It seems clear that inadequate research has been performed to determine the environmental impact and incompatibility of cannabis growing nearby vineyards. We know pesticide migration is having real economic impact through the loss of grape crops when the vintner cannot spray, which will certainly have measurable economic impact on the value of wine grapes in Santa Barbara County. Already, some vintners are being asked if their grapes are grown near cannabis which could impact the ability to sell their grapes to third party buyers.

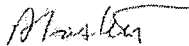
The Cannabis Ordinance was not written with the proper information needed to avoid conflict between agriculture neighbors. For the County to govern the relationship properly, it is clear more research needs to be done and methods to insulate each crop incorporated. (Of note, grapes are harvested once per year and it takes 12-24 months to make wine, depending on the varietal. This will not be a swift process.)

We share the concerns of our farming neighbors regarding pesticide migration and drift, and the unprecedented testing of the cannabis product. Agricultural areas are inherently contaminated with traces of crop protectants and our valley is notoriously foggy and windy. Never has conventional agriculture been confronted by a product and the incompatibility that lies therein; therefore, we request that your commission direct staff to evaluate and propose the following:

1. All cannabis cultivation shall be sited and operated in a manner that prevents odor from being detected beyond property lines;
2. All cannabis cultivation shall be sited and operated in a manner that prevents cannabis terpenes from travelling beyond property lines;
3. Large buffers (with potentially dense landscaping requirements) along all property lines adjacent to existing agriculture, with a smaller buffer allowed if there is an indemnity agreement between the parties;
4. Reduce the allowable cannabis to a fraction of the total parcel size; and
5. Verify affidavits for all applicants that are currently growing or have grown cannabis on the site after January 29, 2016 prior to issuance of any land use permit.

While not our preference due to visual impacts to the valley, odor control is more important than visual aesthetic. Therefore, we support the idea proffered by some that all grows be moved indoors where filtration and control of terpenes and aromas can more likely occur, and conflicts between adjacent agriculture are less likely to ensue.

Sincerely,



Alison Laslett
CEO, Santa Barbara Vintners

Board of Directors

Stephen Janes, President
Pence Vineyards & Winery

Karen Steinwachs
Buttonwood Winery & Vineyard

Katy Rogers, Vice President
Jackson Family Wines

Justin Willett
Tyler Winery/Lieu Dit Winery

Laura Booras, Treasurer
Riverbench Vineyard & Winery

Nicholas Miller
The Thornhill Companies

Wayne Kelterer, Secretary
The Hilt

Tyler Thomas
Star Lane/Dierberg Vineyards

Callie Gleason
Gleason Family Vineyards

Riley Slack
FOXEN Vineyard & Winery



Exhibit 8

Santa Barbara County Farm Bureau

Affiliated with the California Farm Bureau Federation and the American Farm Bureau Federation

May 29, 2020

Santa Barbara County Board of Supervisors
Attn: Honorable Gregg Hart, Chair
105 East Anapamu Street
Santa Barbara, CA 93101

RE: Santa Barbara County Farm Bureau Cannabis Policy

Dear Chairman Hart and Members of the Board:

The Santa Barbara County Farm Bureau (SBCFB) Board of Directors would like to make you aware of its policy regarding the cultivation of cannabis in our county:

Agriculture is the number one industry in Santa Barbara County. Therefore, the encroachment of incompatible uses into agricultural areas should be prevented.

The Santa Barbara County Farm Bureau supports solely, the indoor cultivation of all cannabis within a sealed structure. This practice would eliminate any unintended consequences between conventional agricultural operations growing within the vicinity of cannabis production and processing. These structures must be equipped with an air purifying system capable of retaining all odors emanating from the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis. The Santa Barbara County Farm Bureau opposes the outdoor cultivation of all cannabis.

To accomplish having cannabis grown within sealed structures, the SBCFB Board of Directors respectively ask the Santa Barbara County Board of Supervisors to streamline the permitting process for installing sealed structures on property zoned to grow cannabis.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Teri Bontrager".

Teri Bontrager
Executive Director

Exhibit 9

Technical & Business Systems

environmental research associates

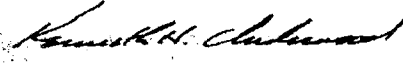
25570 Rye Canyon Road Unit J • Valencia, California 91355 • (661)-294-1103 fax (661)-294-0236

Date: 6 July 2020

To: Santa Barbara Planning Commission

From: Kenneth H. Underwood, Ph.D., C.C.M.
T&B Systems, Valencia CA

Subject: Castlerock wind analysis



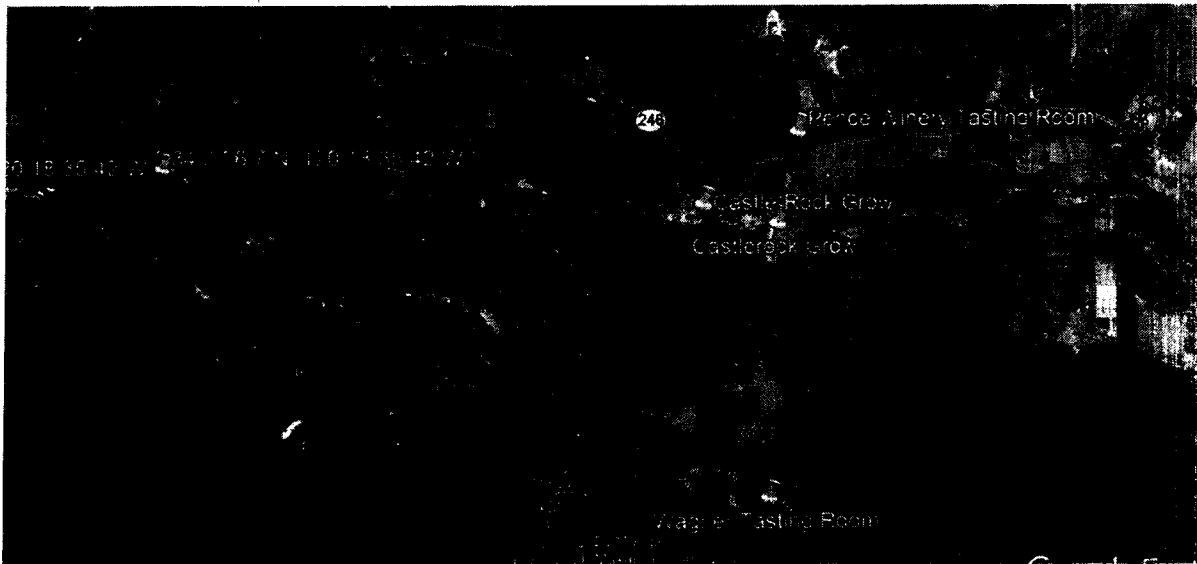
There are no on-site meteorological instruments at the Castlerock grow site. But we do know the following:

1. Wind rose upwind of the Castlerock grow site;
2. Wind rose downwind of Castlerock grow site;
3. Terrain associated with the Santa Ynez River.

I will use this information to interpolate a representative wind rose at the Castlerock grow site.

The Santa Ynez River extends through most of the Santa Rita Valley. The riverbed snakes through the valley meandering as it winds from Lompoc to Santa Ynez passing West and South of Buellton. The portion of the Santa Ynez river covered by this memorandum is shown below.

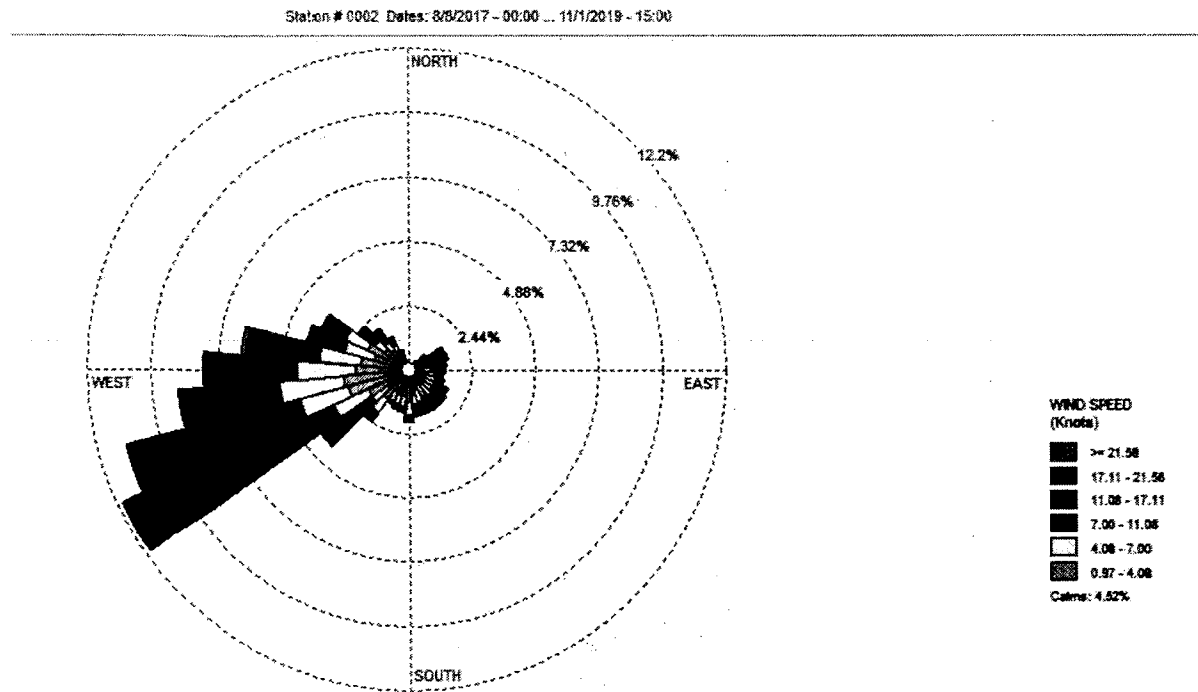
The Santa Ynez riverbed is found at close to the center of the figure. The upwind meteorological station is defined by the coordinates in the left center of the figure. From this location, the Santa Ynez river winds to the ESE approximately 4 miles at which it abruptly turns to the N and then to the NE and finally to the E as it transits S of the Pence Winery toward Buellton.



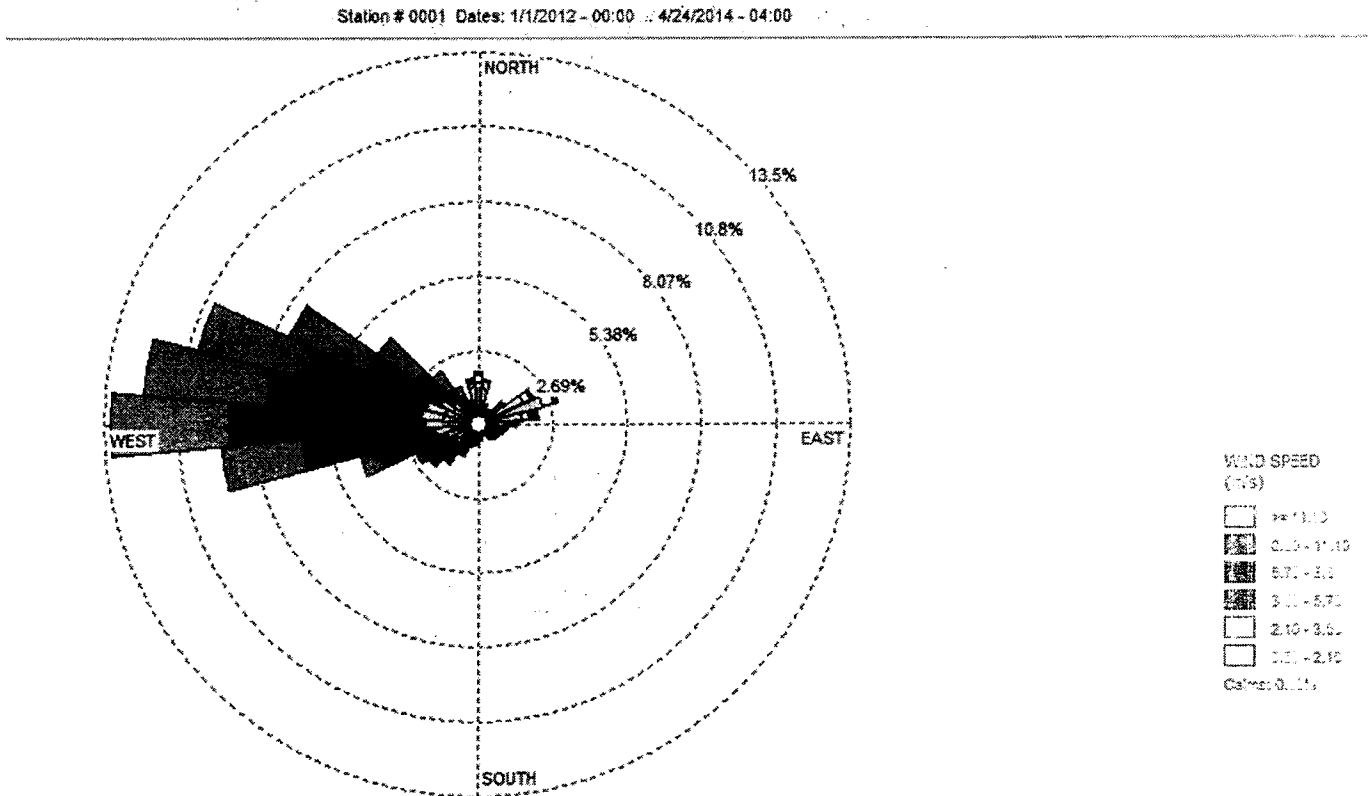
The surface winds approximately follow the riverbed but are certainly not limited to the riverbed. During the day, the surface winds are driven by the air flow above the ground extending at times up to 2000 feet through the mixing of the winds in this column of air. At night, the surface winds are often decoupled from the upper air flow pattern and instead respond to the radiative cooling of the ground in the Santa Rita Valley. This results in changing and complex wind patterns incompletely captured by the surface level wind roses.

Wind roses summarize the wind speed distribution according to the wind direction from which the wind is coming. For example, a NE wind is wind flow from the NE. In this situation, there are no wind measurements at the Castlerock facility but we do have wind measurements upwind and downwind from it. Additionally, the wind at the Pence Vineyard is at one of the sensitive receptors under discussion. When wind information is not available at the source (best case scenario), knowing the wind patterns at the receptor is extremely helpful to investigate potential impacts at the receptor.

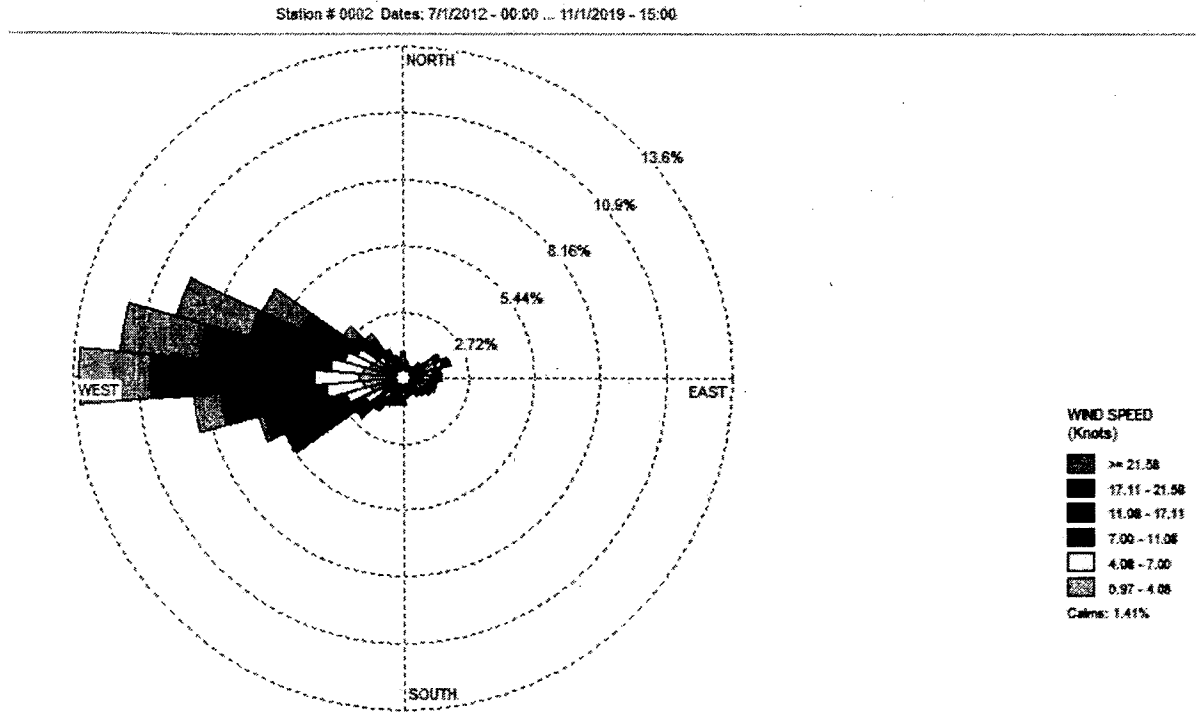
Consider the upwind wind rose at the coordinates listed on the figure. The wind data are hourly averages recorded for a two-year monitoring period including both day and night time conditions. At this location and as expected, the surface winds on average follow the Santa Ynez valley. Clearly the wind direction is WSW to W for almost 50% of the time.



The downwind (of the Castlerock grow site) rose summarizes the measurements at the Pence Vineyard. These measurements cover a two-year period. The corresponding wind rose identifies the predominant wind directions to be from the WSW to the NW for about 50% of the time. This wind pattern is to be expected because the Pence Vineyard is at the confluence of the Santa Ynez river and the route 246 corridor.



The Castlerock grow site is upwind of the Pence Vineyard. It is at the beginning of the confluence winds seen at the Pence Vineyard. A monitoring station at or near to the Castlerock grow facility would have been helpful but without it and without extensive wind modeling in this area, we can compute a wind rose to estimate the average wind flow patterns at Castlerock. The wind rose shown below is a summary of the combined measurements upwind and downwind of Castlerock. They seem reasonable in that the predominate SW wind flow expected from the Santa Ynez River bed flow have been mixed so that at the Castlerock site, fairly evenly distributed wind flow influence the downwind impacts. Clearly because of the strong winds observed at the Pence Vineyard, the combined wind rose for the Castlerock location has a bias toward the WNW direction. Dwelling on that distinction at this time would over emphasize the combined wind rose. It is better to observe that the wind patterns adjust so that the predominate wind is from the W and is almost equally distributed from WWS to WNW for over 50% of the time. We should not expect to observe much of an impact from the E and the wind rose does not suggest it.



The following are a determination of the potential impact of the Castlerock grow site emissions (odors) on the following two properties:

1. Wagner Tasting Room 1.65 mi SSE of Castlerock (167.2°)
2. Pence Tasting Room 0.66 mi NNE of Castlerock (52.5°).

To impact the Wagner tasting room, the wind direction at the Castlerock grow site would need to be almost from the N (347° on the wind rose). Wind flow from this direction (i.e. 347°) would be expected about 3% of the time based on the composite wind rose. These winds would be in excess of 4 knots which translate to impact the tasting room in a 20-30 minute time period from the onset of this wind flow.

In the case of the Pence Vineyard tasting room, SW winds would generally be needed to impact it. Based on the wind rose, these winds occur almost 10% of the time. The impact to the Pence Vineyard would be within 10 minutes of the onset of winds from this direction.

In both cases, the percentage of time is the lower limit of that expected for impact. Wind flow varies continuously with a horizontal dispersion that in low wind cases (less than 3 knots) can be as high as a standard deviation of 80 degrees. In high wind cases the horizontal variation of the wind may only vary by 10 degrees. There is a variation and that variation means that the impact percentages at both facilities is likely much greater by factors up to 4 times the conservative estimates that were previously called out.



Exhibit 10

COUNTY OF SANTA BARBARA

Planning and Development

www.sbcountyplanning.org

Permit History by Parcel Parcel Number 099-230-034

Printed on July 6, 2020 at 9:28 am

Reference Address

2200 HWY 246, BUELLTON

Legal Description

83AP013

Acreage

246.96

Supervisorial District: 3

Zoning: AG-II-100

Parcel Geographical Data

Ag Preserve Contract: 83AP013

Comprehensive Plan: AC

Flood Hazard: Check Flood Hazard Overlay - May Apply

Home Exemption Value: 0.00

Military Notification Buffers: All or part within Military Notification Buffer(s)

Rural: All or portion within Rural Area

Use Code: 4537

BAR Jurisdiction: All or portion within Central BAR

Creeks: Check Hydro and Wetland layers - May Exist

High Fire Hazard Area: Check Fire Hazard Maps

Latitude: 34.615046

Personal Value: 0.00

Rural Region: All or portion within Lompoc Valley Rural Region

Year Built: 1937

California Natural Diversity Database:

Check: CNDDDB - May Apply

Critical Habitat: Check Critical Habitat Overlays - May Apply

HMA: All or portion within the Santa Ynez HMA

Longitude: -120.25759

Prime Farmland: Check Important Farmland Layer for Prime Farmland

Tax Rate Area: 072003

Seismic Safety Warning:

Buildings on this parcel may have been built prior to 1970. Pre-1970 buildings may have structural deficiencies that can cause considerable damage during a strong earthquake event. Please visit our website at: <http://www.countyofsb.org/plndev/earthquake.sbc> to learn more about earthquake vulnerability and potential retrofit solutions for your home.

Special Districts and Other Information of Interest (derived from the Tax Rate Area number):

LOMPOC UNIFIED SCHOOL	ALLAN HANCOCK JT(40,42,56) COMM. COLLEGE
SANTA BARBARA COASTAL MOSQ & VECTOR CONTRL	LOMPOC CEMETERY
SANTA YNEZ RIVER WATER CONSV.	CO-LOMPOC VALLEY ZONE NO. 02 FLOOD CONTROL
CO-ORIGINAL AREA FLOOD CONTROL	SANTA BARBARA COUNTY FIRE PROTECTION
LOMPOC HOSPITAL	AREA NO. 32 COUNTY SERVICE
SANTA BARBARA COUNTY WATER AGENCY	CACHUMA JT(15,40,42) RESOURCE CONSV.

Accela Cases

Case Number	Dept.	Filed	Planner	Project Name	Status
09ELE-00000-00300	B	7/10/2009		WILLIAMS SERVICE UPGRADE	Closed
09ELE-00000-00372	B	8/27/2009	AV	WILLIAMS / ELEC REPAIR	Closed
17CNP-00000-01366	B	12/11/2017	MM	WILLIAMS NEW AG WELL SERVICE	Closed
19LUP-00000-00050	P	2/8/2019	SP	CASTLEROCK FAMILY FARMS II, LLC - CANNABIS CULTIV.	Final Processing
19ZEV-00000-00103	E	3/19/2019	AM	PARKS RANCH LLC CANNABIS CULTIVATION IN HOOP ST	In Review
19APL-00000-00023	P	8/5/2019	SP	Wagner Appeal of Castlerock Family Farms II, LLC	Hearing Pending

P = Planning; B = Building; E = Enforcement; F = Fire Dept; PW = Public Works

LIX Building Cases

<u>Application Number</u>	<u>Type</u>	<u>Description</u>	<u>Issuance Date</u>	<u>Action Date</u>	<u>Status</u>	<u>Misc.</u>
269864	R	FIRE DEMO	08/31/00	12/12/00	F	

There are no LIX Planning cases for this parcel

Exhibit 11

Affidavit

County Letter for Temporary State Licensing for Medical Marijuana Cultivation Locations in Compliance with Santa Barbara County Code

State of California:
County of Santa Barbara

I, Justin Holdaway, (print full name) am requesting a letter from the County of Santa Barbara on my behalf or on behalf of Castle Rock Family Farms (name of cannabis cultivation entity, if applicable) <check one box> related to my medical marijuana cultivation site. I hereby swear, certify and affirm that:

- I am operating a medical marijuana cultivation site (hereinafter Site) located at 2200 West Hwy 246 Buellton CA (Street Address and Assessor's Parcel Number) that is a legal nonconforming cultivation site in conformance with Santa Barbara County Code § 35-1003.A.2 as the Site has been operated in compliance with State law continuously since on or before January 19, 2016;
- I have have not <check one box> received a final Notice of Determination for the Operation at this location or on this property indicating a zoning violation; and
- I did did not <check one box> participate in the County's Cannabis Operations Registry.

I certify (or declare) under penalty of perjury under the laws of State of California that the foregoing is true and correct and that Affidavit was executed this 30th day of May 2018 in Santa Barbara 93101

Signature

Print Full Name

Justin Holdaway
25 E1 Paseo SB 93101
Name and Address of Cannabis Entity (if applicable)

Possible Attachments:

- (1) Any supporting documentation
- (2) Proof of authority to bind legal cannabis entity (if applicable)
- (3) Proof of property owner approval for cannabis cultivation at the cultivation site.
- (4) Documentation on the status of any odor control system and security plan.

Exhibit 12



2200 W Hwy 246

Image © 2020 Maxar Technologies

1994

Imagery Date: 12/28/2015 34°37'04.89"N 120°15'31.96"W elev. 436 ft eye alt. 6831 ft

Google Earth



2200 W Hwy 246

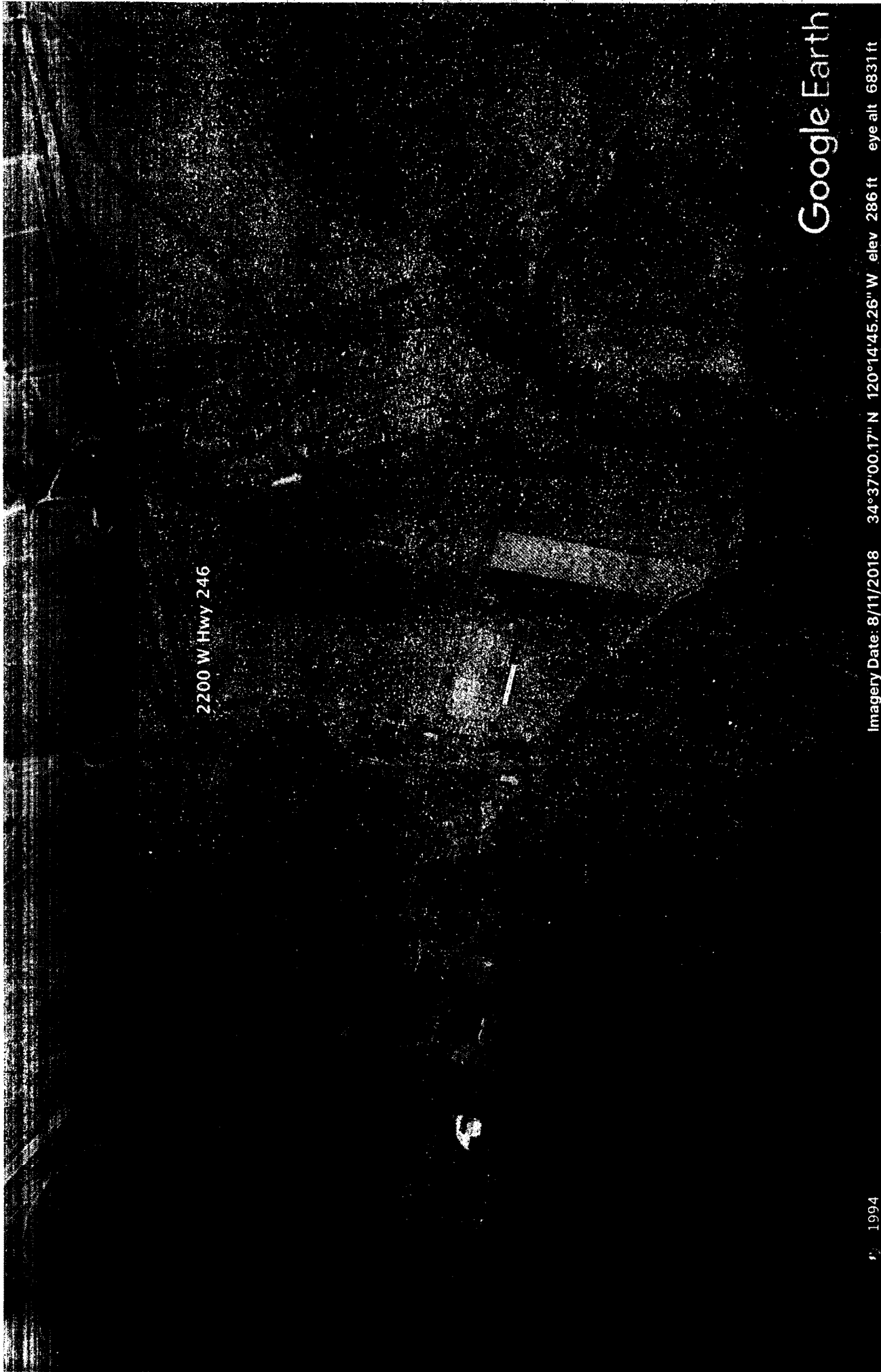


2200 W Hwy 246

1994

Imagery Date: 6/15/2017 34°37'02.00" N 120°15'11.94" W 657.515 ft eye alt 6831 ft

Google Earth



2200 W Hwy 246

© 1994

Imagery Date: 8/11/2018

34°37'00.17" N 120°14'45.26" W elev 286 ft

eye alt 6831 ft

Google Earth

201802510138



Secretary of State
Articles of Organization
Limited Liability Company (LLC)

LLC-1

IMPORTANT — Read Instructions before completing this form.

Filing Fee - \$70.00

Copy Fees - First page \$1.00; each attachment page \$0.50;
Certification Fee - \$5.00

Note: LLCs may have to pay minimum \$800 tax to the California Franchise Tax Board each year. For more information, go to <https://www.ftb.ca.gov>.

FILED
Secretary of State
State of California

JAN 24 2018

This Space For Office Use Only

1. Limited Liability Company Name (See Instructions – Must contain an LLC ending such as LLC or L.L.C. "LLC" will be added, if not included.)

Castlerock Family Farms II LLC

2. Business Addresses

a. Initial Street Address of Designated Office in California - Do not enter a P.O. Box 25 El Paseo	City (no abbreviations) Santa Barbara	State CA	Zip Code 93101
b. Initial Mailing Address of LLC, if different than Item 2a	City (no abbreviations)	State	Zip Code

3. Service of Process (Must provide either Individual OR Corporation.)

INDIVIDUAL – Complete Items 3a and 3b only. Must include agent's full name and California street address.

a. California Agent's First Name (if agent is not a corporation) JUSTIN	Middle Name	Last Name HOLDAWAY	Suffix
b. Street Address (if agent is not a corporation) - Do not enter a P.O. Box 25 EL PASEO	City (no abbreviations) SANTA BARBARA	State CA	Zip Code 93101

CORPORATION – Complete Item 3c. Only include the name of the registered agent Corporation.

c. California Registered Corporate Agent's Name (if agent is a corporation) – Do not complete Item 3a or 3b

4. Management (Select only one box)

The LLC will be managed by:



One Manager



More than One Manager



All LLC Member(s)

5. Purpose Statement (Do not alter Purpose Statement)

The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the California Revised Uniform Limited Liability Company Act.

6. The information contained herein, including in any attachments, is true and correct.

Organizer sign here

Justin Holdaway
Print your name here

