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Ramirez, Angelica

Public Comment

From: Steinfeld, Amy <ASteinfeld@bhfs.com>
Sent: Monday, February 14, 2022 11:06 AM
To: sbcob
Subject: Hank Blanco Comment Letter for 2/15 Hearing: Dept. Agenda No. 3 (Chapter 50 Cannabis Amendments)
Attachments: 2022.02.14 Blanco BOS Letter re Processing(23750723.1).pdf



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Dear Clerk of the Board,

Please find a Comment Letter on behalf of the Hank Blanco for the Feb. 15 Hearing: Dept. Agenda No. 3 (Chapter 50 Cannabis Amendments).

Best regards, Amy Steinfeld

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February 14, 2022

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VIA EMAIL: sbcob@countyofsb.org

RE: Dept. Agenda, No. 3: Support for Processing Amendments to Chapter 50 of the County Code - Licensing of Cannabis Operations (4375 Sweeney Road, Lompoc, CA [APN 099-200-070, 054])

Dear Chair Hartmann and Honorable Supervisors:

I'm writing on behalf of Henry Blanco ("**Owner**"), owner of a parcel of land (Assessor's Parcel Numbers 099-200-070, 054) located at 4375 Sweeney Road, unincorporated Lompoc ("**Property**"). Mr. Blanco is interested in processing locally-grown cannabis within an existing building on his Property. The Owner has a pending application to cultivate 13.5 acres of outdoor cannabis (Case No. 20LUP-00000-00114). However, notwithstanding the fact that Fire Department had approved access, due to unexpected delays related to an ongoing access easement issue, the County placed the application on hold in the Summer of 2020 and therefore the cultivation project missed the deadline for placement on the business license "eligibility list". The Owner now desires to proceed with a processing facility.¹

We agree with the Staff Report and proposed amended language which would remove processing (drying, curing, and trimming) from the County's commercial cannabis business license cap, and allow it as a stand-alone activity. Processing activities are distinct from cultivation activities and should not be limited by the cap. Existing Cannabis Ordinance requirements mitigate nuisances associated with processing activities such as odor, noise, security, and aesthetics. Because processing will be conducted in an existing, approximately 14,700 square foot sealed building with odor abatement, and because the building is located on an Ag-II parcel with no nearby residential neighbors, this project is ideally situated. Furthermore, the land area size occupied with processing activities is less than with cultivation. As such, a processing facility in the Lompoc-region would be compatible with the surrounding uses in this area.

This project will also address processing shortages. Given the County's business license cap, many applicants simplified their projects and forwent proposals to process in order to secure acreage under the cap. As a result, the County has a shortage in processing facilities which will and has resulted in unanticipated countywide economic and environmental impacts. Accordingly, we fully support the County's efforts to now address these issues by vertically integrating every aspect of cannabis operations from seed to final product, in order to reap the maximum benefits of the legal cannabis industry.

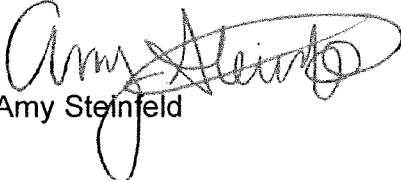
¹ The Owner will also continue to pursue cannabis cultivation because the access issues were caused by the Owner's neighbor, through no fault of the Owner, and will be resolved shortly.

On behalf of Mr. Blanco, we are writing to express our support of the proposed amendments to the Chapter 50, which would exclude processing facilities from the cannabis cultivation acreage cap. Doing so would benefit the County in the following ways:

- **Retain tax revenue within the County.** The County collects revenue on the gross receipts of cannabis or cannabis product within the County. (Santa Barbara County Code [SBCC] Sec. 50A-1. Wet or flash frozen cannabis is worth far less per pound than processed cannabis product. Currently, substantial revenue from processed product is diverted out of the County because of the lack of processing facilities to meet the rising local demand. A processing facility at the Property could generate millions in revenue for drying, trimming and packaging services.
- **Environmental benefits.** Once cannabis cultivated within the County is harvested, product is predominantly shipped out of county because there are insufficient processing facilities. Therefore, the vehicle miles traveled ("VMT") for cultivation activities increases as a result of interregional trips. Increasing the number of processing facilities to serve in-county cultivators will decrease the overall vehicle miles traveled ("VMT") associated with cannabis cultivation and processing without an increase in trip generation. It is estimated that this site could accommodate five to seven thousand pounds of dry material every 12 days. Sixty to 70 percent of the weight of wet cannabis is lost in the drying process, so wet plants being shipped over longer distances is incredibly inefficient and increases greenhouse gases emissions associated with this industry. According to the County's Energy and Climate Action Plan ("ECAP"), transportation is the largest contributor to greenhouse gas emissions in the County. (ECAP, p. 4-11.)
- **Protect the quality and value of cannabis.** Increased shipping times impacts the overall quality of cannabis flowers. Lower quality flower yields a lower price per pound which translates into revenue losses for the County. Allowing a local processing facility will allow the quality of cannabis product to be preserved and aid in Santa Barbara's appellation.
- **Protect agricultural lands.** The Owner wants to convert an existing residence into a processing facility for drying, curing, trimming, storing, packaging and labeling of nonmanufactured cannabis. As such, processing activities will not result in any loss of existing agricultural lands or prime soils. All cannabis brought to this facility would be cultivated within the County and will predominantly serve cultivators within the vicinity. The primary use of the Property would remain agriculture since the remainder of the site will stay cleared for agricultural activities. Therefore, the proposed processing on the Property would be consistent with the intent and purpose of the AG-II zone and should be allowed with approval of a LUP.

Allowing the Owner to process cannabis (with or without cannabis cultivation) on his property is win-win for the County. The County can collect the additional tax revenue generated by processing activities and reduce the environmental impacts associated with interregional shipping. Furthermore, the Cannabis Ordinance already mitigates for the nuisances associated with processing activities. For the aforementioned reasons, we strongly support the County's proposed processing amendments to Chapter 50.

Sincerely,


Amy Steinfeld