

Melville Winery

Case # 21APL-00000-00012

Appeal of SFS Farms OPOC 1, LLC Cannabis

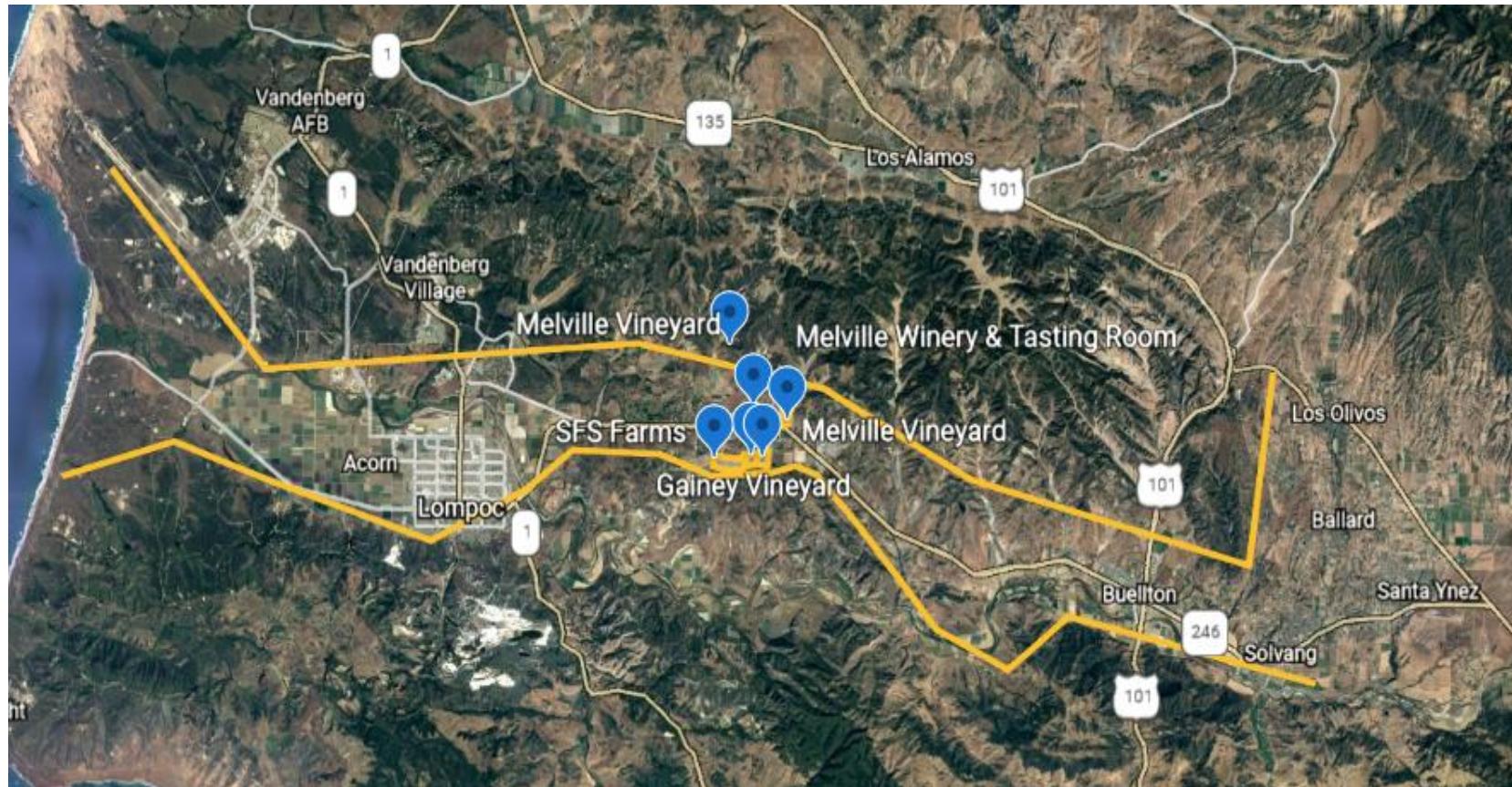
Cultivation Land Use Permit

Kurt Ammann, General Manager of Melville Winery

**Melville Winery is owned and operated by
Ron and Chad Melville**

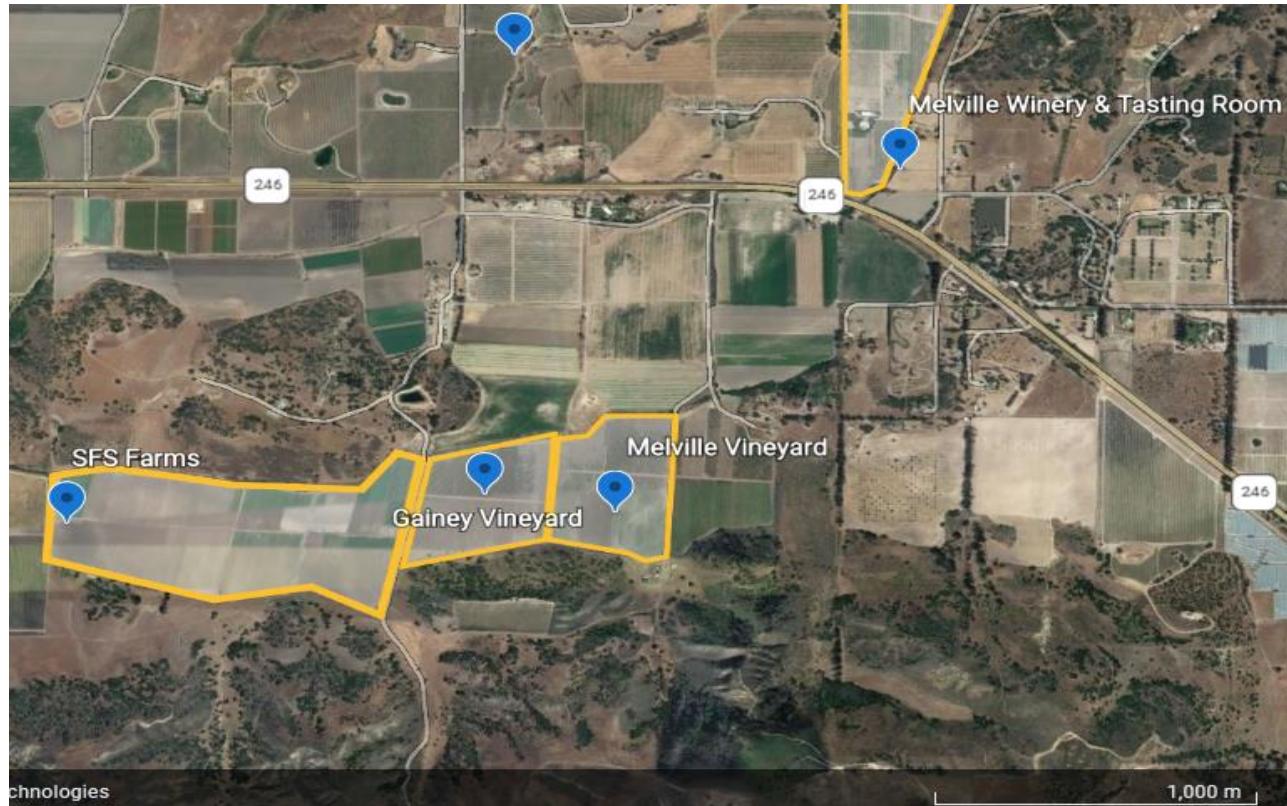
Started in SRH in 1997

Western Santa Ynez Valley



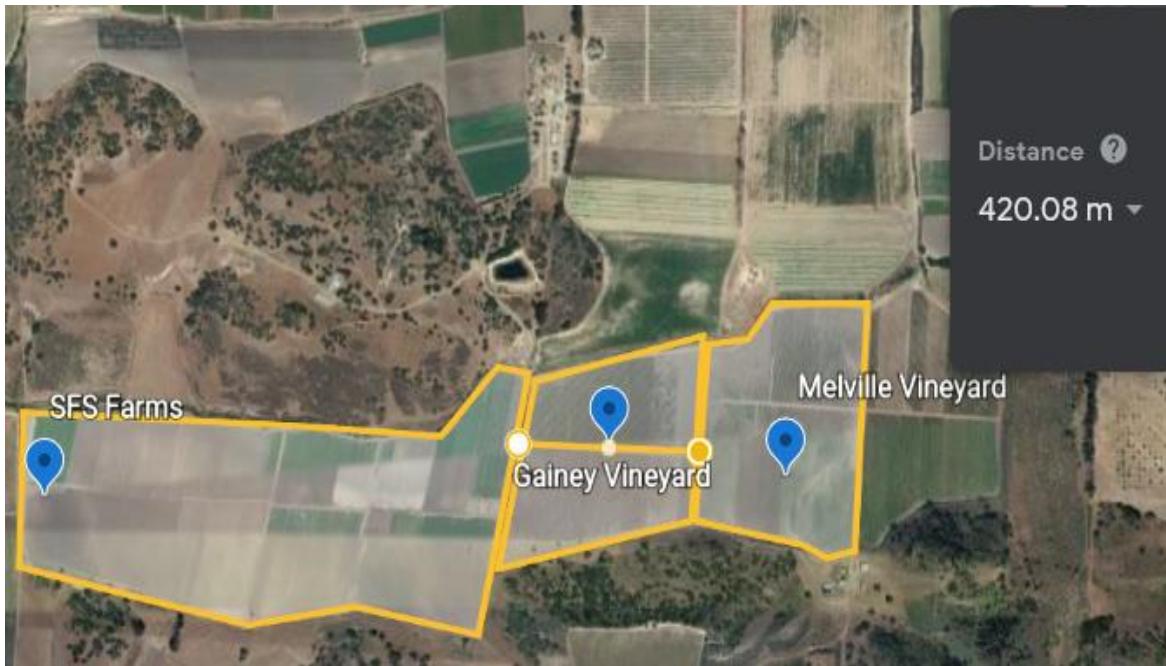
Size

- 86.8 Acres which will be the largest in the county and one of the largest in the country.
- Melville is 38 acres and Gainey is 44 acres a total of 82 acres



Proximity

- With only a 50-foot setback SFS Farms will be 60 feet, upwind, of Gainey's Vineyard
- Melville is 1378 feet from SFS Farms
- Having Cannabis grown adjacent to vineyards has already proved problematic in the county.



Odor

- Odor is a problem and a nuisance. We know this from grows that have been operating for years.
 - An example is Carpinteria. Odor was a huge problem and nuisance several years ago. The issue has been improved through various measures because cannabis is grown in greenhouse where odor can be contained and controlled.
- Outdoor grows are not able to contain the odor. It seems reasonable to think the odor will be a nuisance, like it was in Carpinteria, if odor cannot be contained or controlled.
- The problem is being compounded as more acres of cannabis are being planted in same area, Sta. Rita Hills.

Duration of concentrated Odor

- The existing cannabis in the area continues to produce strong odors for longer periods of time than expected.
 - Planting at this scale is not feasible in one day, one week, or even one month.
 - This means, the period when odor is concentrated is not 2 weeks.
 - If it takes 4-6 weeks to plant, the intense odor period is 8 to 12 weeks. If there are 2 crops per year we have this intense odor 16 to 24 weeks a year
 - 16 weeks is 30% and 24 weeks is 46% of the year.
 - This is a significant amount of time

Distance between SFS Farms and Melville Tasting Room



Odor Impact on our Tasting Room guests

- We can all agree cannabis produces a strong odor
- Melville Winery Tasting Room is located 1800 meters downwind of SFS Farms
- 70% of our revenue is from Direct-to-Consumer business. Without the Direct-to-consumer revenue we would not be able to continue to operate the winery.
- We conduct several hundred tastings each week outside. Customers are evaluating our wines aroma, taste, texture. The odor will negatively impact this process and their experience here.
- A negative experience with our wines will decrease sales.
- Without our Direct-to-Consumer sales, Melville Winery will not be financially viable



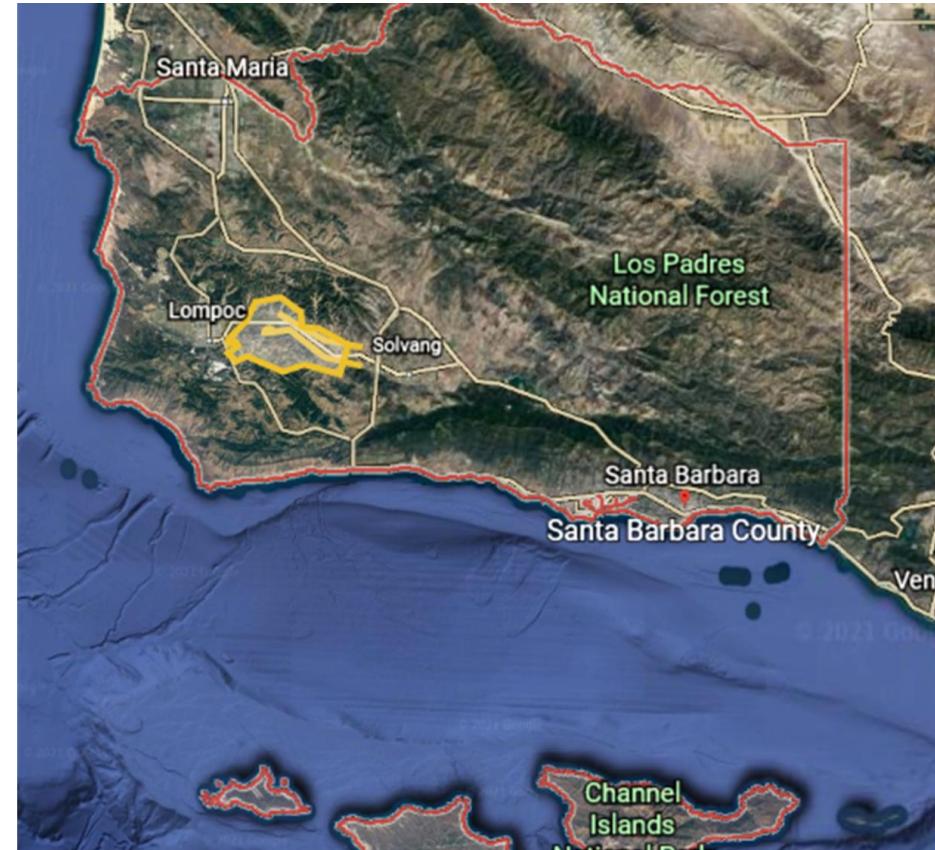
Terpenes

- There is no agreement regarding the impact of terpenes.
- It is logical to believe that more acres of cannabis will produce more terpenes than less acres.
- SFS Farms' location (upwind) and size (86.6 acres) will produce a massive amount of terpenes.
- It seems illogical to believe that terpenes will not travel through the air (downwind) or not have an impact on our vineyards.
- It seems reasonable to want and understand the science before planting 86.8 acres and “seeing how it turns out”.
- It does not seem reasonable to determine the impacts with a project of this size.
- The project has made no attempt to even try and mitigate this concern with trees or bushes



Farming Conflicts

- Most concerned with the potential liability exposure of a project of this enormous size in such close proximity to conventionally farmed vineyards.
- Adjacent farmers face a liability exposure of \$50-100MM if farming techniques harm the new cannabis crop in any way.
- Although there have been settlement discussions between the parties for many months, SFS Farms and the landlord would not agree to having terms apply to future operators on the property.



- If approved (902 Acres) 57% of the County's cannabis acreage outside of Carpinteria will be between Lompoc and Buellton
- This area only makes up 1% of the County's total area land area

57% of cannabis cultivation in only 1% of the County is not equitable

Solutions

- Unable to come to an agreement between neighbors because SFS Farms is a tenant, and SFS Farms would not agree to anything that runs with the land and subsequent operators
- Reduced the total size of this project to address both terpenes, farming conflicts, and odor. 86.6 acres is too big.
- Increased setback to address the incompatibility of cannabis and vineyards farming and crop cross-contamination
- SFS agrees to hold adjacent farmers harmless if farming operations are conducted using customary and reasonable practices
- Require a substantial hedge row grown in the setback consisting of both bushes and trees to give it both depth and height to mitigate crop conflicts
- Sadly, we don't believe this will resolve the issues, but it could help. We hope the board understands we are not anti-cannabis. We are truly fearful that our neighbor's business will damage our grapes, hurt our customer's experiences and ultimately force us to lose a family business that we have built over the past 25 years. We believe all of you would feel that same way if you were in our shoes