

Perkins, Scott

From: Simeon Evans <sieva007@gmail.com>
Sent: Thursday, February 1, 2018 10:10 AM
To: Perkins, Scott; Peters, Lindy; Norvell, Bernie; Cimolino, Michael; Turner, Dave; Lee, Will; Lizarraga, Fabian
Cc: Brandy Moulton; Laura
Subject: Re: Water usage of indoor cultivation of cannabis
Attachments: Social Consumption Ordinance denver.pdf

Hi all.

I wrote this email back in December after the last city council meeting about cannabis dispensary permits but wanted to do more research before I sent it on to you all.

In this meeting one of the issues discussed was "On site consumption" at a cannabis retail location. Ultimately the city council chose not to consider this aspect in writing the city ordinance for cannabis retail. We felt that the closed part of the session where this was discussed would really have benefited from some external input as it was apparent there were some misconceptions about how "On Site Consumption" could and does work.

Brandy (one of the directors of Sovereign) and I met with Chief Lizarraga to discuss several of the things that had come up in the hope that we could provide some insight as to how these concerns / issues are addressed and managed in places where On site consumption is permitted in places like Oakland and Colorado. I think we had a very productive meeting and hope we were able to do just that.

One misconception seemed to be the idea that consumption could or would occur in an area open to the public. This is not the case. The area would be designated for eligible members or adults that choose knowingly to enter a restricted and fully contained area designated for the consumption of cannabis. No unsuspecting member of the public could stumble into it.

Another issue seen with it raised by Chief Lizarraga was the concern of having first responders (especially armed first responders) need to enter the area in an emergency. How could they do so without getting a "contact high?" A very good question but an issue easily addressed. Filtration and exhaust systems are very advanced these days and you can pretty much remove anything from the air in a very short period of time. There are many companies providing exhaust systems for kitchens and chemical laboratories that manage smokes, vapors and odors quickly, safely and effectively. First of all with an exhaust system running constantly there would be no build up of vapor. Please try to do away with the image of Cheech and Chong "Hotboxed" in a 1975 Chevy impala with smoke billowing out the windows! I have been into an On site consumption area in Oakland and it isn't smoky at all with constant filtration. On top of that, in the event of an emergency there would be an "evacuate" switch which would signal everything off / extinguished and the air in the area could be vacated and replaced in under a minute allowing emergency services to enter directly.

A number of council members expressed that they really don't want to encourage people to smoke cannabis on the streets, especially in the central business district. It seems to me that not allowing people a place to consume cannabis outside of their homes is counterproductive to this concern. If people have somewhere to go, surely it would reduce the amount people are consuming in

public. Having a safe, controlled environment that people can choose to partake in only facilitates responsible cannabis use and helps to keep it off of the streets.

The clientele frequenting a dispensary is very different to those frequenting a bar. I have referenced some of the bars in the central business district several times (one in particular) and the number of people standing out front smoking cigarettes throughout the day. While I don't want to besmirch this or other businesses in town or it's patrons I would suggest that the bar hosts people from all walks of life. The concern seems to be with the low rent, vagrant kind of patron that can and will sit for hours on five bucks while intermittently popping out to smoke all day. At a Cannabar the ticket is much higher. At Sovereign the average ticket is about \$40 and most of the patrons are busy, hardworking people that are in and out. People do not loiter or consume outside and at an On site consumption locations there would absolutely be no consumption outside, in fact patrons would be fully contained. I believe it would help keep the consumption of cannabis off the streets.

Another important point is that it takes more staffing to run a Cannabar then it does just a retail location. I also project more revenue from an on site consumption location and as it would require more staffing it will also generate more tax revenue for the city and more jobs for our community.

We have provided the Social consumption ordinance from Denver Colorado for your reference and I am still waiting on the operating procedure for on site consumption in Oakland and will hopefully see that soon. I urge you to reconsider this aspect as I see only benefits to our community from providing such a place.

I would also ask that you avoid deferring a decision on this because the impact it will have on opening such a business would be consequential. If it is not permitted by ordinance initially and then amended later to allow, the location of a dispensary may not be suitable for on site consumption. To choose a location with on site consumption in mind would be very different from choosing a retail only location as it would require a lot more space and the ability to install an air filtration and evacuation system. So this means either moving location and rebuilding or potentially wasting money on an oversized space and not generating the revenue to compensate. It may not be possible to retrofit a location and then the business would have to move. If they had to move it would mean another permit process and a great deal more unnecessary expense. There are serious ramifications to deferring judgement on this issue that will impact local business. Again I implore you to take a second look at this.

The other main thing I wanted to address was the volume of permits discussed and ask how the permit application will be adjudicated? Will it be merit based or first come first serve? Will it be a lottery system? Will it be based on location? Will there be any preference given to prior existing dispensaries? If not you could be looking at up to seven dispensaries serving Fort Bragg.

I have since spoken to Scott about this concern and was informed that permits would be issued to the first completed and approved permit applications.

I don't think the radius issue (putting a 600ft buffer between retail outlets) is appropriate with the limited space allowed by the other sensitive uses and appropriate zoning. It could be very prohibitive which can lead to further issues.

I think four permits is too many. I understand the idea of letting more in to compete and have the better ones rise and the others drop off but I'd like to offer my appraisal of the situation.

Currently we have 3 dispensaries perched on the outskirts of town. Sovereign, which I am a representative of is averaging a gross intake (prior to taxes) of around \$30-40,000 a month. I can't speak for the others but I believe they both struggle. I have heard that one is in trouble and possibly on the verge of closing. So I'm going to venture an educated guess and suggest that the gross intake for retail cannabis in Fort Bragg is somewhere in the region of \$60-80,000 a month.

That's not a very big pot to divide between four businesses and that's assuming all three of them move into town and get a permit. If none of the current dispensaries become permitted inside city limits we are now looking at up to seven dispensaries serving Fort Bragg. That isn't at all sustainable. Only those that can afford to set up and operate at a loss while they wait for others to go under will make it through.

Lastly I think the delivery is somewhat of a non-issue. I think it's important to restrict it to Fort Bragg business to prevent delivery out of Oakland or wherever and I would advocate for storefront only. Since Sovereign started delivery about four months ago we have only executed one delivery. We had a request for a second but that was from a fourteen year old boy so obviously we didn't fulfill the order. I would hope that if Delivery Service permits were issued they would not be on top of the four retail being considered but part of the number.

Thank you for taking the time to read this. I hope you can consider some of these points. We are available to discuss any thoughts and concerns you may have or answer any questions that may help you fully appraise the situation at hand.

Sincerely

On 23 June 2017 at 10:05, Simeon Evans <sieva007@gmail.com> wrote:

I wanted to get back to you Linda regarding the water usage for indoor cultivation as discussed in our meeting. I am adding some of the other City and council members to the thread to try and provide whatever assistance I can to facilitate understanding of the subject as we move into discussion in the upcoming City Council meetings on commercial scale cultivation within the city limits. I have hopes of being able to overcome our obstacles and develop an avenue into a sustainable cannabis economy for our community here in Fort Bragg. Please forward to anyone else that may find this relevant or useful.

So as I poke around my personal opinion is confirmed that it really is quite subjective exactly how much water is used in cultivation. The problem here is that much of the information is tailored to outdoor cultivation and indoor is an entirely different ball game. It is also ambiguous to try and determine how much water is used per plant because each plant can take up as little as one square foot or over a 100 (albeit impractical inside). I am sure I can narrow it down and find some better information but this is my first poke around (and it's late), but I hope this is a good starting point.

In one article by Swami Chaitanya, who is "a renowned grower from California, and a member of both the Mendocino Cannabis Policy Council and the Emerald Growers Association." it states that he has derived a formula which states it takes one gallon per day to produce one pound of cured cannabis flower buds (1:1:1). It also provides some interesting information about wine production in Mendocino.

<https://www.marijuanaventure.com/report-on-water-usage/>

This is supported in the following article. Also interesting references to vineyards but still talking outdoor production.

<http://www.theganjier.com/2015/07/02/how-much-water-does-one-marijuana-plant-need-to-grow/>

In the attached report from Sonoma which is probably the best reference I was able to come up with so far it puts water usage ranging from 400,000 - 2,400,000 gallons per year for a 10,000 square foot indoor cultivation site which is a good basis of reference size wise to the kind project we are discussing in Fort Bragg.

In the following article it states "More plants per square foot = a shorter life cycle = less total water used per pound grown." which when comparing indoor to outdoor production is of great importance. On one hand the usage is sustained year round but cycles last 8-10 weeks instead of months. It is also possible to recirculate water in indoor applications to greatly cut down on usage. It might even be possible to recycle it as well although I suspect that would be cost prohibitive.

<https://humboldtgrower.wordpress.com/tag/cannabis-water-use/>

Ultimately I think there are always ways and means to overcome obstacles and I think the potential benefits of facilitating this industry here in Fort Bragg absolutely warrant serious investigation.

I hope this is helpful and am available to contribute whatever I can to this process.