

June 18, 2018

City of Goleta
130 Cremona Drive, Suite B
Goleta, CA

Honorable Mayor and Councilmembers,

Re: Agenda Item E.1 Cannabis Land Use Ordinance

Thank you for the opportunity to comment on the Cannabis Land Use Ordinance for your consideration at the Council meeting on Tuesday, June 19th. We commend your proactive leadership in regulating the newly legalized cannabis industry. This policy framework will help to protect public health and safety by requiring businesses to comply with standard practices and regulations.

We are a small group of local entrepreneurs in the cannabis space. As residents, we are invested in our home town and look forward to contributing to economic growth in the City of Goleta. Our goal is to secure a local permit to operate a non-storefront retail operation, provide great jobs to residents, and contribute to the betterment of the City by paying local taxes.

Although we are largely supportive of the ordinance, **we urge your Council to include Business Park as an allowable zone for non-storefront retail**. Based on our knowledge of the industry, we believe that non-storefront retail is a compatible use in Business Park zones, and is unlikely to generate adverse neighborhood impacts. Non-storefront retail can be compared to any other delivery fulfillment center. This activity simply consists of a small warehouse used to receive, store and load product into small vehicles for delivery to consumers. As the name implies, it is not open to the public.

Your existing Land Use Element, Policy LU 4.2 states that Business Park use designation:

“is intended to identify lands for attractive, well-designed business parks that provide employment opportunities to the community and surrounding area. The intensity, design and landscaping of development should be consistent with the character of existing development currently located in these areas. Uses in Business Park designation may include a wide variety of research and development, light industrial, and office uses, as well as small-scale commercial uses that serve the needs of business park employees... Activities in business park areas shall be conducted primarily indoors.”

Non-storefront retail is a compatible activity for Business Park use designation because it is best described as a “light industrial” use or “small-scale commercial use.” Our proposed project will take place in a 5,000 square feet commercial building and we plan to employ 15-20 individuals. Our business will not be open to the public so we will not generate foot traffic or parking impacts. Our delivery vehicles will be small sprinter vans – not large semi-trucks. Due to the

small nature of the product, we can fit a significant amount of inventory in a small, efficient vehicle. Our operating hours will be consistent with other surrounding uses.

We will not be conducting any packaging, extraction, cultivation or testing in the building – no heavy or loud machinery is needed. According to MAUCSRA, non-storefront retailers may only take possession of cannabis product that is in its *final packaged form*. In other words, product that we will be receiving, storing and delivering onsite will not generate any odor because it will be pre-packaged.

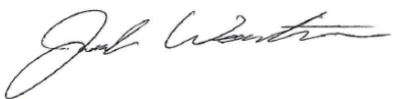
We are confident that our proposed project – non-storefront retail – is compatible with the surrounding uses and will enhance the character of the neighborhood, as well as provide a high quality service to the residents of Goleta. As locals, we are committed to operating a small business that will make our community proud.

Staff are proposing to allow other non-storefront cannabis activities in Business Park, including manufacturing and testing. We suggest that non-storefront retail is even less impactful than manufacturing. Therefore, it is reasonable to permit non-storefront retail in Business Park zones. Furthermore, other cities have permitted non-storefront retail in Business Park zones – City of Santa Rosa is one example.

In conclusion, please include Business Park land use designation as an allowable zone for Non-Storefront Retail.

Thank you for your consideration,

Jack Weinstein
SJR Advisors

A handwritten signature in black ink, appearing to read "Jack Weinstein", written in a cursive style.

June 18, 2019

Public Comment Letter
Agenda Item E.1 Cannabis Land Use Ordinance

Mayor Perotte and Councilmembers,

I am a local resident and the founder and CEO of HERBL Distribution Solutions, a cannabis distribution company. We have a licensed facility in the City of Santa Rosa and are pursuing a second location in southern California. Previously I have served as the CEO of Lang Pharma Nutrition - a private brand manufacturer and distributor of dietary supplements to Costco, Walmart and Target - as well as the President of United Natural Foods (UNFI) – America’s leading distributor of natural & organic foods.

We are hopeful for an opportunity to permit a cannabis distribution facility here in the City of Goleta. **However, we ask that your Council amend the ordinance to permit distribution in Business Park zones.** My team has been searching for a viable industrial building for many months and there is not enough appropriate infrastructure for a distributor in the existing allowable zones – General Industrial, Commercial General and Service Industrial. We ask that you expand the land use designation for distribution to include Business Park.

Cannabis distribution is a critical piece of the new legal supply chain. Only distributors are authorized to transport product between licensees, e.g. from cultivation farms to an extraction facility. We are also responsible for quality assurance and quality control, including packaging and labeling compliance. For example, we ensure that the packaging is child resistant and the THC contents listed on the label truly match the certified lab results. The distributor also collects taxes, and perhaps most importantly, works closely with a testing lab to test the cannabis product for harmful contaminants, such as molds, pesticides and heavy metals. For example, the testing lab must pull product samples at the distribution facility (under video surveillance) and return to the testing lab to conduct full product analysis.

Since distributors are required to regularly interact with the testing labs to protect the integrity of the product, we would like to co-locate with a testing lab. Testing labs are permitting in Business Park zones. **Therefore, we submit that for the efficiency of the supply chain, distributors should be permitted to locate in the same land use designations as testing labs, including Business Park.**

Based on our review of the existing Land Use Element, our interpretation is that cannabis distribution is an appropriate and compatible use for Business Park zones. Our distribution depot will be fairly small (around 10,000 square feet) and is similar to other existing allowable uses in Business Park corridors – light industrial, and small commercial businesses. Our vehicles are small vans (not heavy trucks) and since we are not open to the public, our business will not result in customer traffic. Furthermore, we will not generate noxious odors because all the product HERBL will take possession of is pre-packaged, as required by State law.

In conclusion, please include Business Park as an allowable land use designation for distribution in the ordinance. We look forward to providing quality jobs to local residents and helping to foster economic growth in the City of Goleta.

Thank you for your time and consideration,
Michael Beaudry
CEO
HERBL Distribution Solutions

Deborah Lopez

From: Stuart Kasdin
Sent: Monday, June 18, 2018 2:25 PM
To: Carmen Nichols; Deborah Lopez
Subject: Fwd: Cannabis use Ordinance

Sent from my iPhone

Begin forwarded message:

From: Santa Barbara Care Center <sbcarecenter@hotmail.com>
Date: June 18, 2018 at 12:21:09 PM PDT
To: "pperotte@cityofgoleta.org" <pperotte@cityofgoleta.org>, "skasdin@cityofgoleta.org" <skasdin@cityofgoleta.org>, "raceves@cityofgoleta.org" <raceves@cityofgoleta.org>, "mbennett@cityofgoleta.org" <mbennett@cityofgoleta.org>, "krichards@cityofgoleta.org" <krichards@cityofgoleta.org>
Cc: "Mgreene@cityofgoleta.org" <Mgreene@cityofgoleta.org>
Subject: Fw: Cannabis use Ordinance

Dear Madam Mayor and respected Council members,

My name is David MacFarlane, I am the owner and operator of Santa Barbara Care Center, one of the three non-conforming medical marijuana dispensaries located in Goleta. First, I would like to thank the City Council, City staff and Planning Commission for the fantastic efforts you have put forth in developing these Cannabis Use Ordinances.

I'm writing you today to express my concerns regarding the Planning Commission recommendation's at the June 11, 2018 hearing as follows:

1. Alert residents and businesses in close proximity of any proposed cannabis business.
2. Limit indoor cultivation to 5000 sq feet.
3. Limit the number of storefront retailers to fifteen (15)

It is the 3rd recommendation that gives me great concern. I have been a small business owner for over 30 years and I believe competition is good for business to some degree. I realize the city wants to encourage growth and allow equal opportunities to other people eager to jump into this fast moving industry. However, allowing 15 storefront retail dispensaries in the relatively small populated town like Goleta (approx 35,000) doesn't make much sense to me.

Since January 1, 2018 when prop 64 became law, cannabis owners such as myself were uncertain how these new laws and regulations would effect us. It is no surprise this law has had a severe negative impact

on our daily gross sales (down over 30%) and this has made it extremely difficult to maintain our current staff and the benefits. We are doing everything possible to weather this transitional period in hope the market will settle. If the Council decides to allow five times the amount of storefront dispensaries it will only compound the problem we are experiencing and could potentially put us out of business. I do not believe Goleta needs 15 marijuana storefront dispensaries to adequately service the community. I recommend a more conservative approach of five to seven. The city can always add more if they feel the demand requires more. At the September 7, 2017 meeting, the Deputy City Attorney Michael Jenkins cautioned the council. "It is much easier to give than take away." If the city does allow up to 15 dispensaries and comes to realize there is a over proliferation of cannabis dispensaries, this could become troublesome to scale it back.

The two original non-conforming medical cannabis dispensaries have been serving the Goleta community for over 10 years with zero complaints or incidents. We have never had lines out the door and we have always had the ability to handle the high demand day such as major holidays and what has become our busiest day of the year of April 20th. We have always taken extra precautions to make certain our members are respectful to our neighbors and surrounding community. We also take steps to insure there is no loitering, cannabis product visibility and cannabis consumption within 1000 feet of our facility.

As a local business owner and being well aware the heartbeat of this industry. I am asking the Council to consider initially adding a maximum of five additional storefronts to help offset the potential demand from the adult use cannabis market. Then, if the future shows a need for more stores, the Council could add them. I'm very confident the lower number of outlets can and will be able to handle the demand. The city will still collect every penny of tax the market will bring.

Respectfully yours,

David MacFarlane

Deborah Lopez

From: Stuart Kasdin
Sent: Monday, June 18, 2018 4:26 PM
To: Carmen Nichols; Deborah Lopez
Subject: FW: MARIJUANA ORDINANCE

Stuart Kasdin, PhD
Mayor Pro Tempore
City of Goleta | 130 Cremona Drive, Suite B | Goleta, CA 93117
805-961-7539 | skasdin@cityofgoleta.org

From: Mark Aijian [mark@maijian.com]
Sent: Monday, June 18, 2018 2:55 PM
To: Kyle Richards; Paula Perotte; Roger Aceves; Stuart Kasdin
Subject: MARIJUANA ORDINANCE

TO MAYOR PEROTTE, MR. RICHARDS, MR ACEVES AND MR. KASDIN,

I HAVE SENT EACH OF YOU THIS EMAIL TO VOICE MY STRONGEST OPPOSITION TO ANY PROPOSAL BY THE CITY OF GOLETA TO ALLOW THE CULTIVATION OF MARIJUANA WITHIN 2 MILES OF ANY PART OF THE CITY OF GOLETA THAT IS ZONED FOR RESIDENCES - AND IN PARTICULAR, THE WINCHESTER COMMONS NEIGHBORHOOD ON CATHEDRAL OAKS JUST BEFORE ITS TERMINATION AT THE 101.

THE ENTIRE BACK SIDE OF WINCHESTER COMMONS BORDERS LARGE ACRES OF AG LAND AND IT HAS BEEN REPORTED THAT PRESENT OR FUTURE CULTIVATORS OF MARIJUANA ARE SEEKING TO GROW THEIR CROP IN THIS AREA. THIS WILL DESTROY THE PROPERTY VALUES IN THIS AREA. EVERY ONE WHO LIVES IN CARPINTERIA HAS ALREADY EXPERIENCED THE FOUL ODORS OF THE PHOTOSYNTHESIZING MARIJUANA THAT WAFTS OVER LARGE PORTIONS OF THE FOOTHILLS AND PLAINS PORTIONS OF CARPINTERIA. THROUGHOUT THE DAY AND NIGHT, ANYONE WHO JOGS OR OCCUPIES THEIR HOMES WITH THE WINDOWS OPEN IS FORCED TO DEAL WITH THIS FOUL STENCH.

IF THE CITY OF GOLETA PERMITS MARIJUANA GROWERS TO CULTIVATE THEIR CROPS EITHER IN OPEN FIELDS, OR IN GREENHOUSES, IT WILL SURELY TRIGGER LAWSUIT AFTER LAWSUIT AS HOMEOWNERS CLAIM INVERSE CONDDMNATION AND LOSS OR VALUE IN THEIR PROPERTIES. BUYERS WILL SIMPLY LOOK IN OTHER AREAS AND HOME PRICES WILL SUFFER. AND IN THIS REGARD, DO NOT SIMPLY ACCEPT THAT FEEBLE OFFERING THAT EXHAUST FANS OR FILTERS WILL ELIMINATE THE STENCH. THIS IS THE VERY REASON THAT CITIES IN THE CENTRAL VALLEY AND IN THE SOUTH ARE SO RESTRICTIVE ABOUT THE ZONING FOR HOG FARMS AND TANNING OPERATIONS.

AND FOR WHAT REASON DOES THE CITY OF GOLETA ENTERTAIN THIS ORDINANCE? SO A FEW PEOPLE WHO WANT TO PROFIT ON VICE CAN RAKE IN PROFIT? SO THE CITY OF GOLETA CAN ENJOY LICENSE FEES AND TAXES?

THE ENTIRE MATTER OF MARIJUANA PROPAGATION AND SALE IS BAD FOR OUR CITY. VIRTUALLY EVERYONE WHO KNOWS ABOUT MARIJUANA KNOWS THAT THE FIRST THING IT DOES IS TO DISENGAGE TO MOTIVATION CENTERS OF THE BRAIN. IT RESULTS IN LACK OF ENGAGEMENT IN SCHOOL, WORK AND FAMILY LIFE AND IT IS THE TRIGGER FOR A LARGE INCREASE IN DUI'S - JUST READ THE NEWS ABOUT THE MESS THE STATE OF COLORADO IS IN.

SIMPLY PUT, THE CITY OF GOLETA DOES NOT NEED THE FILTHY PROFITS FROM THE MARIJUANA INDUSTRY.

I STRONGLY URGE YOU AND OUR ENTIRE CITY COUNSEL TO PUSH THE CULTIVATION OF THIS NASTY CROP AS FAR FROM OUR NEIGHBORHOODS, OUR FAMILIES, OUR SCHOOLS AND OUR AIRSPACE AS POSSIBLE .

MARK AIJIAN

Liana Campos

From: Andy Newkirk
Sent: Tuesday, June 19, 2018 5:20 PM
To: David Cutaia; Deborah Lopez; Liana Campos
Subject: FW: Cannabis Operating Hours
Attachments: City of SB Operating Hours Resolution.pdf

Importance: High

From: Erin Weber [mailto:eweber@calstrat.com]
Sent: Tuesday, June 19, 2018 5:06 PM
To: Paula Perotte <pperotte@cityofgoleta.org>; Stuart Kasdin <skasdin@cityofgoleta.org>; Kyle Richards <krichards@cityofgoleta.org>; Roger Aceves <raceves@cityofgoleta.org>; Michael Bennett <mbennett@cityofgoleta.org>
Cc: Andy Newkirk <anewkirk@cityofgoleta.org>
Subject: Cannabis Operating Hours
Importance: High

Mayor and Councilmembers,

We recommend **removing** the operating hours for non-storefront retailers (delivery) and mirror the City of Santa Barbara's ordinance. The City of SB only set operating hours for *storefront* retail. The ordinance for your consideration this evening (page 12) only allows for delivery between 10am-8pm. This will not allow local delivery businesses to meet consumer demand, and is overly restrictive. We encourage you to let the market decide operating hours for delivery services.

3. Non-Storefront Cannabis Retailer
 - a. Edibles. Only commercially prepackaged, shelf-stable edible cannabis products may be sold.
 - b. Hours of Operation. Hours of operation are limited to 10:00 am to 8:00 pm.

Below is the City of Santa Barbara's operating hours policy, which only applies to storefront retail. (Also attached.)

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE
CITY OF SANTA BARBARA THAT:

SECTION 1. Retailer-Storefront commercial cannabis businesses shall
not operate between the hours of 10:00 p.m. to 10:00 a.m.

SECTION 2. All other types of commercial cannabis businesses (i.e.
Retailer-Delivery Only, Indoor Cultivation, Manufacture, Distribution, Testing)
may operate twenty-four hours a day, seven days a week.

Apologies for the late email,

Erin Weber | Associate | CALIFORNIA STRATEGIES, LLC
cell: 805-440-9021 | eweber@calstrat.com | www.calstrat.com
Sacramento Office **Santa Barbara Office**
980 9th Street Suite 2000 29 El Paseo
Sacramento, CA 95814 Santa Barbara, CA 93101
w: (916) 290-6159 w: (805) 695-2350

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY
OF SANTA BARBARA ESTABLISHING HOURS OF
OPERATION FOR COMMERCIAL CANNABIS
BUSINESSES

WHEREAS, on December 5, 2017, the City Council adopted an ordinance adding Chapter 9.44 to the Santa Barbara Municipal Code (SBMC) to regulate commercial cannabis businesses within the City;

WHEREAS, on December 5, 2017, the City Council also adopted an ordinance amending sections of Title 30 of the SBMC to allow commercial cannabis businesses to be located within certain zones of the City;

WHEREAS, pursuant to the amendments to Title 30, all types of commercial cannabis business activities may occur within the Manufacturing Industrial (M-I) zones, and retailer-storefront businesses may also be located within the Commercial Restricted (C-R) and Commercial General (C-G) zones; and

WHEREAS, pursuant to SBMC section 9.44.270.B., commercial cannabis businesses may only operate during the hours established by Resolution of the Council;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA THAT:

SECTION 1. Retailer-Storefront commercial cannabis businesses shall not operate between the hours of 10:00 p.m. to 10:00 a.m.

SECTION 2. All other types of commercial cannabis businesses (i.e. Retailer-Delivery Only, Indoor Cultivation, Manufacture, Distribution, Testing) may operate twenty-four hours a day, seven days a week.