

From: [Mike Beaudry](#)
To: [Deborah Lopez](#); [James Kyriaco](#); [Roger Aceves](#); [Kyle Richards](#); [Stuart Kasdin](#); [Paula Perotte](#); [Anne Wells](#); [Peter Imhof](#); [Michelle Greene](#)
Subject: Cannabis workshop public comment
Date: Wednesday, January 23, 2019 7:49:42 AM
Attachments: [image003.png](#)
[Public Comment letter- Goleta June 19.pdf](#)

Good morning Honorable Mayor and Councilmembers,

We urge your Council to direct staff to amend the General Plan to allow distribution as a primary use in Business Park land use designations. I am the CEO and Founder of HERBL Distribution, an industry leading cannabis company. I was previously the President of United Naturals Foods Inc 'UNFI' the largest distributor of natural and organic foods in the US. I led teams of up to 5,000 members and more than 3M sq ft of warehouses and 1,000 plus trucks across the country. I have brought my experience and expertise from natural foods distribution to HERBL.

HERBL has a licensed facility in the City of Santa Rosa and we are eager to locate a second facility in Goleta. I live here locally and am committed to investing in the community and building my business in my backyard. However, the building that is most optimal for our operations is in a BP zone. Your current regulations do not allow distribution as the primary use in BP zoning. We urge you to amend the general plan.

I've re-attached a previously submitted public comment letter which discusses in more detail why cannabis distribution is a compatible use in business park, and why we are confident that it will not generate negative impacts. Due to the small size of cannabis product, we only use small sprinter vans, compared to large semi trucks, which are typically used in 'distribution' businesses in other industries. Furthermore, we can fit more product into one vehicle so we have smaller vehicles and less vehicle trips, compared to typical 'distribution.' We submit that 'cannabis distribution' is quite different than typical distribution and generates far less impacts.

Additionally, another fundamental reason why we are continuing to advocate for this amendment, is because our business model is highly dependent on frequent interactions with a testing lab. (Testing lab employees are required by the State to pull samples, while physically in our distribution business facility, for analysis for harmful contaminants such as pesticides.) We will create less impacts if we can permit our business on the same APN or neighboring APN as the testing lab - which are permitted in BP zones. There are considerable efficiencies if our two businesses are allowed to locate in the same land use designation - business park.

Lastly, we are committed to our local community and are confident we would greatly contribute to the character of the neighborhood, residents, and regional economic growth and vitality. Our business will provide high paying, sustainable jobs for the Goleta community and generate tax revenue for the City.

Please do not hesitate to contact me with questions and thank you in advance for your consideration.

Best, Mike

Mike Beaudry
Founder & CEO
Office: 805-420-1000
Cell: 805.420.2000
www.HERBL.com



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

January 22, 2019

Via U.S. Mail and Email
pimhof@cityofgoleta.org
awells@cityofgoleta.org

Peter T. Imhof, Planning and Environmental Review Director
Anne Wells, Advance Planning Manager
130 Cremona Drive, Suite B
Goleta, CA 93117

Re: Cannabis Ordinance Workshop

Dear Mr. Imhof:

We are the attorneys for Coastal Dispensary LLC ("Coastal"), which applied to the City of Goleta for a storefront retail dispensary permit in August 2018. We and our client are in receipt of the proposed Agenda, Item A.1 CPMS WORKSHOP for the January 23, 2019 Special City Council Cannabis Ordinance Workshop. In advance of the workshop, we are writing in regard to Question #5 on the agenda - Storefront Retail Sensitive Receptor Buffers, to request that the City consider Coastal's pending application when determining whether and to what extent a "buffer" around the Goleta Valley Community Center will be required for Goleta storefront dispensaries.

As you might expect, Coastal devoted significant energy and substantial resources preparing its application for a proposed storefront location at 5710 Hollister Ave. In reliance on the scope of the Ordinance in place at the time Coastal submitted its application, Coastal incurred in excess of \$100,000 on application fees, city fees, traffic studies, and architectural drawings and design work in anticipation of operating a dispensary at that location. In addition, the prior tenant of more than a decade has vacated the premises to accommodate Coastal's proposed business. Only recently did Coastal learn, however, that the City is considering implementing a buffer around the Community Center, which happens to be across the street from Coastal's proposed location. At the time of the application last August, there was no required buffer so the proximity to the Community Center was not an issue. As noted in the workshop agenda at p. 7, "[t]hrough the development of the Cannabis Land Use Ordinance, the City chose to include **no prohibitive buffers** around schools, day care, and youth centers and **did not add any additional uses for prohibitive buffers.**"

Coastal is heavily invested in the opportunity to do business in Goleta, and in Old Town specifically. It is a member of the Goleta Chamber of Commerce, and Coastal as the tenant and the owner of the property as the landlord are committed to establishing a safe and secure location

Mr. Peter T. Imhof

January 22, 2019

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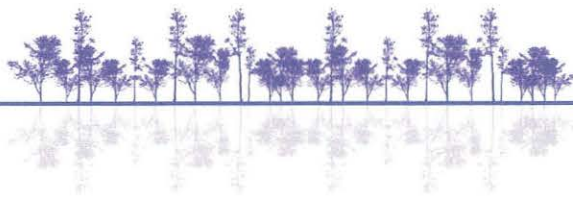
consistent with community standards and in harmony with other business and operations in Old Town. We are confident that Coastal's presence on Hollister Avenue will be an asset to the neighborhood. Unless any buffer restriction is applied carefully and flexibly to accommodate Coastal, however, its hard work in preparing its storefront location for a new successful business in Old Town could be jeopardized.

We will attend the workshop on January 23, 2019 and we will be prepared to answer any questions and look forward to discussing opportunities that will enable the City of Goleta and Coastal to work together. In the meantime, we ask that you consider whether implementing a new buffer long after applications were submitted is fair to Coastal and other applicants who have already committed major resource toward developing a mutually beneficial economic relationship with the City of Goleta.

Respectfully,

/s/ Lawrence J. Conlan

cc: Mayor and Councilmembers



January 22, 2019

City of Goleta
130 Cremona Drive
Suite B
Goleta, CA 93117

Honorable Mayor and Councilmembers,

RE: Cannabis Ordinance Workshop

AGQ labs is one of the world's leading labs for chemical analysis in food and soil, with more than 25 years of experience in advanced analytical testing, agronomic consulting, specialized engineering and environmental project management. We have an operation in Oxnard and have obtained international accreditation. AGQ labs services agricultural and food industries across North America, including the Central Coast, mainly through nutritional monitoring of crops and pesticide residue analysis of foods.

We are looking forward to securing a cannabis testing lab permit in the City of Goleta and applying our expertise in chemical analysis to the newly legalized cannabis market. State law requires that all cannabis is tested by an independent testing lab before it is sold to consumers. All product is tested for contaminants such as mold, pesticides, moisture, residual solvents, microbial impurities, and foreign material.

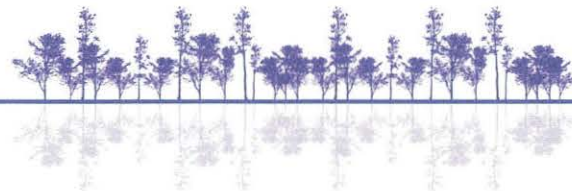
There is a serious shortage of licensed cannabis testing labs, which is slowing the transition to the legal cannabis market and allowing the black market to continue. Similarly, there is a critical shortage of licensed distributors – which are also a pivotal part of the legal cannabis supply chain. Distributors play a fundamental role in quality assurance and quality control of cannabis products, including labeling and packaging compliance and close coordination with the testing lab. State law requires that testing labs pull samples of product for analysis at the distributors premise, before the distributor transports the product to retailers for sale. In other words, the State regulations require that testing lab employees travel to the distributor premise as often as multiple times a day, depending on the volume. Therefore, our cannabis testing lab business cannot be successful without a distributor nearby.

This is problematic because the City of Goleta's existing regulations allow testing labs in Business Park, but not distribution. **We urge your Council to direct staff to expeditiously amend the General Plan and allow distribution as a primary use in Business Park land use designations.** It is critically important for our business model that we co-locate with a distributor, and this is not currently allowable, absent an amendment to the City's General Plan. Permitting distribution and testing labs to co-locate on properties with a Business Park land use designation will decrease traffic impacts because instead of driving back and forth several times a day to pull samples at the distributor premise – as required by State regulations – instead our employees will travel the short distance to the distributor premise to pull the samples. Synchronization between our two businesses is also fundamental to protect consumer safety, as previously discussed.

We submit that amending the General Plan to allow distribution as a primary use in Business Park land use designations is good for the City of Goleta, because it will generate critically needed tax revenue. Additionally, encouraging professional and compliant distributors and testing labs to locate in the City of Goleta will also result in dozens of new, high paying, high-tech jobs for local residents.

Not unlike any other business, starting a cannabis testing laboratory or distribution business requires an enormous amount of capital investment – in the millions of dollars - in mandated technology (such as seed-to-sale/track and trace to prevent diversion of product), security measures (video surveillance), equipment (best available testing technology) and facility build out. We urge the City to quickly provide businesses with clarity that we need to continue to make these investments in the local community.

As you may have seen in the recent news, the cannabis black market is still thriving, and this is in large part due to overly burdensome local regulations, which make it exceedingly difficult for new, cannabis businesses to secure permits needed to operate. We encourage the City of Goleta to do all that you can to *encourage* new legal cannabis businesses to secure permits. This includes streamlining regulations and removing barriers to entry. It is in the best interest of public health and safety to facilitate a robust legal cannabis market – including distribution and testing labs.

A decorative horizontal row of stylized trees with green foliage and brown trunks, positioned above a thin blue line that separates the header from the main body of the letter.

In conclusion, we urge you to direct staff to *expedite* amending the General Plan to allow cannabis distribution as a primary use in Business Park land use designations. This amendment is important for the sustainability of the legal cannabis market locally, the efficiency of the supply chain, local job creation, and the City's fiscal health. It is also important for consumer safety, as both cannabis testing labs and distributors must work together and co-locate to effectively test and verify the safety and integrity of products for consumption. We are confident that this amendment will actually help to reduce vehicle, and other impacts, by allowing co-location and synergies between the two cannabis businesses.

Thank you for your consideration,

Tenesor Pena
CEO, AGQ Labs USA
2451 Eastman Ave Suite 1
Oxnard, CA 93030

A handwritten signature in black ink that reads "Tenesor Pena". The signature is written in a cursive, flowing style.

From: Seth Seaberg [mailto:seth@halex.io]

Sent: Wednesday, January 23, 2019 1:36 PM

To: Deborah Lopez <dlopez@cityofgoleta.org>; James Kyriaco <jkyriaco@cityofgoleta.org>; Roger Aceves <raceves@cityofgoleta.org>; Kyle Richards <krichards@cityofgoleta.org>; Stuart Kasdin <skasdin@cityofgoleta.org>; Paula Perotte <pperotte@cityofgoleta.org>

Cc: tracy@trotterproductions.com

Subject: Comments re: January 23 Proposed Amendments

Honorable Mayor and Councilmembers,

I'm opposed to amendments to the cannabis business license ordinance. We are a cannabis start up and have already invested significant capital into our real estate, equipment, and other measures to meet State and local operating standards. Each day that our permits are under review by the City means a day of missed opportunity to recover costs and generate revenue for our business. My background is in consumer packaged goods and advanced technology marketing, and I can tell you as an entrepreneur that I'm increasingly surprised by the over-regulation of the cannabis industry. We are required to secure annual state licenses, which include very detailed review of everything from our owners background checks, security plans, waste management, video surveillance, standard operating procedures, etc.

Additionally, we are required to secure a local land use entitlement and business license from the City, which we are told can take over 8 weeks. Please do not add more standards to the business license process, which are already being fulfilled at the state level. This would be duplicative and unnecessary and harmful to local start up businesses who are trying to do the right thing and comply with the extensive regulations of this new and fragile industry.

Yours truly,

Seth Seaberg | CEO | HALEX

Sublime Processing LLC

123 Aero Camino, Goleta, CA 93117

(310) 498-0480 | seth@halex.io

Goleta City Council Workshop – Cannabis Regulations (1/23/19)
Feedback Form (Note: All comments submitted will be posted online)

Name: Monika Vuchkova Email (optional): ~~monika.vuchkova~~@gmail.com

Recommendation #1 (storefront retail - cap):

Staff Report Cross Reference: This is a new item

- Confirm that the ordinance should retain the storefront retail cap of 15.

Comments:

n/a

Recommendation #2 (storefront retail – sensitive receptor buffers):

Staff Report Cross Reference: Issue #5 (bullet #1) and new item (bullet #2)

- Confirm that the ordinances should include a 300-foot buffer around the Goleta Valley Community Center.
- Confirm that the ordinances should add prohibitive buffers from schools (600 feet) and residences (100 feet).

Comments:

n/a

Recommendation #3 (storefront retail – separation requirements):

Staff Report Cross Reference: Issue #6

- Confirm that the ordinances should expand the storefront retail separation requirement from 300 feet to 600 feet.

Comments:

n/a

Recommendation #4 (microbusinesses):

Staff Report Cross Reference: This is a new item

- Confirm that a new use (“cannabis microbusinesses”) should be added to the General Plan Land Use Element use tables with allowances in the General Industrial (I-G) and Service Industrial (I-S) land use designations.

Comments:

Recommendation Set #5 (storefront retail – General Industrial I-G land uses):

Staff Report Cross Reference: Issue #2

- Confirm that a new use (“Cannabis Storefront Retail”) should be added to the General Plan Land Use Element use tables with allowances in the General Industrial (I-G) land use designations and limited to locations where a dispensary was in operation prior to the 2009 ban. For consistency purposes, this change would also include allowing “Cannabis Storefront Retail” in C-C, C-R, C-C, and C-OT as currently allowed.

Comments:

Since storefront retail could be allowed in 4 different land use designation, Non-storefront delivery only retail should be allowed in Business Park.

Recommendation #6 (distribution – Business Park I-BP land uses):

Staff Report Cross Reference: Issue #3

- Confirm that the General Plan Land Use Element use table should be changed to allow “General Wholesale Trade” land use in the Business Park (I-BP) land use designation (but limited to Cannabis Distribution).

Comments:

Distribution is a compatible use in Business Park, and adding delivery-only ^{retail} use would allow more local businesses to find suitable spaces.

Recommendation #7 (accessory cannabis uses):

Staff Report Cross Reference: Issue #1

- Confirm that the General Plan Land Use Element tables should reflect a new footnote stating that accessory uses are allowed where accessory to an allowed primary use as regulated through zoning.

Comments:

Recommendation Set #8 (permitting procedures):

Staff Report Cross Reference: Issue #4

- Confirm that cannabis zoning permit requirements should be removed from the Cannabis Land Use Ordinance and that the Cannabis Business License should include detailed standards and requirements.

Comments:

Eliminating the zoning permit requirements will simplify the process of licensing, and at the same time the Cannabis Business License procedures has strict standards aligned with the state regulations.