

## **June 21 HPNA General Meeting Notes - Marijuana Cultivation Permit Applications**

Compiled by: Hilary Moise, HPNA Secretary

These are notes regarding what questions and comments were shared by neighbors, and what the responses were from the presenters.

### **Jay Schenirer, City Council Member**

Illegal marijuana growing operations currently in our neighborhood - how can we get rid of them?

- JS: SMUD has identified locations using excessive amounts of electricity consistent with marijuana cultivation. At least 3,000 in Sacramento. There are definitely several illegal growing operations in Hollywood Park.
- Purpose of city ordinance and conditional use permit for marijuana cultivation is to identify and properly regulate the industry and expose bad actors who continue to operate in the shadows.
- A police task force is being put together to bust illegal grows. The funds from the legal operation are necessary to fund the task force.

Pesticide use in marijuana cultivation

- JS: Pesticide use is regulated by state law. The city has outlawed the use of neonicotinoids.

Increased demands on power grid and water usage - is there a risk of blackouts or low water pressure?

- JS: For any applicant seeking a conditional use permit, that permitting process ensures that all land use and zoning rules are applied to the location of the business. Which means the business can only be approved for locations that are zoned for that level of industrial/commercial use, including water and power use.
- Marijuana cultivation businesses flip the night/day schedule, so most power usage for lighting etc. is at night, while most other power grid users are asleep.
- The industry is incredibly water efficient because of use of high tech water and lighting systems.
- SMUD has reported a significant increase in revenue due to the high power usage from marijuana cultivation businesses.

Will property values go down due to marijuana cultivation businesses in the neighborhood?

- JS: There is no evidence of home values dropping in states that have legalized marijuana growing - Colorado or Washington.
- Also, because of the way these businesses are regulated by the City's permit process and ordinance, the end result is that the public will not be aware that the business is a marijuana cultivation site when passing by - no noticeable odor, no high-profile signage,

minimal traffic in and out (few employees, not open to the public, just distribution vans doing pick ups)

**CUP Applicants: 4080 24th St (Prime Strategies, CUP Z17-046) and 4701 24th Street (Paradigm Farms, CUP Z17-063)**

Pedro Carrillo - representative of owner of 4080 24th St.

Addison Moore - owner of Paradigm Farms

PC:

- Presented a powerpoint slideshow about his project. Will email to HPNA to share with the neighborhood.
- Confirmed that residents near the property will get a 10-day notice of the hearing on the permit application. There is no hearing date set for this property - could be 4-6 months away.
- The applicant (property owner) has pledged as part of the permit application that if a marijuana cultivation business leases his property, it will contribute 1% of profits to the City's Neighborhood Responsibility Fund.
- Invited neighbors to submit comments and suggestions to planning department to improve the proposed businesses.
- Any plans to convert business into a dispensary? No - grow or manufacture only.
- Sale of marijuana is still illegal under federal law. Concerned about possibility of getting shut down? Owner is aware of the legal challenges. Is working with local government and the CA Attorney General's office to understand the situation.
- Only 1 home within 600' of site; Building is rental units, PC has spoken with residents, did not say whether they supported or not
- Who should be contacted with issues near grow premises? Same as every other business

AM:

- Will have 24-hour live monitoring, security on site during operating hours, and considering having night time patrols as well.
- Marijuana grown will be entirely medicinal, not recreational.
- Cash will be transported off site each night.
- Opted not to have a sign - keep a low profile.
- 6-10 employees total, which includes security staff.
- The business has pledged as part of the permit application that it will contribute 1% of profits to the City's Neighborhood Responsibility Fund.
- What can neighbors do if they witness suspicious activity? The CUP requires designating a neighborhood respondent, which for this business is AM.
- Packaging- is the product traceable? Yes. Will be wrapped in a plastic back with a batch and lot number. For transport, will be put in a locking case. The distributor's van will load product into a safe inside the van.

- Will it use solar power? No, but considering it in the future. Site is rented
- Any plans to convert business into a dispensary? No - grow only.
- Will employees go through a background check? Yes.
- No public access.
- Business is required to report any suspicious activity to the police.
- How will marijuana be transported? Law on transportation still unclear. Paradigm planning to do own transport but, there's a possibility that the city will require licensed transporters

### **Question to HPNA**

If the Neighborhood Responsibility Plan means an applicant pays 1% gross receipts from the business, how can we be sure that the funds will be put toward improvements that the whole neighborhood will enjoy?

-HPNA's understanding is that funding paid toward Neighborhood Responsibility Plan may go into a District 5 pool with taxes from other grows/manufacturing in other neighborhoods, and the city will determine the spending of it after a study on neighborhood impacts. The city has not specified how funding will be distributed to the neighborhood, nor have they specified how, if at all, any neighborhood associations will be involved.

-A similar question was posed by HPNA to City of Sacramento staff during a May 22, 2017 marijuana stakeholder meeting held by the Office of Marijuana Policy & Enforcement. From that meeting's notes:

Q: How are funds from the Neighborhood Responsibility Plan going to interact with neighborhood associations and how are they going to be distributed?

A: The funds will be going towards neighborhood improvements and will depend on results of the nexus study. The purpose of the study is to determine whether there are secondary negative impacts to neighborhoods resulting from the cannabis businesses. The limitations of those funds will be shaped by the nexus study, which could take up to a year to complete. The 1% could be low or it could be high.