



COUNTY OF LAKE
COMMUNITY DEVELOPMENT DEPARTMENT
Courthouse-255 N. Forbes Street
Lakeport, California 95453
Planning Division · Building Division · Code Enforcement Division
707/263-2221 · FAX 707/263-2225

Mireya Turner
Interim Community Development Director

COUNTY OF LAKE
CANNABIS TASK FORCE MEETING MINUTES
CONFERENCE ROOM B
Meeting Held Remotely through Zoom
August 29, 2022
1:00 PM

STAFF PRESENT

Mireya Turner, CDD Deputy Director
Andrew Amelung, Cannabis Program Manager
Katherine Schaefer, Assistant Planner

TASK FORCE MEMBERS PRESENT

Katherine Vanderwall
Jan Coppinger
Jennifer Smith
Nara Dahlbacka
Robert Geary
William Weiss
Rebecca Harper

TASK FORCE MEMBERS NOT PRESENT

N/A

MEMBERS OF THE PUBLIC

Betsy Cawn
Bart Levenson
Zarro Sabev

1. Call to Order
At 1:03pm Staff called the meeting to order.
2. Introductions and Welcome
At 1:05pm Roll Call was taken
3. Review of Minutes
At 1:07pm the minutes were reviewed, and then approved at 1:09pm
4. Review of Vision Statement



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At 1:09pm the Cannabis Program Manager presented the draft Vision Statement for Cannabis in Lake County:

The County of Lake Cannabis Program is dedicated to the pursuit of a sustainable, vertically-integrated, and diverse cannabis industry while balancing the needs and preservation of the unique ecological and botanical environment of the County, the existing agricultural establishments, and the communities and cultural resources of the County. Together we can succeed with clearer guidelines and expectations of the known and unknown challenges we face both now and in the future.

At 1:10pm a Task Force member suggested adding prehistorical and historical along with cultural resources.

At 1:11pm Task Force member Dahlbacka suggested inserting wording that the Cannabis industry be successful/thriving

At 1:16pm Member of the Public Betsy Cawn suggested adding enforcement or compliance within the Vision Statement. Cannabis Program Manager Amelung relayed that the new Ordinance will address details that the broad language the Vision Statement provides, including enforcement. Task Force members then suggested inserting the word “licensed” or “compliant after the word “diverse”

5. Review of Cannabis Taxes

At 1:25pm Lake County Tax Collector Patrick Sullivan presented a review of Cannabis Taxes. Cannabis Tax is collected per square footage at cultivation sites, and through a percentage of gross receipts for other Cannabis business types.

Tax Collector Sullivan relayed that thus far the County of Lake has collected over \$16 million in Cultivation Taxes. Lake County Community Development Department Annual Inspection data is used to help verify the amount of cultivation tax to be collected. Last year, approximately 4.5 million was collected. In 2018, during the first year of Cannabis taxes, just over 2.1 million was collected. For this growing year, roughly 3 million square feet will be lost to taxation, as some growers are opting out of cultivating.

In 2018, the cultivation tax had to be paid in advance. This was difficult for Cannabis permittees, as revenue was not yet available. In 2021, a change from the Board of Supervisors decreed that the first tax payment would not be due until January, with the next payment due in May. The Board of Supervisors intended for this action to provide some local tax relief while facing the unknown of Statewide tax relief for growers. In 2020, the State has provided for Cannabis equity grants through Prop 64. Lake County applied for this program and was rewarded with roughly 2 million to help our growers. This relief will go to individual permittees with licensing fees, tax bills, and CDD fees (Annual Inspection/Monitoring fees). For those Use Permits that qualify, funding will be available with a cap of \$50,000/project.



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Due to the change in Cannabis tax payment timing, growers will not be paying cultivation tax until the calendar year after growing season. This is helpful for growers, but more difficult for the County. For this year and the next two years, County revenue will be lower due to the new tax due dates.

Since 2018, Cannabis taxes have also changed to canopy-only, and no longer apply to the total cultivation area. The Cannabis Program Manager clarified that the canopy area would be the fields of cannabis, while the cultivation area would include the entirety of the operation, including buildings, wells, water tanks, and pathways/roads within the site.

At 1:37pm A Task Force member asked what the size of an average Cannabis tax bill would be. Lake County Tax Collector noted that based off the last billing cycle for outdoor grows, and taking the number of \$1/square foot, an estimate of roughly \$45,000/year would be about average. The tax number would depend upon the size of each project's canopy.

At 1:40pm Task Force member Jan Coppinger asked if any of the Equity Grant money would be earmarked for mitigation on illegal grows? The Lake County Tax Collector answered that one of the biggest allocations are paying for Code Enforcement, Environmental Health and the Sheriff's Department. These local taxes are also dispersed throughout County programs that the State tax will not also cover.

At 1:41pm Member of the Public Zarro Sabev inquired about the revenue from mixed-light grows. Lake County Tax Collector Patrick Sullivan remarked that a rough estimate would be about \$520,000, taking into account the number from mixed-light licensing last year. Mixed-light projects have only come online within the last year or two.

At 1:43pm Cannabis Program Manager Amelung relayed that roughly 19 projects are in the que for being converted to mixed-light, and this would help make up some of the revenue.

At 1:44pm Task Force members discussed the timing of the Cannabis taxes in comparison to the wine industry.

At 1:51pm Member of the Public Bart Levenson remarked that so much is depending on the growth of Cannabis industry, but that the County Sheriff and Code Enforcement is still understaffed and unable to deal with the enforcement demands.

At 1:53pm Member of the Public Betsy Kawn queried and was given clarification that the maximum grant allowed per project from the state is 50,000 dollars/project.



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At 1:54pm Member of the Public Bart Levenson commented that rebuilding of homes from Valley Fire had to be put on hold in favor of the growing Cannabis industry, and that other needs of the County are being neglected. Director Turner clarified that Cannabis has not stalled the issuance of building permits.

At 1:55pm Task Force members discussed the dramatic Cannabis market crash. Several jurisdictions had resulting major decreases in taxes to keep farmers from defaulting. The tax actions from the Lake County Board of Supervisors were typical in comparison to other counties with Cannabis cultivators during this time.

6. Presentation of Issues and Comments

At 2:00pm Staff introduced the summarized public comment issues, which included the following categories:

- Land Use
 - Clustering
 - Exclusionary Zones
 - Hoop Houses
 - Microbusiness Eligibility
 - Matching County and State Requirements
 - Acreage issues
 - Early Activation
 - Background Checks
 - Additional Issues and Concerns
- The Environment
 - Hydrology Reports
 - Ground Water Use
 - Setbacks from Clearlake
 - Forest Management
 - Fire Safety and Defensible Space
 - Hazardous Materials Use
 - Drought Management
 - Review of Electrical Use and Plans
 - County Designated Peer Review for specialty reports
 - Grading Issues
- Community
 - Tribal Notification
 - Exclusion Zones and prohibited locations
 - Code Enforcement
 - Building Safety
 - Light Safety
 - Cannabis Taxes
 - Transportation issues
 - No commercial cannabis in residential areas
 - Odor control of outdoor grows



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- Public notification
- Cap the size of cannabis grows
- Bond requirements
- Cannabis tourism
- Minimum cultivation sizes
- Staff for monitoring approved projects

At 2:10pm Task Force Members discussed that a timeline for addressing these issues would be brought forth in the next meeting.

At 2:11pm Task Force Member Smith also noted that the window for addressing temporary drying structures/hoop houses had passed for the season. Issues like these would need to be addressed at the beginning of the timeline, as they are time sensitive. Task Force members agreed with this sentiment.

At 2:16pm Task Force member Geary made a note that cultural resources are part of the environment. There is a difference between Tribal Cultural Resources and Archaeological Resources. There had been an impression under Early Activation Permits that set-up of electrical lines, water lines, graded roads, and other ground disturbance/construction activities were allowed. Tribal Cultural Resources are non-renewable. Because the land is leased by many of these farms, the Tribal Consultation needs to be held with the actual property owner, so that any resources found are not disturbed. A process needs to be implemented to tie consultation to the Property Owner. Cannabis taxes and grant funding monies should be allocated to the enforcement of these requirements. The previous County response has been that there is not enough staffing to address enforcement. Perhaps an initial solution would be conducting the AB52 Tribal Notification when an application is received or even during the pre-application process.

At 2:23pm Task Force members suggested that a supplemental Archaeological study for the Lake County area may be needed to identify overarching Tribal Cultural Resources.

7. Public Comments

At 2:26pm Member of the Public Betsy Cawn asked whether Early Activation has been removed. Staff clarified that the Planning Commission's recommendation to the Board was to remove Early Activation, and that the matter would be decided in an upcoming Board meeting.

At 2:28pm Member of the Public Betsy Cawn asked why the Tribal Consultation process is not completed before the CEQANet circulation. Cannabis Program Manager Amelung relayed that the notification process to the local tribal agencies is addressed prior, and remains the second step in the processing of Cannabis permits after ensuring the



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application is complete. The problems associated with Early Activation permits may have been associated with this perception.

At 2:30pm Member of the Public Betsy Cawn asked why the Hydrology Reports aren't reviewed by the Department of Water Resources Engineer? Cannabis Program Manager Amelung noted that the projects are sent out to the Department of Water Resources, as well as to the State Waterboards for specialist comment during the agency review period. The applicants are also required to provide a Hydrology Report written by a licensed Hydrogeologist.

At 2:34pm Member of the Public Bart Levenson noted that the roads used by the large grows aren't made for large trucks. How do we reconcile this with fire risk? Cannabis Program Manager Amelung noted that this is a topic that will be addressed in a future meeting.

8. Adjournment

At 2:46pm the meeting adjourned.