

Honorable Mayor and Councilmembers,

We are the owners of Dare 2 Dream Farms just west of Lompoc, and though we do not live within city limits, we call Lompoc our home and wish to remain here. We have three children who we hope will grow up to love Lompoc and choose to lay down roots here as well; but, given the current conditions in Lompoc, and its trajectory, we fear that will not be the case.

I have spent over 30 years living in Lompoc and have watched the town decline in terms of safety, aesthetics, education, and quality of life. However, Lompoc has a unique opportunity at hand to dramatically change its course over the next few years by working with the burgeoning cannabis industry. It is the responsibility of Lompoc to foster an environment and community that benefits the cannabis businesses moving in and ensure that we raise the standard of living for the existing community of Lompoc.

Based on research done by a cannabis management/consulting group, we believe a small 2-6% tax on manufacturing alone would allow Lompoc to remain competitive compared to almost all municipalities throughout the state of California. By assessing a nominal and competitive tax, we position the city of Lompoc to attract large manufacturing companies while building up our general fund. We must improve our parks and rec, support our police department to improve public safety, hire city staff to facilitate permitting and oversight for incoming cannabis and other businesses, and bring our fire department up to speed so Lompoc can ensure our ability to respond to a combustible manufacturing industry. A better Lompoc benefits the cannabis industry as well, because they will be able to attract higher quality employees and prevent turnover of employees by promoting their happiness in Lompoc.

In response to the arguments that even a small tax would push away potential manufacturing industry in Lompoc, it can be argued that we are uniquely poised to attract the manufacturing industry for several reasons that the manufacturing industry recognizes. Our climate is mild enough that the industry would not have to spend money in energy to climate control their large manufacturing facilities. Additionally, our location in the Central Coast of California allows for reduced transportation costs to Santa Barbara County and Carpinteria, specifically, where growers are located. We are also centrally located to the huge retail markets of Los Angeles and San Francisco.

As Lompoc locals and business owners, we understand how burdensome taxes can be on any business, especially when they are not created with full consideration. Lompoc has the opportunity and ability to be flexible in the taxation plan. Unexpected new taxes put in place before revenues can be realized change businesses financial forecasts. However, by phasing in the taxes over a few years it allows the industry to make plans for the tax. One of the most appealing parts of the manufacturing tax is that it brings in revenue from the entire state, and as the laws change it could potentially bring in revenue nationally and globally. The amount of tax money even a 2% tax on manufacturing would bring in compared to retail taxes is huge, and it does not come in on the backs of the residents of Lompoc. In addition, to help Lompoc stay competitive in the retail market we think a decrease to the retail cannabis tax would help bolster the local industry as well.

In conclusion, we argue a small tax on cannabis manufacturing could singlehandedly change the entire future of Lompoc for the better. We suggest putting the proposal forward to voters of Lompoc so they can help decide their future.

Signed,

Jeremy & Megan Raff