

September 20<sup>th</sup>, 2022

RE: Urgency Ordinance No. 1699(22)

To whom it may concern:

I am reaching out regarding the proposed moratorium on legal cannabis businesses in the City of Lompoc. Not only does this go against the American ideal of an open market, I also believe it will have a domino affect not just on cannabis businesses in the city and county, but also on the countless citizens who have been hired by these companies as well as the service providers and vendors that have been utilized in construction, utilities, surveys, maintenance, and supplies for buildouts and daily operations. Not to mention the potential loss in tax revenues for the city. My current role is as CFO of a large cannabis company and I cannot say enough about the importance of simplifying and streamlining operations. This includes consolidating operations into one area as this reduces time and transportation costs. If we are not able to efficiently operate in the city of Lompoc, then we will be looking to move our entire manufacturing and distribution operation elsewhere, including future expansion plans for retail or nurseries.

To give you an idea of what this means, we have over 100 farmable acres in Santa Barbara County, which can be farmed twice per year for a total of 200+ acres, and require approximately 6,000 clones per acre. Once at full scale, that totals over 1,200,000 clones needed. If each clone averages \$7.00, taxed at 1%, then the city will be missing out on approximately \$85,000 from our nursery operations. Add on the \$60,000 for two manufacturing locations and you are up to \$145,000 of lost revenue from just one operation in one year. Additionally, cannabis is one of the most regulated industries in the country, including countless environmental regulations that the entire area will benefit from including, but not limited to, preservation of important local plant and animal species, protection of local water sources and streams, and a significant reduction in the use of harmful chemicals. The crop also uses far less water per acre, which is of utmost importance in the current water crisis. Finally, the cannabis industry also has the potential to increase tourism in the area, which can already be seen in other districts. I hope you see that the real-world potential for loss will be much more detrimental to the city than some loud, unhappy voices that either want to create a monopoly in the city or just plain don't like the product based on outdated stereotypes.

Thank you,



Thomas Salzillo

CFO

Farming First Holdings LLC