

FAX COVER SHEET

TO	Commissioner Marlene Rawley
COMPANY	OKPlanningCommission
FAXNUMBER	15094227349
FROM	R. David Brown
DATE	2016-03-25 23:58:31 GMT
RE	Packet from WSIA for Commissioner Marlene Rawley

COVER MESSAGE

Please ensure that Ms. Rawley receives a copy of this document prior to Monday night's meeting.

Thanks.

R.David Brown

03.25.16

Dear Planning Commissioners,

The Washington Sun growers Industry Association (WSIA) would like take this opportunity to urge you to reconsider the zoning changes currently being drafted in OCC Title 17A.290 that are negatively impacting *Cannabis sp.* Operations. To support this emerging industry, please implement the following:

- Replace references to marijuana with the accepted scientific terminology for the plant, *Cannabis sp.* The word marijuana has a long history of being used to associate *Cannabis sp.* with racial fears and is perceived as a slanderous term against hispanics today.
- Maintain the current definition of *Cannabis sp.* as an agricultural crop (17A.020.060 Agriculture) with the right to farm ordinance (OCC Chapter 5.28) that is also supported by RCW 7.48.300-305 for protecting existing farm activities.
- Do not exclude *Cannabis sp.* cultivation from the definition of farming (17A.020.370 Farm)
- Do not require conditional-use on *Cannabis sp.* operations (17A.290.030)
- Allow *Cannabis sp.* cultivation permitted use across all zones (pg 106 of OCC 17A Zoning)
- Eliminate the Amortization Period to require permitted, unpermitted, or legal pre-existing marijuana operations to cease operations on January 1, 2017.
- Eliminate additional conditions that would increase operational costs or inhibit business development (17A.310.100 Potential Conditions)

Okanogan county is in an unique situation to experience the manifold economic benefits from *Cannabis sp.* cultivation. The planning commission originally considered conditional use for *Cannabis sp.* cultivation back in 2014. The planning commission recognized that growing *Cannabis sp.* is protected by the state and county laws protecting the right to farm and recommended to the County Commissioners in a 5 to 1 vote that ***Cannabis sp.* not be treated differently than any other agricultural commodity.** Testimony was heard that requiring conditional use for *Cannabis sp.* would open the door for addressing the nuisances of farming other crops and might lead to efforts to try and curtail farming that was considered to be a nuisance. We will address the draft Environmental Impact Statement under consideration that addresses agricultural nuisance while simultaneously recognizes the importance of agricultural activity in a separate letter with the attached packet.

The economic impact of *Cannabis sp.* is being felt in the county today. In September 2015, Okanogan reached its lowest unemployment rate since at least 1991 at 4.1 percent, which was during the second *Cannabis sp.* harvest. The potential revenue from the industry is estimated to

exceed \$1.3B. Cannabis operations are one of the few agricultural sectors that are capable of bringing in new investment into the Okanogan from other areas of the state. Consider that the 2012 Agriculture Census reported over 1.2 million acres producing market sales of \$287M. The *Cannabis sp.* Industry currently licensed in Okanogan represents less than a 100 total acres and is estimated to generate over \$100M of revenue. Had the county not passed Resolution 17-2016, preventing the siting of new operations, millions more may have been realized.

There are many unfounded concerns that have been expressed by our neighbors and fellow citizens that the WSIA has addressed in the attached informational packet. This packet seeks to help commissioners better understand the economic impact, address the concerns of citizens, and to help educate the community about the *Cannabis sp.* industry.

WSIA membership is composed of stakeholders and interested parties who fully appreciate the concerns of the communities within which we work, but also the political process and opportunity for input on these policy decisions that are sure to have a profound impact on our nascent industry. Collectively, we bring a wealth of information and experience to the table and look forward to sharing all of this with you in an effort to inform your decisions regarding this sector of the marketplace.

Thank you for the opportunity to participate. We look forward to working with you through this process.

Sincerely,



David Brown
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OK Planning Commissioner's Packets

The Washington Sungrowers Industry Association (WSIA), representing producer-processors operating throughout the state, would like to take the opportunity to address some issues of concern related to the proposed ordinance OCC Title 17A Code Amendment 2015-1. We understand that the options under consideration by the Planning Commission are part of a larger zoning review that will culminate in recommendations to the County Commissioners. We are concerned that the proposed changes to the cannabis industry under review will not only negatively impact operators in Okanogan county, but may inadvertently influence the entire legalization effort across Washington State. As such, we have prepared these comments and collected the accompanying documents to help inform your decision and recommendations.

County Commissioners have tasked the Planning Commission to reconsider how legal cannabis businesses are allowed to operate within Okanogan County. In 2013, Okanogan County Commissioners treated cannabis production as agriculture covered under existing right to farm and agriculture zoning and law. This encouraged business owners to proceed with licensing and heavy investment in local operations. After a couple of inappropriately sited operators entered the county in 2014, officials proposed conditional use permitting (CUP) to strengthen developmental and authoritative controls they felt lacking. The Planning Department rejected the proposed CUP very marijuana citing the right to farm laws and ordinances and that treating cannabis differently could open the door to CUP considerations for other aspects of agriculture. The draft environmental impact statement (Draft EIS) currently under consideration repeats this conclusion, by stating that the County has determined that 'no-action' options, and 'proposed alternative action' options will make no difference in impact given the slow pace of growth in both population and development in the County. This report also reiterates that the existing regulatory controls already in place are capable of assessing and addressing growth related environmental and community impacts.

From our understanding, the County Comprehensive Plan published in December 2014 has provided the blueprint for applicable zoning regulations, and this is what triggered the request to the Planning Commission. While new zoning rules are being drafted, the County is operating under an interim Zoning Ordinance, whose primary purpose is to identify where new housing related developments should occur, at what density limits, overlay requirements, and at the intensity specified, making provisions for the widest variety to serve all possible needs and using the regulatory controls to address possible impacts. We also understand that the zoning challenges presented to the planning commission revolve around increasing productive land use while strengthening conservation efforts, and protecting the health and safety of the community.

The WSIA would like to work collaboratively with the planning commission and county Commissioners to address these challenges, but would also like to question why cannabis operations are under attack from local authorities again. The County has not found significant justification to warrant regulatory change in the approach used by the county and they have failed to perform the necessary economic impact assessment that would inform them to better understand the value this industry brings to the local economy. Implementing conditional-use permits across all zones, removing cannabis from Right to Farm provisions, and requiring a

SEPA review if the draft EIS is also passed would increase operational cost and inhibit business development. Most devastating, is the idea that the County would implement an Amortization Period against existing operators, given them just one year to recoup cost and relocate outside of the County.

This is a Right to Farm Issue

Okanogan County has a total land base of 5,268 square miles or 3,401,600 acres. 53% of the County is public lands. The core element of the County's economic base is Resource Land (agricultural, forestry, and mining). The agricultural industry actively manages a little over 130,000 acres in private lands for resource activities, which constitutes 10-15% of the lands available. There are 80,000 acres in harvested crop lands and 52,000 acres in irrigated agriculture. Fruit is the majority of the land and generated 235 million dollars. The cannabis industry currently occupies a minuscule 40 acres, which accounts for .0012% of the total area and using conservative values on yield and price is valued at over 100 million dollars this year.

Since October of 2015, Planning Commissioners have been reviewing the proposed ordinance Zoning OCC Title 17A Code Amendment 2015-1. Within the proposed zoning changes, the planning commission is recommending changing the definition of marijuana (cannabis) to non-agricultural, while defining hemp as an agricultural crop with Right to Farm provisions.

Cannabis (marijuana) and Hemp are plants from the family *Cannabis sativa* L. They are an annual, evergreen dicot plants. Such plants are vascular without significant secondary woody tissue, as expected of a plant classified as a weed (USDA and NRCS 2012). This plant is widespread throughout North America, as shown in the green regions of Figure 1. *Cannabis sativa* is further found globally, actually growing in the wild in Northern India in the regions where urbanization and over-exploitation have not yet diminished the plant growth (Rana and Choudhary 2010). Further, the various strains and sexes of *Cannabis sativa* yield different products with the male plants typically yielding fiber products and the female plants yielding medicinal properties, oils, and livestock feed.

Contorting or manipulating these legal definitions to accommodate a profoundly divergent treatment for the same genetic organism does not make sense. For the planning commission to seek differing definitions of a crop based on where it is planted or by who it is planted by, along with how it is grown and harvested, is unprecedented in the history of agricultural commodity development. This would be analogous to creating one set of rules for farmers growing apples intended for use in the production of hard cider and another for apples grown for dessert apples or the fresh market.

Cannabis is a plant, and should be treated like an agricultural commodity, and protected under Right to Farm rules. The Washington State Department of Agriculture and Labor and Industry are both regulating this commodity as an agricultural crop. The State of Washington has strong right to farm statutes, RCW 7.48.300-305, protecting existing farm activities from challenges by encroaching development. In addition, Okanogan County has adopted a significant right to farm protection which assures that farm activities are protected from adjoining activities which may

discourage or be offended by agricultural practices (OCC 5.28-Farm Operations and the Right To Farm Ordinance)." (EIS p21) In fact, additional regulations that limit lands currently used in agricultural production or otherwise used for agricultural activities (like cannabis), would be detrimental to the overall farm economy in Okanogan (EIS p22).

The Real Impact of the Cannabis Industry

Washington State voters passed initiative 502 by nearly 56% in November 2012, and Okanogan County voted in favor of the initiative.. As of the most recent US census, the population of Okanogan County is 41,120, with a projection of an additional 4,500 people over the next 30 years, with a growth rate of less than ½ of one percent (0.5%) each year. "Unlike West Coast counties and others where development is at risk of crowding out agriculture resource lands, that crowding out is not a problem in the county" (EIS p23). By area, Okanogan County is the largest in the state of Washington.

The DEA has just released a study showing that illegal cannabis traffic in Washington State is down 80 % compared to the period just before I-502 went into effect. This report shows that the law is doing exactly what pro-502 voters in Washington State hoped it would do. This is particularly striking considering the fact that it is simultaneously producing tax revenue for the county, state and federal governments while providing an economic boost for poor counties. **Not supporting legal 502 businesses directly supports the illicit.** The illegal cannabis market has been shrinking in Okanogan County because many, if not most, of those involved really would prefer to be a legal 502 business. That success will quickly reverse if I-502 farms are restricted. An important point the County needs to consider is that the illicit market growers generally pay their workers with product which those employees then sell on their own, often to under-aged children. By restricting the legal I-502 businesses, the County would be directly encouraging unregulated, illegal street sales of even more cannabis. That hardly seems like something the County should be trying to do.

As residents and job creators in the communities where we live and work, we agree with concerned citizens who want to keep out crime, protect our children, safeguard the environment, and reduce the impact of density clusters in the community. That is why we are committed to the legalization effort and why we abide by such stringent regulations that govern our day to day activities. The county employs 'official controls' which are subject to state requirements concerning noise, air quality, and water quality and quantity. We have attempted to address typical community concerns in Attachment A-Citizen Concerns.

Conclusion

The WSIA request that the Planning Commission **take no action** and remove chapter 17A.290 Marijuana Operations proposed withing OCC title 17A 2015-1. We also request the County maintain the current definition of marijuana (cannabis) as an agricultural crop, with permitted-use across all zones. In the alternative, we ask that an economic impact study be undertaken to

ascertain the financial contribution of 502 operations and the effects that any zoning or other changes (especially to the I-502 industry) would have on the Okanogan economy.

The entire history of this industry has needlessly been one of struggle resulting from misinformation, fear, paranoia, prejudice, and greed. Consequently, this has yielded an extremely uncertain regulatory regime that alone has injured the lawful farmers operating in this space. We are concerned that the County is exposing itself to unnecessary and entirely avoidable regulatory takings when simply working with the industry to adopt a more careful and precise approach to properly siting these farms could strike just the right compromise. We respectfully ask that you proceed with caution to find the optimal solution for all stakeholders and constituencies in this debate. S

ATTACHMENTS:

A-Typical Community Concerns

B-1Economic Development

-2Ander's report

C-2012-Census of Agriculture County Profile

D-Unemployment Graph

ATTACHMENT A: POSSIBLE COMMUNITY CONCERNS

Youth Access

As per I-502 regulations, production/processing facilities and stores are well marked as "Age 21-or older." All farms have secured access. Also in strict accordance with state law and LCB regulations, farm locations are required to be remote from any public areas where persons 21 or younger might congregate, such as schools, churches, athletic fields, etc. Due to our extensive and robust security measures, no one should be able to just walk into a farm location. Those measures must be verified regularly by compliance officers, and they most certainly have been. It is far easier for such youth to gain access to alcohol and tobacco in stores than to obtain *Cannabis sp.* from a regulated I-502 retailer. It is basically impossible for a person 21 or under to access *Cannabis sp.* via these producer/processor/retail locations, short of direct breaking and entering, and even that would be very difficult due to the locked-down nature of producer/processor locations.

"[I]n all states where medical marijuana has been legalized, marijuana use by minors has been stable or has decreased."³ The paper goes on to describe the associated effects and risks of *Cannabis sp.* by youth ages 0-20. The point of this paper is that, with current campaigns on the awareness of risk factors for youth in this age range, *Cannabis sp.* use either does not increase or decrease in states/communities that have legalized access.

Source: "The Impact of Marijuana Policies on Youth: Clinical, Research, and Legal Update", by The American Society of Pediatrics, published January 26, 2015

<http://pediatrics.aappublications.org/content/pediatrics/early/2015/01/20/peds.2014-4146.full.pdf>

Fear of Increased Crime

How could legalized access to *Cannabis sp.* increase crime? By imbibing and being more motivated to commit crimes? Again, hard alcohol or hard drug use of almost any sort carry magnitudes more risk as stimuli to crime. As an influence itself, available studies are substantial to the contrary showing its calming - sleep inducing properties. The propensity to do "stupid" things is arguably on par with the responsibility of the adult using it, just as with alcohol. After 14 years of legalizing in Denver, violent and property crimes fell. (<http://www.msnbc.com/all/does-marijuana-lower-the-crime-rate>) A quick scan of other news sources online reveals many more favorable reports supporting this observation. "Crime rates may not have gone up, but revenue is soaring. Burglaries and robberies at the city's dispensaries of medical and/or recreational marijuana are on track to hit a three-year low" according to a separate report from Denver's Department of Safety, first reported by The Denver Post. Source: www.drugpolicy.org, published 07/06/2015 <http://www.drugpolicy.org/news/2015/07/marijuana-legalization-washington-state-one-year-status-report> "News report finds major fiscal benefits, decrease in violent crime, no increase in youth marijuana use or traffic fatalities - and massive drop in marijuana arrests."

Source: Huffington Post, published 07/17/2014 http://www.huffingtonpost.com/2014/07/17/marijuana-crime-denver_n_5595742.html

Illegal marijuana production in Washington State has seen a spectacular decline since 2010, according to a new report by the U.S. Drug Enforcement Agency, which suggests that most cannabis enthusiasts are turning to legal businesses instead of potentially cheaper black market

marijuana. The amount of processed marijuana the DEA seized dropped from 3,126 pounds in 2010 to just 635 pounds in 2014. Source: The Yakima Herald

The report also said the number of marijuana plants it seized in Washington State was about 80% – or 57,000 plants – less than what the agency seized in 2010. The Washington State Patrol attributed the drop to increased air reconnaissance and better coordination between state, local and federal law enforcement, the paper reported.

Security Concerns

The crux of this concern seems to stem from overlooking the strict regulations imposed by the state and the need for these business owners to install adequate security systems. Farms are usually quite robust in their secured areas where product is stored. The operators heavily regulated I-502 businesses are doing as much as a any local business could hope to do to secure their facilities. A weak point had been the purely cash nature of our business, given the previous lack of banks that would deal directly with this cash from I-502 businesses. However, this is not nearly as much of an issue anymore as most of these farms and retail stores now have banks and checking accounts, and conduct themselves as any other retail business rather than having to secure large amounts of cash on-site.

Again, as with fear of youth access, existing security standards are, on the whole, substantially preventive. As a system, I-502 businesses are required to have been inspected for these stringent security standards. There are, for example, more security cameras on site and filming in any given I-502 farm than most any other business in town. Should anything go wrong and require investigation, these cameras cover every possible square inch of approach and entrance, with night vision and 6 weeks or more of video records. Great expense and effort was made, in complying with LCB regulations to insure effective security. As a standard, these are some of the most secured locations in the county. The only reported theft of note in this area, that we are aware of, involved the suspects using the keypad entry lock. In other words, it was theft by employees. So, aside from crimes committed by current or former employees, security is relatively failsafe.

Odor Issues

This appears to be a highly personal subject, as people with no *Cannabis sp.* experience or exposure have toured local farms and found flowers in bloom to be surprisingly fragrant and diverse. Many people have commented how they did not realize it could smell so nice. This suggests common public knowledge of what blooming *Cannabis sp.* actually smells like is quite limited and likely limited to the occurrence of smelling someone actually smoking it, which is an entirely different aroma from the smell of the crop at any time in its growth cycle. The actual scent of the crop in bloom only occurs for a few weeks to a month at the end of the summer season, (around September/October), unless a farm is doing smaller light-deprivation “forced blooms,” but the scale of these plots is usually much smaller. Finally, these farm locations are quite a distance from populated areas, so the occurrence of smelling an outdoor bloom is likely limited to that experienced by a given location's closest neighbor. By comparison, the odors from cattle or say the smell of pesticides being applied to apple/fruit orchards (with workers in

full hazmat suits and masks) can be at least as offensive and affect a much larger population of our community for longer durations.

Getting High from Second Hand Smoke

Since *Cannabis sp.* is still not legal to smoke openly in public spaces and likely will never be (as no one is lobbying for that), this reduces anyone else's proximity to the source who does not wish to be exposed. By comparison, tobacco smoke is legal to smoke in most outdoor public spaces. In fact, this "second hand smoke" hypothesis was tested recently and the published results showed that only within a sealed room containing high-THC primary and secondary smoke from *Cannabis sp.* were the participants susceptible to (barely) failing a standard workplace drug test. Source: "Non-smoker exposure to secondhand cannabis smoke. I. Urine screening and confirmation results" *J Anal Toxicol*. 2015 Jan-Feb;39(1):1-12. doi: 10.1093/jat/bku116. Epub 2014 Oct 17. Still, the values reported represented only *trace* amounts that would show up in sensitive tests, but not at values that would have registered on the spectrum of effects experienced by a typical subject actually *intentionally* ingesting the substance medicinally or recreationally.

Rural Traffic

There is increased vehicular traffic associated with the cars and trucks used by workers in the I-502 industry. This is a result of an visible sign of workers going to and from their jobs each day. However, every farm and orchard, with their workers and tractors, uses the same or often greater numbers of workers at similar times of year. Certainly we are not saying that we want no increase in traffic within our county at all. Recall that there was a lot more traffic when the mill was in its heyday 25 years ago. If we want more jobs in the county, we necessarily will have more people and more people movers or cars and trucks in our midst. Addressing traffic concerns with changes in policy or planning requires much more nuanced and careful approach than simply wishing the problem away or killing jobs.

Light Pollution

Data on this is extremely scarce and so any discuss of these potential impacts necessarily lends itself to anecdotal analyses until a formal study is undertaken. In the meantime, from our own purely anecdotal observations, we certainly have not noticed any farms with great light pollution in the area. Compared to the giant outdoor lights of Home Depot and Walmart, or other companies in this area with massive floodlights at night, the light produced from this sector of our economy is miniscule. If this truly is a problem, however, we are fortunate that readily available options such as curtains exist or possible changes in zoning.

Increase in Dust

Dust is not something a *Cannabis sp.* farm wants on or off site for his/her operations. True, there are locations with sandy or dirt roads, but again, when compared to fruit orchards and cattle farms, how could these I-502 farms possibly be resulting in any greater impact? Certainly the vehicles or their drivers aren't themselves any more prone to generating dust. If the sites are under construction, how is that construction and its dust of any different or of greater qualitative impact than other forms of land development in the area? Perhaps the answer is to have the

county pave more of our roads rather than to target certain drivers for disparate treatment from other drivers. As an industry and members of this community, we would be supportive.

Environmental Impact

In comparison to crops such as alfalfa, barley and fruit orchards, *Cannabis sp.* does not use the same quantities of water and nor does it have the same volume of run-off. Water is often selectively applied by hand or with metered drip lines. And most farms do not require much, if any, pesticide use. The cited instances of pesticide use that have recently been publicized in the state appear to be localized to riparian and coastal productions that have a very different local environment than ours. If this body is concerned, perhaps we could offer sample testing performed by verified labs, on tissue and/or soil samples. It would be most fair and sensible hold the regulated I-502 farmers to the same standards as fruit orchards or any other county crops. In short, *Cannabis sp.* is simply not a model that wants to or can afford to waste water or nutrients. The nutrients used are largely comparable to the same expensive chemicals used in regular home gardens and agriculture.

Decrease in Property Value

I-502 farms must comply with State regulations, we are talking about basic structures with, often, black fenced areas. Then we are also talking about the perception of *Cannabis sp.* itself. If the suggestion is that people knowing a pot farm is adjacent to a property impacts its value, that perception of a *Cannabis sp.* Business must be discussed on a public level, since it only appears to be an issue of personal preference or indifference. But, as seen in Colorado, the people going into this legal, regulated agricultural business often move in from out of the area, need to buy homes, and this results in an increased demand for construction workers, electricians, and other tradesmen/women beyond just employees at the farm. Beyond merely from replacement after the fires, the PUD has installed many new transformers at I-502 locations for increased power and that's a lot of expensive hardware and installation. It has a community impact of "overall increased economic benefit" on a scale nothing else has had in this county in recent years. Thus it can be said, property value goes up from increased demand. Many people over the past two years have looked into buying houses in order to facilitate their new businesses.

In a region with already low property value, this appears to insinuate the fenced off areas are an eyesore. Somehow unlike a large timber mill, or large tracts of property with dozens if not hundreds of derelict vehicles, etc. This sounds again like a very personal and individual preference. "The industry has created jobs beyond growers and dispensaries. Legal marijuana has also been a boon for existing businesses like security and HVAC companies who service the new "green" businesses. "Electricians have grown from mom and pops to big-time electric companies," said J.P. Speers, an agent at Berkshire Hathaway Home Services." Source: *Article: CNN Money, "The pot effect on Denver's housing market",* published June 4, 2015

http://money.cnn.com/2015/06/04/real_estate/marijuana-denver-housing-market/

Increase in Drugged Driving

Isn't this the question: is alcohol any safer to use when driving a car than *Cannabis sp.* is when driving a car? If one is not safer than the other, and no one would advocate either when

operating a motor vehicle, then the real issue is the responsibility of the licensed to make responsible choices? It would be the same as arguing that having wineries in our county increases the likelihood of drunk driving on Merlot. The truth is, adults have to be responsible and when they aren't, we have effective and mighty stringent laws and law enforcement options for dealing with offenders. Fortunately for society, the overwhelming majority of consumers of both substances make the responsible choice not to drive under the influence.

Fear of Overdosing

Aside from pangs of anxiety or other temporary effects, there is a bulk of scientific and social study behind the simple fact that use of *Cannabis sp.* cannot result in fatal overdose. At its worst, *Cannabis sp.* can cause very uncomfortable effects in overdose, but in no possible way can it, by itself, be life-threateningly toxic. Just as with alcohol, it is up to the user to practice responsibility. In 1988, DEA Chief Administrative Law Judge Francis Young issued a report titled "Marijuana Rescheduling Petition" encouraging lawmakers to reschedule cannabis. "Nearly all medicines have toxic, potentially lethal effects," he writes, "But marijuana is not such a substance."

His report details scientific tests carried out to determine the quantity of cannabis that must be consumed to induce fatality:

Drugs used in medicine are routinely given what is called an LD-50. The LD-50 rating indicates at what dosage fifty percent of test animals receiving a drug will die as a result of drug induced toxicity. A number of researchers have attempted to determine marijuana's LD-50 rating in test animals, without success. Simply stated, researchers have been unable to give animals enough marijuana to induce death.

At present it is estimated that marijuana's LD-50 is around 1:20,000 or 1:40,000. In layman terms this means that in order to induce death a marijuana smoker would have to consume 20,000 to 40,000 times as much marijuana as is contained in one marijuana cigarette. NIDA-supplied marijuana cigarettes weigh approximately .9 grams. A smoker would theoretically have to consume nearly 1,500 pounds of marijuana within about fifteen minutes to induce a lethal response.

In DEA Judge Young's words, "In practical terms, marijuana cannot induce a lethal response as a result of drug-related toxicity." In layman's terms, research indicates it's virtually impossible to fatally overdose on cannabis. No subsequent peer-reviewed articles are known to have refuted these findings.

Fear of outsiders

New people, especially new people bringing lots of money or coming because of well-paid jobs are not something anyone should be afraid of. One of our members lived in Okanogan County back in the 50's and 60's when the economy was relatively strong with lots of good jobs in the local mill as well as in apples, cattle and logging. Things were good and it was a nice place to live. He informed us that by comparison, the economy today is much worse and argued that we should welcome any new industry that offers good paying, stable jobs. People left Okanogan

County simply because they couldn't find work here. The I-502 farms are changing that and actually bringing people in again. That isn't a bad thing. Those people are earning money here and spending it here. That is what makes an economy. There will be a larger benefit to the county because of those new employees spending their money here than even tax revenue sharing might provide. Added to that are the positive impact of all those businesses spending money doing construction on their sites.

At the end of the day, you can't do much to quell innate or learned prejudice and xenophobia. However, you can emphasize that everybody came from somewhere else at some point in their history or lineage. We would do well to appreciate that the most vibrant economies across the country are those that attract new people and new investment to their communities.

Revenue sharing

We join you in this concern and will do everything we can to amplify your calls for revenue sharing and an increased slice of the pie. As it turns out, we are allies in this effort. We are working with our staff and lobbyists in Olympia to craft reform language that will create a different formula for dividing revenues. We believe that the revenue sharing should not favor population density so heavily and instead should factor in the relative production density such that Okanogan County should be advantaged by having a higher ratio of producers and processors within its borders. It is important to remember that moratoria and bans are used to calculate the revenue sharing and therefore, any adverse action by the county is akin to shooting itself in the foot.

LCB is not responsive to the needs of the County

Like most state agencies in ours and in every other state, the LCB is underfunded and overworked. Many of us were nearly put out of business when they took nine months or often longer to process our permit applications and then only issued the permits in the fall or winter months. This is of obviously no use to outdoor growers who utilize the summer growing season. In any case, the solution to that problem lies in the county government communicating better with the state agencies rather than simply holding the individual permit holders hostage while they work that out. It is hardly our fault, so please don't retaliate against us in any misplaced way. What logic is there in punishing us for shortcomings of a state agency? Again, we join you in this concern and as it turns out, we're allies in any effort to ensure that the LCB does, in fact, enforce it's rules. We see their diligence as insurance against not only this sort of blowback, but myriad other exposures like increased litigation or even increased scrutiny from the feds. We are, if anything, also a victim of the bureaucracy in Olympia and we all need to keep cooperating on that.

LCB is not enforcing its own rules

We are sincerely ignorant of which rules LCB is not enforcing. Our collective experience is that they are doing a good job of enforcing rules and their rules are effective to regulate the industry. It is worth noting that the DEA has just released a study showing that illegal marijuana traffic in Washington State is down 80 % compared to the period just before I-502 went into effect. This

report shows that the law is doing exactly what we and the LCB hoped it would do. Consider that this means that I-502 is the singularly most effective approach to regulating drugs in our community that has ever tried by the Federal or State governments and by far. Eighty percent is an incredible result - especially considering the fact that it is simultaneously producing tax revenue for the county, state and federal governments while providing an economic boost for poor counties like Okanogan. The other side of the picture is that the non-502 *Cannabis sp.* industry has been shrinking in Okanogan County because many, if not most, of those involved really would prefer to be a legal 502 business. That success will quickly reverse if I-502 farms are restricted. A local black market grower we know is preparing to plant heavily again this summer and s/he will undoubtedly expand again if I-502 is restricted or forced out of Okanogan County. An important point the County needs to consider is that the black market growers generally pay their workers with product which those employees then sell on their own as best they can. That is precisely the unregulated street sales that we want to stop. It is important to consider who those individuals will be selling to - most likely underage youth who are forbidden from entering I-502 stores. So, by restricting the legal I-502 businesses, the County would be directly encouraging unregulated, illegal street sales of even more *Cannabis sp.* That hardly seems like something the County should be trying to do.

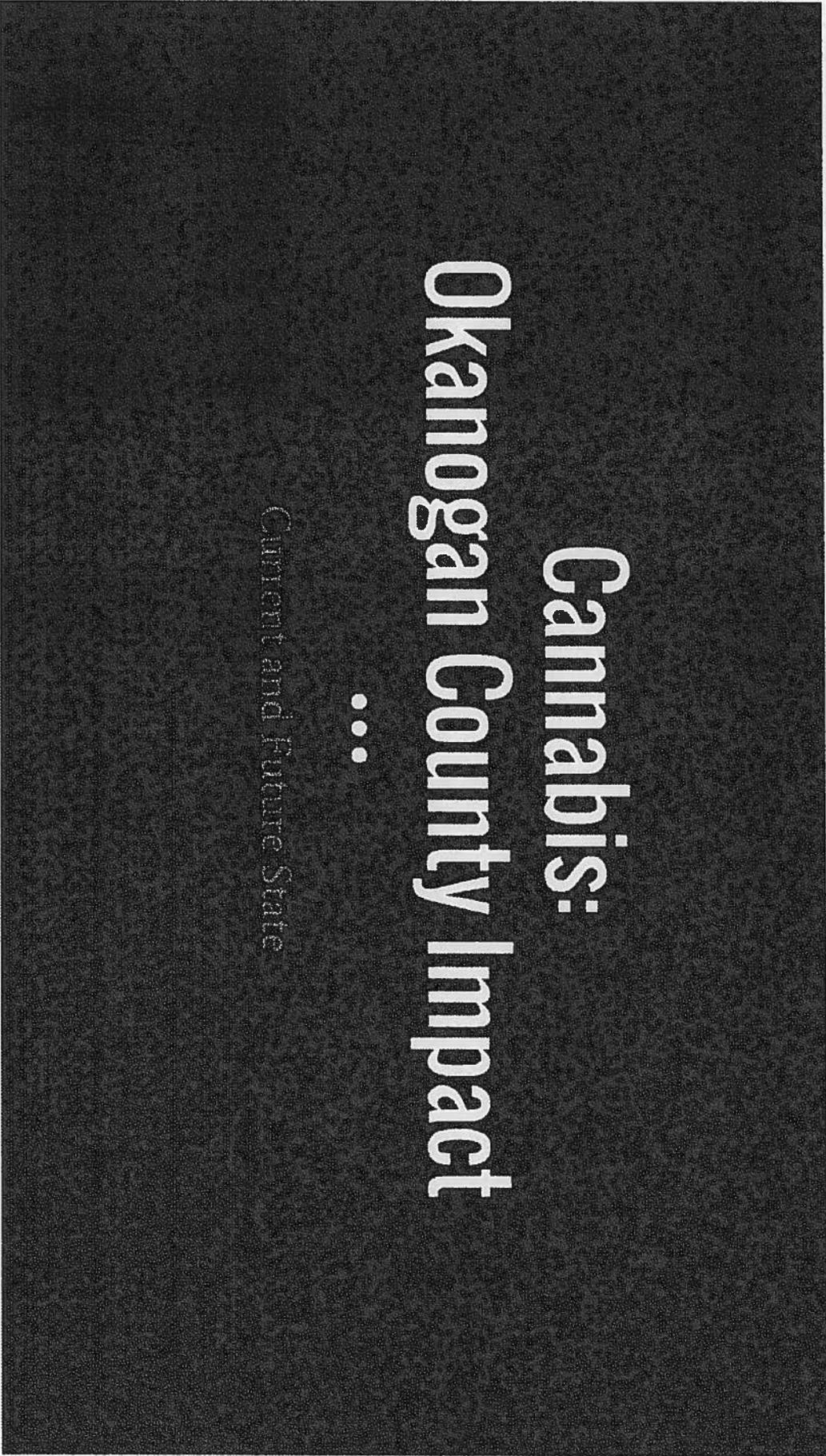
Economic Development

See Anders' economic analysis/report attached and enclosed in this file:

<https://docs.google.com/presentation/d/19eOMX0zzCwpCxrGu3QJMNEgiSg-aXc2DffIE-9secA0/edit?usp=sharing>

Many of us are employing people who weren't working locally even though they were trying to live here. They are now getting paid and they are spending that money right here in the county. Multiply that times the roughly 54 current I-502 farms and the impact is very positive. Aside from the large amounts that all of these projects are spending at the local hardware and construction supply stores, they have also brought a whole new business, "Indoor Tropics," into town. All of those businesses are very directly benefiting from the I-502 farms which also provide direct tax revenues to the county. Conversely, just one among many of us was about to bring in another \$500,000 in new investment to set up several I-502 farms on his unused farmland property when he was completely blind sided and shut down by this moratorium. He is now working on a strategy to continue, but that is based on securing a parcel of land in Douglas County where he can count on a more investment friendly atmosphere. This is unfortunate since he and his adult children who work on this project live in Omak and is now having to prepare to commute and spend these resources out of the county.

Isn't this an argument against haste and in favor of waiting to make any decisions until the numbers are known? If so, we're on the same side again because we aren't 100% clear of the economic impact yet other than to say both that it isn't negative and is becoming tremendously positive, but without an actual economic impact study to draw upon, we have only these very positive estimates upon which to draw: (See Anders' document enclosed)



Cannabis: Okanogan County Impact

...

Current and Future State

Things to Cover

Value of Existing Crop and Multiplier Effect of these Dollars

Job Creation

Revenue Generation

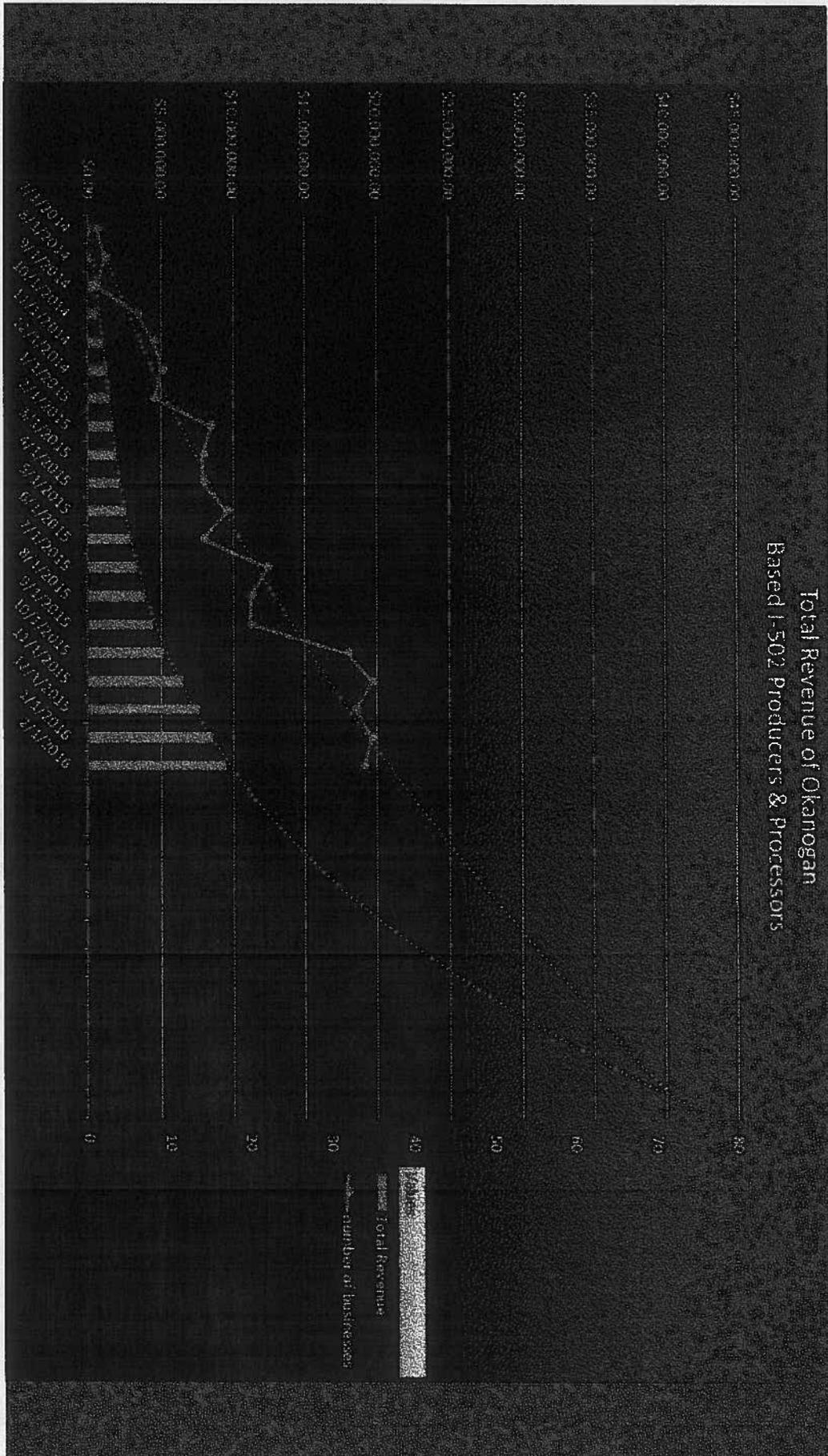
Taxation and Revenue Sharing

New Money Infusion and the Multiplier effect

Number of Local Employees

High Economic Value at Low Environmental Impact

Small Agricultural Footprint



\$42,000,000

This is the projected total revenue of Okanogan cannabis businesses by the end of 2016. Restrictive zoning will hinder growth and reinvestment in the community.

Washington Cannabis is small business, but big impact

Small business has over a 6x greater impact to local recirculation of revenue. Cannabis has a huge impact locally.

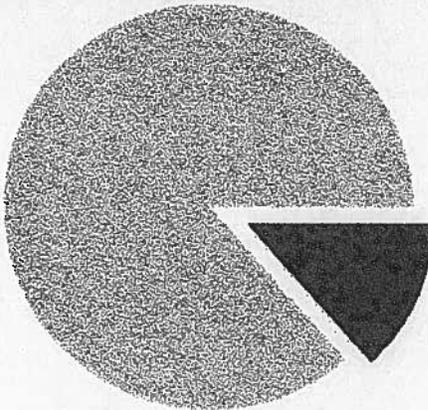
University of Washington researchers found that Washington cannabis spend on local businesses is investing directly in the community.

These businesses spend money locally, refreshing money in the community.

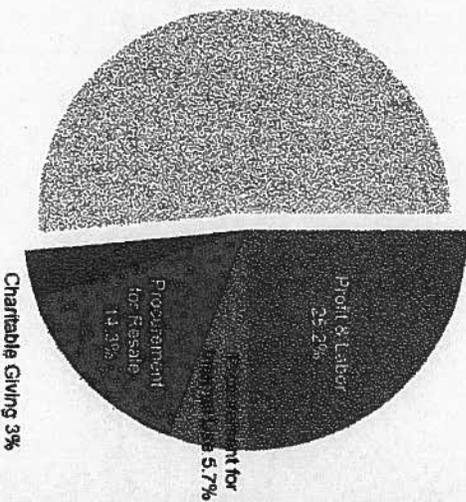
Increased employment puts more money in peoples' pockets and they spend it locally.

Local Economic Return of Indies v. Chains

Chain Retailers



Independents



Local Recirculation of Revenue: 13.6%

Local Recirculation of Revenue: 48%

Compiled results from nine studies by Civic Economics, 2012. www.civiceconomics.com
Graph by American Independent Business Alliance: AMIBA.net

Okanogan Jobs Overview

The National Bureau of Economic Research (NBER) announced jobs in Okanogan County following the recession were hit hard:

- 191,100 jobs from 13,040 in 2008 to 12,530 in 2009, a 1.2 percent drop in the national economy.
- 12,530 in 2009 to 12,260 in 2010, a 2.2 percent drop in the national economy.
- 12,260 in 2010 to 12,180 in 2011, an 0.7 percent drop in the national economy.
- 12,180 in 2011 to 12,170 in 2012, a 0.08 percent drop in the national economy.
- Stabilized at 12,170 jobs in both 2012 and 2013.
- **Increased from 12,170 in 2013 to 12,460 in 2014, a 290 job and 2.4 percent upturn.**
 - a. **Interesting that marijuana came to Okanogan in 2014 and we saw the largest gain in jobs in the past 10 years!**

"The 2.4 percent and 290 job increase (from 12,170 to 12,460 jobs) was very good news for the local economy. In fact, on a percentage basis, the 2.4 percent nonfarm job growth rate in Okanogan County during 2014 was the highest job growth rate in the past ten years." - National Bureau of Economic Research

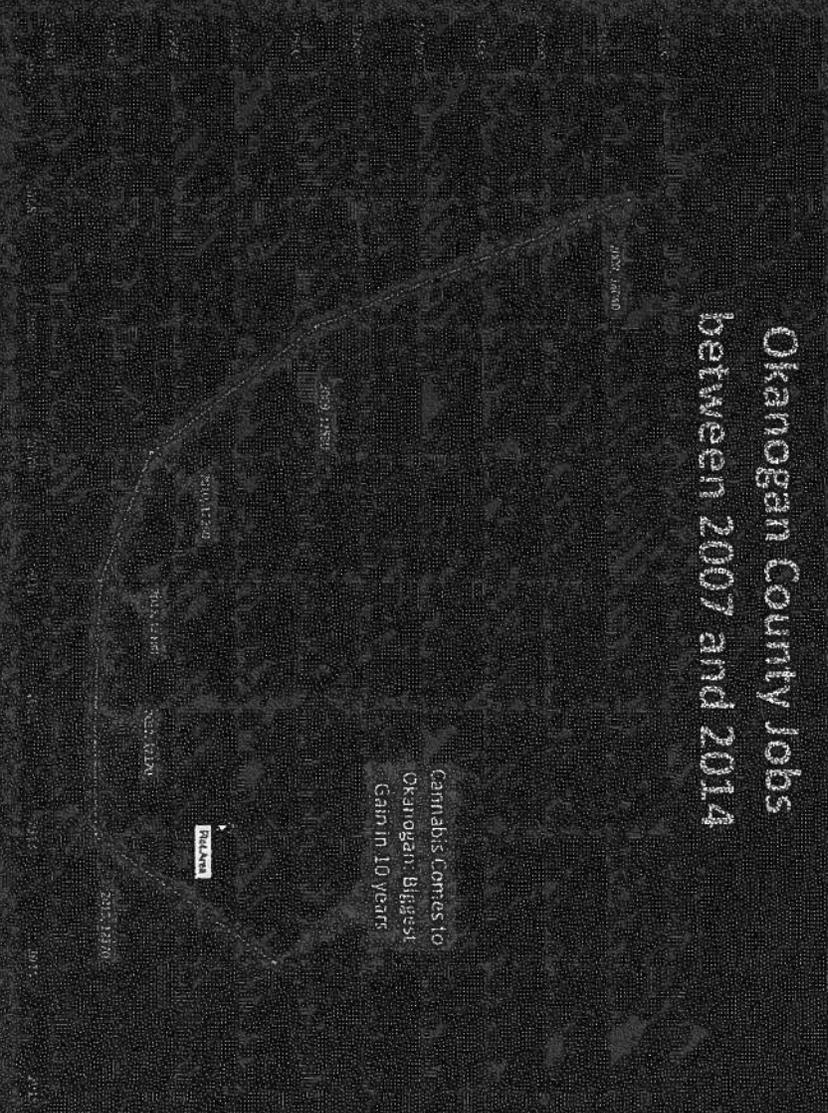
Cannabis and Jobs: Coincidence?

Between 2008 and 2013, Okanogan County lost nearly 1000 jobs.

In 2014, 1,502 (roughly recreational) cannabis jobs in Okanogan and we saw our biggest gain in employment in 10 years.

Was this a coincidence? Let's see what the locals think...

Data taken from the annual Bureau of Economic Research (BECR) and statistics for farms and ranches. Since correlation with other processing and retail will not be the subject, this is where the data is shown. Local employees: 1500



CHRONICLE

Local News | Sports | Politics | Society | People & Places | Local Business | Crime & Justice | Health & Wellness | Education | Arts & Culture | Community | Classifieds | Real Estate | Legal Notices | Genealogy | Genealogy | Contact Us | About Us

Osage County commissioners set a moratorium on new marijuana sites. Do you agree with that decision?

Sign in to favorites: [Facebook](#) [Twitter](#) [LinkedIn](#) [Google+](#) [Email](#) [RSS](#)

Yes! Keep them out of our community. 55 votes

20.69%

No. It brings jobs and money to our economy. 215 votes

71.54%

I don't know or care. 9 votes

2.98%

280 total votes

Hot Links

- [Oregon Health Journal](#)
- [PAIN HEALTH CENTERS](#)

Local Links

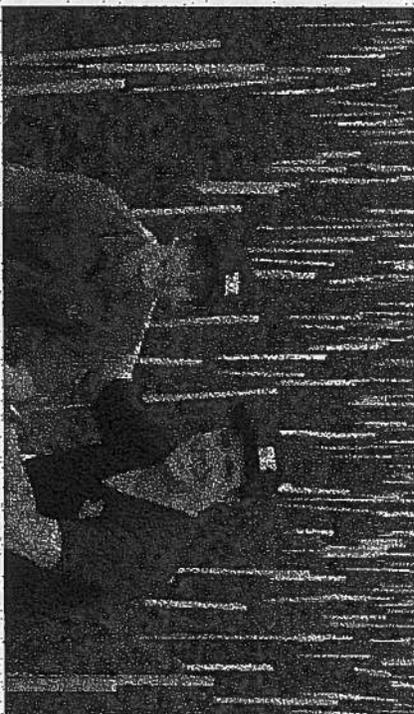
Who should drop out of the presidential election?
Published March 19, 2016

Osage County commissioner

Margaret Hubbard They are in Ag area here by my house. I can't see them from my house but can smell them. I doesn't bother me. They are pretty secure and I have been surprised that they have been very little trouble. And yes they employ a large amount of people.
Like · Reply · [1](#) · December 17, 2015 at 10:00am

Melody Long

December 17, 2015



Empire Tomasket - Marijuana Venture

Eastern Washington climate, known for producing an abundance of apples and cherries, also proves to be nearly perfect for cannabis.
MARIJAMAVENTURE.COM

Like Comment Share

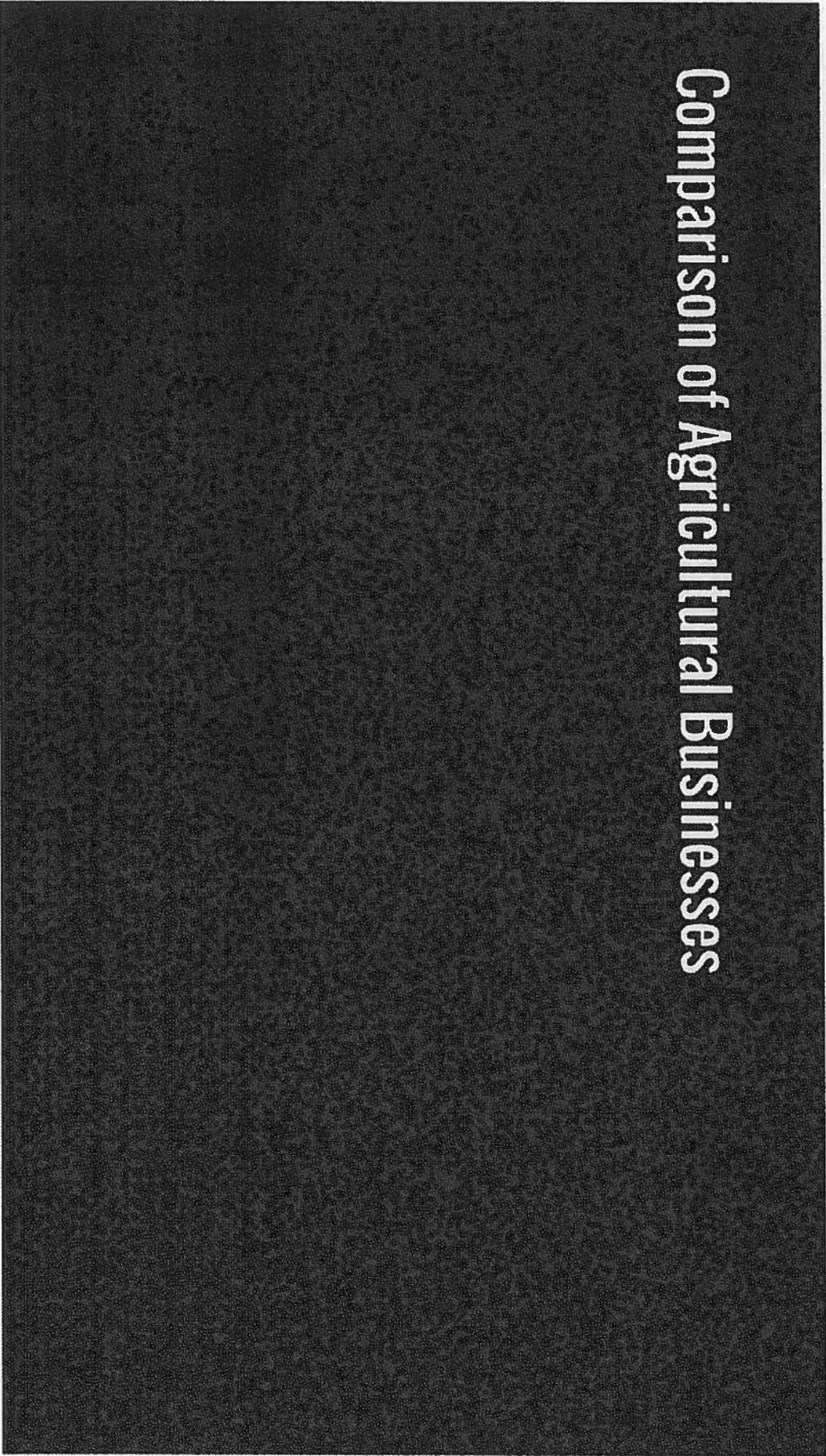
27

11 shares

11 comments

Chris Savage has watched the ground grow from the soil and have been impressed by the number of workers. They are putting a lot of money into the area economy.

Like · Reply · [0](#) · December 17, 2015 at 1:40pm



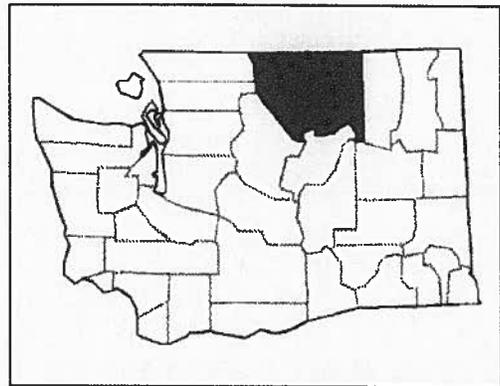
Comparison of Agricultural Businesses



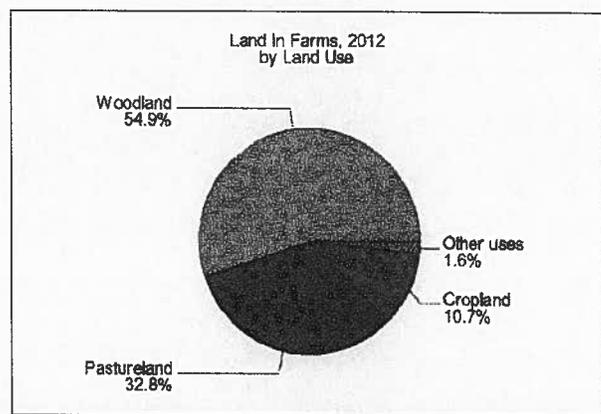
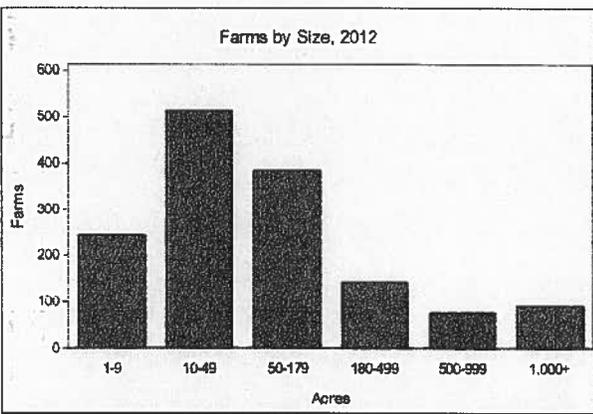
2012 CENSUS OF AGRICULTURE

COUNTY PROFILE

Okanogan County Washington



	2012	2007	% change
Number of Farms	1,449	1,662	- 13
Land in Farms	1,205,285 acres	1,205,229 acres	0
Average Size of Farm	832 acres	725 acres	+ 15
Market Value of Products Sold	\$287,120,000	\$208,758,000	+ 38
Crop Sales \$249,837,000 (87 percent) Livestock Sales \$37,283,000 (13 percent)			
Average Per Farm	\$198,150	\$125,606	+ 58
Government Payments	\$2,383,000	\$1,065,000	+ 124
Average Per Farm Receiving Payments	\$17,397	\$14,195	+ 23



FAX COVER SHEET

TO	Commissioner Marlene Rawley
COMPANY	OKPlanningCommission
FAXNUMBER	15094227349
FROM	R. David Brown
DATE	2016-03-25 23:58:31 GMT
RE	Packet from WSIA for Commissioner Marlene Rawley

COVER MESSAGE

Please ensure that Ms. Rawley receives a copy of this document prior to Monday night's meeting.

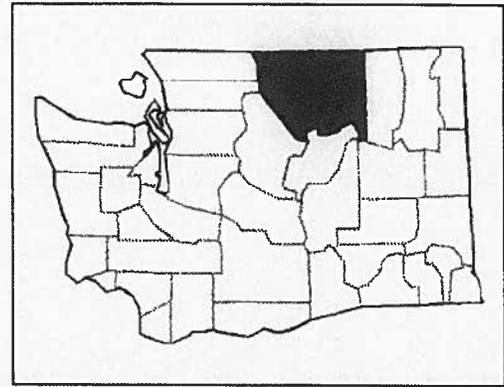
Thanks.

R.David Brown

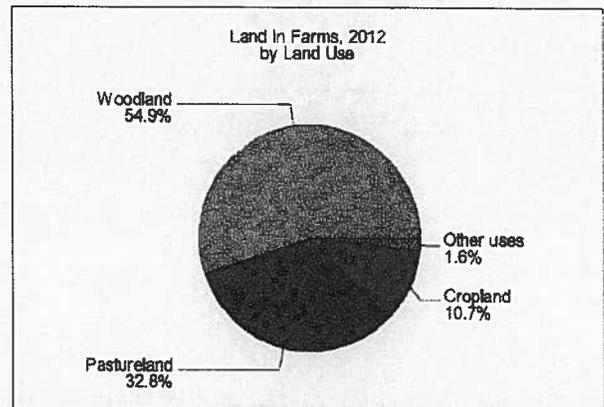
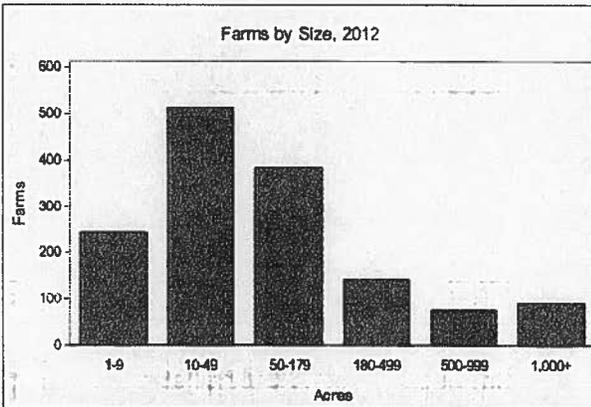
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2012 CENSUS OF AGRICULTURE

COUNTY PROFILE

Okanogan County – Washington

Ranked items among the 39 state counties and 3,079 U.S. counties, 2012

Item	Quantity	State Rank	Universe ¹	U.S. Rank	Universe ¹
MARKET VALUE OF AGRICULTURAL PRODUCTS SOLD (\$1,000)					
Total value of agricultural products sold	287,120	9	39	305	3,077
Value of crops including nursery and greenhouse	248,837	8	39	141	3,072
Value of livestock, poultry, and their products	37,283	15	39	1,110	3,076
VALUE OF SALES BY COMMODITY GROUP (\$1,000)					
Grains, oilseeds, dry beans, and dry peas	5,049	16	34	1,745	2,926
Tobacco	-	-	-	-	436
Cotton and cottonseed	-	-	-	-	635
Vegetables, melons, potatoes, and sweet potatoes	(D)	(D)	39	(D)	2,802
Fruits, tree nuts, and berries	235,838	4	39	25	2,724
Nursery, greenhouse, floriculture, and sod	(D)	27	38	(D)	2,678
Cut Christmas trees and short rotation woody crops	(D)	32	33	(D)	1,530
Other crops and hay	7,872	11	39	372	3,049
Poultry and eggs	(D)	22	39	(D)	3,013
Cattle and calves	20,136	8	39	788	3,056
Milk from cows	(D)	29	30	(D)	2,038
Hogs and pigs	94	13	37	1,274	2,827
Sheep, goats, wool, mohair, and milk	349	8	39	484	2,988
Horses, ponies, mules, burros, and donkeys	564	12	39	489	3,011
Aquaculture	15,885	5	34	20	1,366
Other animals and other animal products	97	20	39	1,115	2,924
TOP CROP ITEMS (acres)					
Forage-land used for all hay and haylage, grass silage, and greenchop	31,869	10	39	552	3,057
Apples	20,774	3	39	3	2,167
Wheat for grain, all	13,958	15	32	572	2,537
Winter wheat for grain	8,927	15	28	630	2,480
Spring wheat for grain	5,031	14	30	201	633
TOP LIVESTOCK INVENTORY ITEMS (number)					
Cattle and calves	35,471	8	39	801	3,063
Layers	3,929	17	39	906	3,040
Horses and ponies	2,916	8	39	217	3,072
Colonies of bees	1,561	11	39	324	2,761
Sheep and lambs	1,527	10	39	600	2,897

Other County Highlights, 2012

Economic Characteristics	Quantity	Operator Characteristics	Quantity
Farms by value of sales:		Principal operators by primary occupation:	
Less than \$1,000	382	Farming	703
\$1,000 to \$2,499	160	Other	746
\$2,500 to \$4,999	156	Principal operators by sex:	
\$5,000 to \$9,999	141	Male	1,189
\$10,000 to \$19,999	96	Female	280
\$20,000 to \$24,999	32	Average age of principal operator (years)	
\$25,000 to \$39,999	72	58.8	
\$40,000 to \$49,999	32	All operators by race ²:	
\$50,000 to \$99,999	73	American Indian or Alaska Native	50
\$100,000 to \$249,999	145	Asian	19
\$250,000 to \$499,999	71	Black or African American	-
\$500,000 or more	89	Native Hawaiian or Other Pacific Islander	2
Total farm production expenses (\$1,000)	285,383	White	2,211
Average per farm (\$)	198,952	More than one race	8
Net cash farm income of operation (\$1,000)	17,417	All operators of Spanish, Hispanic, or Latino Origin ²	
Average per farm (\$)	12,020	143	

See "Census of Agriculture, Volume 1, Geographic Area Series" for complete footnotes, explanations, definitions, and methodology.

- Represents zero. (D) Withheld to avoid disclosing data for individual operations.

¹ Universe is number of counties in state or U.S. with item. ² Data were collected for a maximum of three operators per farm.

Unemployment rate - Not Seasonally Adjusted

