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VIA E-MAIL

City of Merced
Planning Commission
City Council Chamber, 2nd Floor
Merced Civic Center
678 W. 18th Street
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RE: Agenda Item #E.4 - 23-418 Commercial Cannabis Business Permits #22-12, 22-13, and 22-14 (initiated by John Bodo, on behalf of Ooibodomerced, LLC).

Dear Honorable Commissioners:

Our office represents the Lyons family, who own industrial property located at 1802 Grogan Ave in the City of Merced (City). The Lyons family have been part of the Merced business community for 60 years. On behalf of the Lyons family, these comments address the three pending permits to utilize the property at 1 West Avenue (also known as 16 Eagle Street), for cannabis-related business activities (Project). We have reviewed the materials available on the City's website.

First, we would like to thank the Planning Commission (Commission) and City Planning staff for their careful review of this Project. As a neighboring business owner, we support economic development, job creation, and new developments that create additional tax revenue for the City of Merced. We are thrilled that this Project proposes to retrofit an existing, vacant building. At the same time, because of the significant investments the Lyons family made to the neighboring buildings (containing approximately 400,000 square feet (sq)), which are currently leased to a spice manufacturer and ladder company, we are requesting assurances that Mr. Bodo will be a good neighbor. Our primary concern is that this Project could result in odors and an uptick in crime, which could adversely impact neighboring businesses and residences. That said, if the Commission adopts the proposed Conditions of Approval, and commits to enforcing them, we believe this operation can peacefully and successfully co-exist with neighboring businesses.

I. Odor

This Project proposes to cultivate, harvest, dry, and store cannabis in a 79,200 sf area of the building, spanning nearly two acres. This is an extremely large operation, with 21 cultivation rooms, harvest storage, and two drying rooms. We are concerned that if this Project does not install state-of-the-art odor mitigation systems, it will create nuisance odors. Done right, no odors will leave the facility.

The Project Findings state that the Applicant “shall make odor control a priority by maintaining all operations indoors and utilizing sufficient odor absorbing ventilation and exhaust systems in compliance with MMC 20.44.170E(3)(m).” (Findings, F.) The City’s Cannabis Code further mandates: “all commercial cannabis facilities shall be required to provide an air treatment system that ensures off-site odors shall not result from its operations. This requirement at a minimum means that the facility shall be designed to provide sufficient odor absorbing ventilation and exhaust systems so that any odor generated inside the location is not detected outside the building, on adjacent properties or public rights-of-way...” (MMC 20.44.170E(3)(m).) We support this standard, which requires that no odors leave the building. However, the Project materials did not contain any information detailing what type of odor mitigation system will be installed.

Cannabis cultivation operations can create strong odors, especially during the drying phases where terpenes (odor-causing volatile organic compounds (VOCs)), are released. These emissions can be eliminated by installation of odor control systems, including carbon filters and vapor-phase deodorizing systems. For example, in Santa Barbara County, molecular carbon scrubbers (“scrubbers”)¹ have substantially reduced the amount of odor-causing terpenes released by cannabis operations.² Tests have shown these scrubbers can reduce terpene concentrations by 90% or more.³ In addition, properly sealing the building, installing air curtains, and training employees to timely replace carbon filters and keep all doors and windows closed, can further reduce the risks of odors. Sealed and insulated refrigeration units should also be used to dry and store cannabis, further preventing odor emission. We request that the City condition the Project on an Odor Abatement Plan containing these measures, and that the City provide the public with information on the Project’s proposed odor mitigation system.

Recognizing that the science and technology regarding cannabis odors and how to effectively control them is still developing, we also request that the City periodically review the most effective odor control technology, and require upgrades when appropriate. Similarly, the technology for testing the concentrations of odor-causing terpenes in the air at and beyond the property line of cannabis operations has and will continue to evolve. We ask the Commission to require the Applicant to adopt

¹ [Odor Control System for Commercial Cannabis Facilities \(byers-scientific.com\)](https://www.byers-scientific.com/odors).

² [Taking the Odor Out of Cannabis Cultivation: A Q&A With Byers Scientific | Article | Analytical Cannabis](#).

³ [Odor Control System for Commercial Cannabis Facilities \(byers-scientific.com\)](https://www.byers-scientific.com/odors) (SCS Engineers).

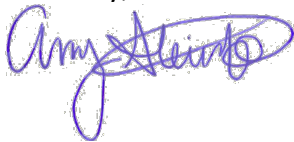
an Odor Abatement Plan that specifies how an odor report will be investigated, and lists a series of specific corrective actions the Applicant must take if an odor episode occurs. In addition, if there are complaints from the neighbors, we ask that the City monitor terpene concentrations (which could be at the Applicant's expense) to verify that odor control systems are working and that any odors will stay onsite.

2. Security Measures

Lastly, we are pleased that the City requires cannabis operators to implement robust security measures, and that the Applicant is not requesting approval for any on-site sales. We support the City's condition requiring "that all cultivation and distribution activities occur indoors within a fully enclosed and secure structure..." (Condition, #7.) We also feel secure in knowing: (a) that the Project will be monitoring the interior and exterior of the building using a surveillance system that can be accessed by the Merced Police Department ((MMC 20.44.170E(3)(a)); and (b) that the Project's security plan must be approved by the Chief of Police prior to the issuance of a Certificate of Occupancy. (Condition, #7.) We ask that the City ensure that the Security Plan is properly implemented.

In sum, we support this Project as conditioned by the Commission, but we request that the Commission require the Applicant to prepare an Odor Abatement Plan, or at a minimum, provide the public with information about the Applicant's odor mitigation system. Please feel free to contact the undersigned, as we are happy to answer any questions you might have. Thank you for your consideration in this matter.

Sincerely,



Amy Steinfeld