



**COLAB SAN LUIS OBISPO
WEEK OF DECEMBER 24-30, 2017**

AND

WEEK OF DEC. 31, 2017 - JAN. 6, 2018

 **COLAB** ^{9th} **ANNUAL**
San Luis Obispo County

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Thursday, March 22nd
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details coming soon...

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THIS WEEK & NEXT WEEK

**NO BOARD OF SUPERVISORS MEETINGS
(OTHER AGENCIES DORMANT AS WELL)**

LAST WEEK

NO BOARD OF SUPERVISORS MEETING

SLO COLAB IN DEPTH

SEE PAGE 3

**HIGH STAKES POLICY MENU -
WINTER/SPRING, 2018**

By Mike Brown

**INFIGHTING AND ALLEGATIONS OF
INFLUENCE PEDDLING MAR MARIJUANA
REFERENDUM**

By Karen Velie

**SQUARE FEET: HOW TECH EXPANDED FROM
SILICON VALLEY TO BUBBLEGUM ALLEY**

By KATHY CHIN LEONG

THIS WEEK'S HIGHLIGHTS

No Board of Supervisors Meetings on Tuesday, December 26, 2017 or January 2, 2018 (Not Scheduled)

The Board did not meet on Tuesday, December 19 and will not meet on Tuesday, December 26, 2017 or Tuesday, January 2, 2018, as these dates encompass its winter recess and the Christmas and New Year's holidays. The next meeting will be on Tuesday, January 9, 2018.

Local Agency Formation Commission (LAFCO) Meeting of Thursday, December 21, 2017 (Cancelled)

There was no LAFCO meeting in December.

LAST WEEK'S HIGHLIGHTS

There were no meetings of the Board or other regional bodies.

COLAB IN DEPTH

IN FIGHTING THE TROUBLESOME, LOCAL DAY-TO-DAY ASSAULTS ON OUR FREEDOM AND PROPERTY, IT IS ALSO IMPORTANT TO KEEP IN MIND THE LARGER UNDERLYING IDEOLOGICAL, POLITICAL, AND ECONOMIC CAUSES AND FORCES

HIGH STAKES POLICY MENU - WINTER/SPRING, 2018

By Mike Brown

Important policy issues, including some which will significantly impact business, labor, and agriculture come up in the next six months.

Appointment of new Board Chair – Hill claims he’s due: The progressive left would appear to be mobilizing on this issue per the recent guest editorial by their leading local pundit Tom Fulks in The San Luis Obispo Tribune. A portion of the article is reproduced below.

Be ready for political high drama and skullduggery in SLO County in 2018

By Tom Fulks

December 15, 2017 04:15 PM

UPDATED December 15, 2017 05:22 PM

San Luis Obispo County’s new season of political high theater opens Jan. 9 with the first Board of Supervisors meeting of election-year 2018.

On the playbill is a whimsical farce featuring the hard-right board majority’s annual performance of “Picking a New Board Chair.”

Their challenge: acting as if they’re actually deliberating their decision

Given this play’s predictable ending, let’s dispense with the sham of “hearing from the public” and have them phone in the appointment of one of themselves.

In a normal year — which doesn’t exist anymore — the sitting vice-chair would be tapped to replace outgoing chair John Peschong .

It’ll likely be déjà vu all over again for three-term Supervisor Adam Hill, the current vice chair who suffered the same sordid scene last year: The Republican/Tea Party majority of Peschong, Debbie Arnold and Lynn Compton trashed decades of bipartisan tradition and installed freshman supervisor Peschong as chairman over the objections of Hill and 2nd District Supervisor Bruce Gibson.

Relegating Hill to a second year of understudy, the majority then cherry picked choice committee assignments, shredding longstanding customs of rotating the chair by district and basing committee appointments on areas of expertise.

Of course Hill, and notwithstanding Fulks’s defense, consistently exhibits unsavory behavior. Why would the Board pick him as the chief elected official of SLO County?

The full article can be seen at the link below.

<http://www.sanluisobispo.com/opinion/opn-columns-blogs/tom-fulks/article190091509.html>

Relatedly Hill's aggressiveness is again on the upswing – particularly attacks on Lynn Compton including shouting at her in a loud voice right on the Board Dais during a recent meeting. Hill continues to demonstrate his bullying of women.

Oceano Dunes Recreation Future: Former Director Larry Allen issued a violation order against State Parks for allegedly not moving fast enough to curtail the dust. The State appealed the violation to a special APCD Hearing Board (not the APCD Board but an appointed group with more technical backgrounds), which may render a decision at the end of January. Should the Board support the violation, penalties could include elimination of riding on the La Grande tract (owned by the County) as well restrictions in other areas. Significantly the La Grande track provides the access to the whole dunes riding area. Would the penalties prohibit transit across that area, thereby shutting down the entire park?

The future of the Housing In Lieu Fee (actually a tax): The progressive left seeks to increase rates and expand scope. Hill/Gibson support a higher tax on all but the smallest homes and expanding it to private homes on lots (beyond developments) and to home expansions and renovations. The next hearing is scheduled for Tuesday, April 17, 2018, before the Board of Supervisors.

The California Public Utilities Commission (CPUC) Decision On Diablo Closure: A CPUC Administrative Law Judge (ADL) recommended approving the closure but denied most of the rate increases (\$1.7 billion), which PG&E says it needs to effectuate the acquisition of “green” replacement energy and various employee retention benefits. The recommendation includes denial of the temporary \$85 million property tax loss offsets negotiated by the County and school district. It is not known how PG&E will react if the full CPUC Board sustains the ADL's recommendation. Could the stockholder owned utility be forced to close the plant sooner than the planned 2025 date, sending economic shock waves through the SLO County economy? The CPUC action is scheduled for January 11, 2018.

Government takeover of electrical energy distribution through the so-called Community Choice Aggregation Program: SLO County joined a consortium with Santa Barbara County, Ventura County, and a number of cities to research the feasibility of adopting the program and in effect creating a new regional government entity to run it. Even though their consults found it would be a financial disaster, the item remains in the County Planning Department's work program. You can bet that the progressive left will be pushing the County to go forward, notwithstanding the consultant's negative recommendation.

Estrella - El Pomar - Creston Management Water District in the Paso Basin: The new voluntary water management district has been approved by LAFCO and its members. At some point the Board of Supervisors must vote to relinquish its water management authority within the area to be managed by the new district. The issue could be contentious, as some neighboring residents (even though they are not subject to district control) are in opposition to the formation of the district.

The FBI investigation into the Andrew Holland jail death: The status of the investigation is unknown. So far as we can tell, the County has not undertaken an investigation of its own.

The Board of Supervisors has accepted staff recommended improvements related to jail, Health Department, Mental Health Department, and general management issues as a result of currently filed or pending lawsuits on other jail deaths and other alleged instances of prisoner mistreatment. There is also a push to expand homeless, substance abuse, and mental health services generally. No cost estimates, firm project performance improvement metrics, or schedules have been provided thus far.

Adoption of ordinances regulating the cultivation, processing, distribution, and sale of recreational marijuana: The marijuana industry has expressed concerns that the ordinances are too restrictive and are business killers. One group is circulating petitions to gather signatures to conduct a referendum to repeal the ordinances. There is division within the marijuana industry on many fronts. Please see the related Cal Coast Times article on page 7 describing the issues.

Relatedly growers and potential growers report that the required minor use permit could cost more than \$13,000 in County fees. As we have said, they may rue the day marijuana was legalized. Before, they only had to deal with the Federal Drug Enforcement Agency (DEA) and State and local law enforcement. Now they face the combined torture administered by County Planning, the APCD, Regional Water Quality Control Board, local water management agencies, and a plethora of taxes.

SLOCOG warming up new transportation tax proposal: Notwithstanding the November 2017 imposition of the new SB 1 gas, diesel, carbon, and other excise taxes, the SLOCOG staff is fomenting support for another try at a countywide ½ cent sales increase for transportation.

SB 1 fuel Tax Revolt: Petitions are circulating statewide and locally to place a referendum on the November 2018 ballot to repeal the new tax increases. Once middle class homeowners, small farmers and ranchers, and others understand their \$20,000 to \$40,000 tax increases resulting from the new Federal income tax law, there will be a major push behind the referendum. Moreover, future tax measures of any kind could be dead on arrival.

Housing Development Studies: Per direction of the Board majority, staff is working on several studies related to eliminating barriers to the development of housing. These include permit streamlining, land availability, eliminating artificial barriers, and funding infrastructure. Hill and Gibson have pooh-pooed the studies as a waste of time, stating that only taxpayer subsidies will really help solve the problem. A key issue is whether the staff will actually look at solutions, improvisation, and out of the box strategies or simply report with the usual litany of barriers.

This Spring - Run up to 2018 District Supervisorial District Elections (2nd Bruce Gibson, 4th Lynn Compton): The primary election is June 5th, 2018. It is likely that the outcomes will be determined in the primary. Remember that even though the Supervisors are elected by district, once in office they govern the entire County. The stakes are therefore huge in the 4th District.

Infighting and allegations of influence peddling mar marijuana referendum

By Karen Viele



Inside one of the CFAM Management's greenhouses in Nipomo.

One company's attempt to overturn a San Luis Obispo County marijuana ordinance has raised questions about alleged backroom deals, influence peddling and attempts to mislead the public.

During a Nov. 27 SLO County Board of Supervisor's meeting, a handful of CFAM Management Group employees voiced their opposition to a 22,000 square-foot limitation on indoor cultivation while several neighbors of grows asked the board to impose stricter limitations. The board then

voted 3-2, with supervisors Adam Hill and Bruce Gibson dissenting, for an ordinance that included the 22,000 square-foot limitation.

Following the vote, CFAM consultant Sean Donahoe launched a referendum focused on undoing the county’s marijuana ordinance. If signature gathers collect 8,580 valid signatures by Dec. 29, the county could set aside the ordinance in favor of CFAM’s requests, or put the ordinance up for a vote of the public in June or November.

“We are the most qualified candidate for a license,” Donahoe said. “We are the most compliant operator in the county.”

In 2016, the county planning department approved CFAM Management for a 49,000 cannabis plant indoor grow at the former Clearwater Nursery in Nipomo. However, earlier this year, county employees inspected the site and found approximately 225,000 plants, a violation of CFAM Management’s permit.

“I don’t want to talk about issues that have been remedied,” Donahoe responded when asked about the previous violation.

SLO County’s gold/green rush

Shortly after Californians voted for the legalization of recreational marijuana, a group of high-end investors, small marijuana growers, consultants and public officials began battling for control of California’s lucrative pot market.

In 2016, SLO County Supervisor Adam Hill, and consultants Cory Black and Donahoe began courting marijuana growers with promises of success in exchange for money, multiple growers said.

Black’s political consulting firm, Public Policy Solutions, contributed significantly to Hill’s election. Meanwhile, Hill argued for marijuana regulations that favored Black’s clients. Black did not return requests for comment.



Consultant Cory Black

While Black touted his ties to San Luis Obispo County and Grover Beach officials, Donahoe claimed influence in Garden Grove, several growers said.

A little more than a year ago, Donahoe met with three men who were interested in opening a marijuana dispensary in Garden Grove. The men paid Donahoe \$2,500 to secure a meeting with the mayor of Garden Grove, the three men said.

“Donahoe said he had influence with the mayor,” said James Coughlin, one of the men who paid Donahoe. “He said he could help facilitate a dispensary in Garden Grove. The meeting with the mayor never happened.”

While Donahoe admits the meeting with the mayor fell through, he said he was not peddling influence.

“I was not peddling influence, I was introducing them,” Donahoe said.

In Sept. 2016, the board of supervisors directed SLO County planning staff to construct an ordinance regulating the local marijuana industry. However, staffers repeatedly failed to follow board direction in favor of proposed regulations that appeared to support the larger growers.

At a SLO County Board of Supervisors meeting in Oct. 2017, Christopher Mathews said staff’s draft ordinance disadvantaged the smaller growers. He questioned whether staff was non-biased because a political consultant who works for Hill, Gibson, Sheriff Ian Parkinson and the planning department is also paid by several of the large marijuana businesses.

“The number one reason is the involvement of Cory Black and Public Policy Solutions in nearly every single aspect of the draft ordinance,” Mathews said. “How is someone who claims on their own website the county planning department as a client, allowed to represent clients applying for licenses under your own urgency ordinance? Why did the staff never raise the question that this is more than a conflict of interest, but rather an incubator for collusion and corruption?”

Following the Nov. 27 meeting, where the board voted to limit the size of a greenhouse grow to 22,000 square feet, Donahoe questioned why Black had failed to perform for CFAM Management, Donahoe said.

“Cory [Black] said 21 of his 22 clients are just fine,” Donahoe said. “He threatened the status of our permit.”

CFAM Management let Black go shortly after his argument with Donahoe, Donahoe said.

CFAM management’s proposed referendum

Last week, a group of people began collecting signatures for CFAM Management’s proposed referendum utilizing a number of inaccurate statements to entice voters to sign the petition. For

example, a signature gather outside California Fresh Market in SLO said the county ordinance prohibited any growing of marijuana in unincorporated areas of the county.



Consultant Sean Donahoe

However, while the county ordinance limits the size and number of grows, it allows 141 growers to continue growing marijuana as long as they abide by state and county regulations. For personal use, anyone can grow up to six plants indoors.

A signature gatherer outside the Walmart in Arroyo Grande said the purpose of the petition was to allow marijuana dispensaries in Grover Beach, an area not impacted by the county ordinance.

On Tuesday night, at a meeting hosted by concerned marijuana business owners, several growers asked Donahoe what he was trying to accomplish with the referendum. The growers said Donahoe had ignored their requests for a copy of CFAM Management's petition.

After several attendees asked Donahoe to explain what was in the petition, Donahoe said his primary goal was to get the county to write a letter protecting growers from state action during the county licensing process. Several attendees said the county had agreed to provide a letter to help growers navigate the gap period before Donahoe launched his petition.

One of the speakers then asked attendees who support the proposed referendum to raise their hands. Only two or three attendees, of about 40, raised their hands.

When asked if he planned to stop gathering signatures for the referendum, Donahoe said the decision would be up to CFAM Management.

This article first appeared in the December 21, 2017 Cal Coast Times. Karen Viele is an investigative reporter and publisher of Cal Coast Times.

Square Feet: How Tech Expanded From Silicon Valley to Bubblegum Alley

By KATHY CHIN LEONG

(New York Times) -- SAN LUIS OBISPO, Calif. — San Luis Obispo has a reputation for being a sleepy town in central California known for its laid-back charm. Top tourist draws are a nearby 18th-century Spanish mission and Bubblegum Alley, a walkway lined with chewed gum. But Rick Stollmeyer, the chief executive of MindBody, envisioned it as a bustling tech hub.

Nestled along the coast about 230 miles south of San Francisco, San Luis Obispo is far from Silicon Valley. The distance presented a challenge for Mr. Stollmeyer, who sought to lure talent to a small college town known by the acronym SLO, where nature buffs and health food junkies go to find their nirvana.

In 2001, he helped found MindBody, which sells cloud-based business management tools for the wellness industry. By 2010, Mr. Stollmeyer had attracted \$14million in venture capital funding. In 2014, he raised \$50 million more. A year later, MindBody went public, and it remains the largest private employer in the region, with locations around the world.

Today, the tech community is growing, Mr. Stollmeyer said: “It is hopping. I’ve seen a dozen tech start-ups launch in the past year.”

Venture capitalists are also chiming in. “MindBody has proven that a billion-dollar company can grow up in SLO, and that is a massive milestone,” said Stephen Beck, managing partner at Serra Ventures, an early-stage venture capital firm. “The tech scene has become authentic, dynamic and real enough to pay attention to.” He is so convinced, he has invested in WhiteFox Defense Technologies, a local start-up selling devices that mitigate drone threats.

To date, more than 7,800 tech employees work in San Luis Obispo County, an increase of more than 20 percent in the last five years, according to the California Center for Jobs and the economy.

“I would call it a boom in the tech industry when you consider double-digit per-year growth,” said Michael Manchak, president and chief executive of the city’s Economic Vitality corporation, a nonprofit provider of economic development services.

At the crux of this growth is a rebounding economy and a pool of engineering and computer science students from California Polytechnic State University. Added to that is a network of support from government, education and community agencies that provide access to real estate, funding and business connections to encourage fledgling enterprises.

And not only are new companies sprouting up, but renowned high-tech firms are moving in. Amazon leases two spaces downtown, and in October, Amazon Web Services announced a strategic partnership with Cal Poly. Called the Digital Transformation Hub, the organization will be staffed with employees from both entities to help solve “public-sector business challenges,” said Amy Schwartz, a university spokeswoman.

GE Digital is moving into offices at the Cal Poly Technology Park. Erected on the former

campus softball field, the tech park will be expanded to include four more facilities over 10 years, said Jim Dunning, the director of economic development and technology transfer at Cal Poly.

To encourage the entrepreneurial spirit, the university established the SLO HotHouse as a space for the community and students at the Center for Innovation and Entrepreneurship. The center opened its new home last year in a historic brick building downtown with 15,000 square feet, triple its original footprint.

The SLO HotHouse brings together the center's students and entrepreneurs, who rent shared work space. HotHouse inhabitants have access to mentors, venture capitalists and sources to help with prototypes. In the center's 13-week accelerator program, each student business gets \$10,000 in seed money.

Since the center's inception in 2010, Cal Poly students and graduates have started 75 companies and generated more than \$150 million in venture capital funding, said Tod Nelson, the center's executive director.

The SLO HotHouse has proved so energizing that when a building across the street that was once home to a bread bakery was up for lease, the university jumped at the chance to transform it into the Cal Poly Lofts, 32 apartments rented exclusively to the center's students. The apartment building opened last year, allowing residents to connect, brainstorm and participate in one another's companies. One student hired a fellow resident who was an accounting major to do the books for his start-up, said the Cal Poly media relations director, Matt Lazier.

Start-ups in the city are typically clustered downtown or near the regional airport, where MindBody has its headquarters. It operates four eco-friendly buildings, including fitness facilities with yoga classes and a health-conscious cafeteria selling items like acai bowls.

The growth in the number of new firms in San Luis Obispo means that office space is becoming harder to find. Derek Senn, a broker at Anderson Commercial Real Estate Services, said it was possible for a start-up to find office space of up to 3,500 square feet.

"Beyond that, it's challenging," he said. "Inventory for larger spaces is low, and it's not easy to build something right away since not much land is available for development."

This has forced some start-ups to get creative. One firm, the 125-employee iFixit, wanted to stay close to Cal Poly to attract fresh talent, so it moved into a vacated car dealership and renovated the 17,000 square feet of space.

The firm offers over 31,000 online guides on how to fix everything from broken iPhone screens to torn jeans. Luke Soules, a founder and a Cal Poly graduate, said the company is a 10-minute bicycle ride from campus.

"We have a lot of employees tired of the Silicon Valley pace and come to raise a family," he said. "The biggest contention we have is not having enough bike parking spaces."

The expansion of the start-up community has also contributed to a housing shortage in the city. Based on its clean environment, walkability and access to healthy food, San Luis Obispo is consistently ranked as one of the happiest cities in the United States, said Dan Buettner, the founder of Blue Zones. At the same time, it is considered among the 10 most unaffordable places to live in the country, according to independent surveys from RealtyTrac, WalletHub and Magnify Money.

Several recent decisions by the city should help offset the shortage. For instance, it has approved more than 2,000 new homes and housing units over the next 10 years, Mayor Heidi Harmon said.

But residents have already started to grumble about the newcomers encroaching on their quiet town.

Allan Cooper, a former city planning commissioner and a founding member of the Save Our Downtown citizens' coalition, said there was no doubt the tech community was growing. As rising housing costs force people to live outside the city and commute into town, he expects that the quality of life will suffer and traffic problems will escalate because of "the failure of our city to pay for the infrastructure such as roads, sewer and water that would be required to accommodate our growth."

And Gary Dwyer, a former Cal Poly professor who taught urban design for more than 30 years, said the tech workers were using San Luis Obispo as a playground to surf and ride mountain bikes.

"The techies are building and buying secondary homes they can use as time shares," he said. "They are already here, and more are on the way."

This article first appeared in the December 19, 2017 New York Times. Kathy Chin Leong is a three-time award winning journalist with articles that have appeared in: Sunset Magazine, Home Magazine, Working Woman, TravelAge West, Continental Airlines Magazine, Bay Area Parent Magazine, South Bay Accent, the Los Angeles Times, Dallas Morning News, San Francisco Chronicle, and many more publications.



ANNOUNCEMENTS

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The poster features a background image of a person in a cowboy hat riding a horse. At the top left, there is a small collage of four photos. The text is centered and reads: 'COLAB San Luis Obispo County 9th ANNUAL DINNER & FUNDRAISER'. Below this, it says 'SAVE THE DATE' in red, followed by 'Thursday, March 22nd' and 'Alex Madonna Expo Center'. A line of red text says 'details coming soon...'. At the bottom, it says 'YOUR CROWD, YOUR ALLIES WORKING TOGETHER FOR A BRIGHTER FUTURE'. The footer contains the contact information: 'COLAB San Luis Obispo County 805-548-0340 colabslo@gmail.com'.

COLAB San Luis Obispo County **9th ANNUAL**

DINNER & FUNDRAISER

SAVE THE DATE

Thursday, March 22nd
Alex Madonna Expo Center

details coming soon...

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**AUTHOR & NATIONALLY SYNDICATED COMMENTATOR BEN SHAPIRO
APPEARED AT A COLAB ANNUAL DINNER**



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(Revised 2/2017)