

Senator Fillmore,

In the interest of time, as I'm guessing I would be unable to speak at a public hearing, I would like to submit my business concerns via email.

The current revision dated 11/21/18, allows for 10 licenses for cultivation facilities up to 100,000 SF in size each, or 4 AC (page 23, line 698 & 700). Therefore, the bill is allowing 1,000,000 SF of grow space in the first year of licensing. This is WAY WAY WAY too much for the Utah market in the first year. Too much product will open the door to the black market & out of state diversion.

Yields range between 30 to 60 grams per square foot of space per harvest. Indoor grows can get 4 to 6 harvests/year. This means that one, 100,000 SF facility can produce between 13.23 to 26.45 TONS PER YEAR. (907,185 grams in a ton. Therefore 30 grams per SF divided by 907,185 grams per ton, times 100,000 SF, times 4 harvests per year). 10 grows of this size could therefore produce between 130 to 260 tons annually.

Arizona, a population of 7 million (well over 2x the population of Utah), sold 2.5 tons of marijuana in their first year (2013). 2016 reached 29 tons, and 2017 reached 43 tons. Ohio, a population of 11.66 million (almost 4x the population of Utah), just enacted a compromise bill after a ballot initiative passed. It allows for a total of 336,000 SF of grow space.

Approximately 1/3 of the space Utah is allowing with 4x the population, and a longer list of patient conditions.

I would like to suggest significantly reducing the sizes to a maximum of 20,000 SF and 1 AC per license, and then allowing the Dept. of Agriculture to increase annually IF and when the market demands more product. Lines 709 & 710 should therefore be removed. Attached is a study published on the [wa.gov](https://lcb.wa.gov/publications/Marijuana/BOTEC%20reports/5a_Cannabis_Yields-Final.pdf) website that helps to calculate potential yield per SF. https://lcb.wa.gov/publications/Marijuana/BOTEC%20reports/5a_Cannabis_Yields-Final.pdf

It should also be noted that the majority of states that have legalized some form of cannabis, have residency requirements to obtain cultivation, processing, testing and/or dispensary/pharmacy licenses. I would like to suggest a revision to section 4-41a-201.(2).(b)(ii)(A) line 559, page 19, and section 26-61a-301.(2)(b)(ii)(A), that requires all applicants and all investors to be Utah residents for a period of 4 years at the time of application, as well as at renewal. Big marijuana companies already have their sights on Utah, and have given their input into SB73, Prop 2 and the current compromise, and have killed any attempts to get a residency requirement thus far. Without this requirement, big marijuana companies will flood the state and money will flow out of state with no concern for our state and communities. I feel that this needs immediate attention, as this will be something that will be very difficult to reel back if not addressed from the beginning.

I would welcome the opportunity to discuss these concerns further.

Sincerely,

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