June 29<sup>th</sup>. 2022

Clearlake City Council and Mayor Dirk Slooten C/O Mr. Alan Flora - Clearlake City Manager Clearlake City Hall 14050 Olympic Drive Clearlake, CA 95422

Re: 2050 Ogulin Canyon Road Sphere of Influence Amendment and Annexation Project

Honorable Mayor Slooten, City Council Members, and Mr. Flora:

My partners and I (Lake Vista farms, LLC) own the land located at 2050 and 2122 Ogulin Canyon Road, just outside of the Clearlake City Limits - APNs 010-053-01 and 02. The land is approximately 1.0 mile east of the intersection of State Highway 53 and Ogulin Canyon Road and is accessed via a private gravel driveway. The two parcels contain a combined 302.4 acres. This land is currently within the jurisdiction of Lake County and is zoned "RL" - Rural Lands.

In 2019 we applied to Lake County for a Major Use Permit for a Cannabis Cultivation project. The Lake County Planning Commission approved the Use Permit application in November of 2021, and then a group of Clearlake residents appealed the Use Permit. In May, contrary to the CDD Staff recommendation, the County Board of Supervisors, on a motion made by Supervisor Sabatier, granted the appeal and denied the Use Permit.

Since that decision, we have been in communication with the City Manager and the Mayor about the possibility of amending the Sphere of Influence and annexing this land into the Clearlake City Limits. We want to thank them and express our appreciation for the recent opportunities to meet with them to discuss the possibilities of annexation and application of appropriate Zoning.

We have also had some interesting discussions about the possibility of establishing a city water supply and system, mixed use zoning, and several possible industrial projects.

The reason for this letter is to formally request that the City Council support the annexation of this land, and that the City take on and assume the role of applying to LAFCO for annexation (City Resolution of Application for SOI amendment and Annexation to LAFCO). We understand after speaking with the Mayor and City Manager that the timeline for the annexation will take approximately 6 months. We would imagine that we will need the full cooperation and understanding of the time urgency from the City staff who would be helping with the annexation. This will include the City actions necessary to effectuate the appropriate general Plan and Zoning change as it is critical to the process. We feel strongly that the City application to LAFCO would show a sign of confidence and commitment to the SOI amendment and annexation.

We realize that there will be a need for discussion with the City on the payment of the expenses associated with the LAFCO SOI Amendment and Annexation. We of course would be open to the negotiation of the payment structure for the necessary documents and studies.

We support the Mayors view that this land should be General Planned and Zoned as Industrial or a similar zoning as there seems to be a need for this type of land in Clearlake.

We would also like to request that any future required City entitlements procedures and/or building permits required for the project run concurrently with the annexation process. Once we get real clarity on project particulars, in the name of time efficiency, we would like the City to begin processing the entitlements and permits (with a contingency of the annexation). Time is of the utmost importance as I'm sure all involved are aware of as we worked on the county project on this site for over 3 years only to be denied. We have lenders who are pressuring us for a return on their capital investment.

We understand that there is a somewhat involved process ahead of us including addressing the applicable CEQA issues, however we have already produced a significant amount of technical documentation and environmental information regarding this land and feel confident that there is good background detail already available.

Given the extended timeframe involved in the County Use permit process we need to expedite the annexation/rezoning process. A short timeframe (within 1 year) is critical. We hope that the City concurs but we want to have agreement and understanding as to the anticipated time frame.

We think that consideration of a proactive Sphere of Influence Amendment and Annexation Development Agreement between the City and ourselves is a worthwhile step in this process.

Thank you very much for your consideration of our proposal and this request. We look forward to working with the City Council, the City Manager, City Staff, LAFCO, and the City of Clearlake community in carrying out this Sphere of Influence Amendment, Annexation, and related entitlement/permit approvals. We believe that there are significant public benefits that will be derived through the annexation and development of this land.

Yours truly,

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