

Ad Hoc Marihuana Committee

Minutes

July 7, 2020

6:00 pm.

**Attendance: Mayor Wishart, Council member Witt, Council member Akin, Casey Buckleitner, Paul Gunderson, Katie Kucharek, Dr. Steven Wisniewski, City Attorney Slough, Manager J. Duff
Chief Frank Claeys, Lt. Ken Mills, SANE-MSP**

Absent: Tiffany Larson, Mark Hansen

Review of Utility Information

Duff reviewed the utility report detailing the Water and Wastewater utilities of the City. Based on the report it showed that the City had average daily water usage amounts of .936 million gallons per day. Where the maximum daily amount of water usage from 2019 was 1.967 million gallons per day. The system could accommodate an additional 2.5 million gallons in daily capacity.

In the wastewater department the average daily flows into the plant were at .551 million gallons per day in 2019. The plant can accommodate up to 1.13 million gallons per day. Therefore we had additional capacity of an additional .579 million gallons per day. In conclusion the utilities both had additional capacities to accommodate additional flows and usage. Duff did indicate however that in all utility matters the first question asked of all businesses is for them to provide us with an average daily flow of both water and wastewater. A more thorough review could be attained by engaging the consulting engineers.

Law enforcement perspective

Chief Claeys started the discussion by indicating that representatives from Kalkaska could not attend, but it did receive some information from them and indicated the following. Kalkaska has added one new police officer to provide enforcement for this industry in their Village. He indicated this officer does everything from reviewing the applications to enforcing and inspection of the businesses. Kalkaska prides itself in the fact that they are trying to everything by the rules and regulations set out by the State of Michigan. Kalkaska is also fully engaged in both medical and recreational marihuana facilities. Everything from growers to retail centers are allowed. Kalkaska's approach seems to model everything through their zoning ordinance. Chief could not get any additional information from Crawford County or Fredric to report on their situation in this community.

Chief indicated that he would prefer not to leave the organization of whether we have marihuana up to an advocate petition. There have been three attempts in the City so far in this regard. He felt our community would be better served if we take the time to regulate it well from our end.

Lt. Mills said the discussion is complex. SANE is in the business of enforcing laws where illegal drugs are being sold, manufactured, or possessed. He has seen a drop in marihuana cases over the last year they only had two cases in 2019. Most of their efforts now seem to be on opiates and methamphetamine. There were questions on field sobriety tests and there is nothing available in the field for testing

marihuana with any certainty yet. Chief and Lt. Mills both indicated that probable cause is usually what leads to drug arrests by local police officers. Lt. Mills indicated that there appears to more activity lately in the area of methamphetamine.

License Type Discussion

A. Growers: Class A – 100 Plants, Class B – 500 Plants, Class C- 2,000 Plants

The Committee began discussions on growers based upon the areas where, if allowed, they should be situated. The M-Manufacturing District was discussed and the type of businesses currently out in the two industrial districts of the City. The Committee also discussed the C-2 District as a possible location for grow operations. Limitations such as close proximity to schools, churches and residential districts and neighborhoods was seen as a downside of allowances in this area.

There was considerable discussion on whether or not these facilities would bring an economic benefit to the community. There was discussion on jobs and wages paid. Discussion on tangibles such as cost of construction of a grow operation building and what taxable value it may have after constructed. Also a realization that no tax revenues come from the State for grow operations the only sharing of tax monies is for retail or provisioning centers.

There was a suggestion to see if we could attain data on wages in our community. What people make in our community and reaching out to the Otsego County Economic Alliance (OCEA) for some data in regards to this. Also included was discussion on the poverty levels of the community.

The Committee felt that they would like to see if perhaps some grow operation owners could attend a future meeting and be able to provide us with numbers on manpower or employment to run a Class A, B, and C grow operation. As well as if they would be willing to let us know the cost of construction on a grow building necessary to accommodate a Class A, B, or C grow operation.

Council member Witt indicated he could check and see if the owners from Fredric would be willing to attend the next meeting and provide such information. He also said he knows owners of some large Class C grow operations who may also be willing to attend a meeting to share such information on their operation as well. Al indicated he would follow up with them on this.

Public Comment

Two individuals shared information with the Committee. Michael from Oxford indicated that a recent grow operation he knew about paid about \$100 per sq. ft. for the construction of a facility in Vasser. They constructed an 18,000 sq. ft. building. Also wages being paid were \$15 for trimmers, with little if any experience, to \$150,000 in salary for a Head Grower. The operation, he was familiar with, also provided a competitive benefits program. Joseph Aiello from Warren also commented that grow operations will need retail and provisioning centers if the community wants to be successful in this industry in our town. He said they need a market for the product. It also allows the community to access the tax revenue sharing of the State. That is where some of the revenue could come from to assist the community.

Both indicated that new industry members once established would assist the community in providing them for the needs to help manage this industry in the community.

The meeting was then adjourned at 8:15 pm.

Joseph P. Duff
City Manager