Adult Use Marihuana – Public Feedback Meeting

February 11, 2020

Location: City Hall, 241 W. South St., Kalamazoo MI 49007

Time: 6:30 – 8:00 PM

Summary Notes from Public Meeting:

Shared Prosperity/Equity Plan:

- City of Kzoo residents to be the majority owners...requirement of license or discount on license
- Have businesses set aside % of money when locating in neighborhoods to support other citizen owned businesses and housing initiatives
- How do we help residents if this results in gentrification?
- We are in a housing crisis. Must be a way to benefit affordable housing with the fees for new licenses
- Allow small businesses to group together in industrial parks?
- Require involvement of local contractors in construction and renovation of facilities
  - Require employment of locals for the facilities
    - Up to a % of the work force in each facility
    - Hire convicted felons and hiring required from neighborhoods or zip codes
- Capitalization cost high – property, construction, licenses
- Create a competitive market – co-op facility, shared costs
- Direct money back to neighborhood assoc. for community and economic development
- Funds/resources/infrastructure – incentivize operators to bring someone into existing business from a disadvantaged neighborhood that way folks can learn the craft/business
- Tax money generated – how should it be spent? Affordable housing? Homeless? Funnel money into impacted community programs
- Charitable foundation to support business, separate from City, have more flexibility to support minorities and marihuana businesses
- Convicted felons and expungement clinic – narrow standards not enough folks felt they qualified
City should advocate for more flexible allowances at the State level for expungement of conviction. State equity does not really impact equity, not real equity

- How can financing be made available?
- Percentage or portion of income generated to go back to community (like a Community Benefits Agreement).
- Need business engagement by those in the industry to assist new business owners
- Assistance with access to plant growers for start-ups
- Charge full amount ($5000) for licenses and then give free breaks to residents
- Check out Muskegon’s Social Equity Plan

License Type/Facility Location:

- Can these businesses be operated out of an accessory building? These licensed facilities are considered commercial / industrial uses and can’t be operated out of a residential structure or garage.
- MI State Fire Marshall will regulate all developments
- Are licenses to be issued in mixed use zone districts?
- No licenses should be issued in residential districts.
- Limit local license types to social equity qualifiers
- Law Enforcement role? What is the collaboration? How should the City engage Kalamazoo Department of Public Safety in this social equity process?
- Business incubation run by license holders. (Apprentice program)
- LBGTQ – are they included a disproportionately impacted group.
- Should have retailers in commercial areas away from children and those under 21 years of age
- Co-ops that can rent out space to get folks in the door as they build capital before buying land.
- Cultural community center where cannabis can be sold/consumed and learn about industry
- Capacity building – train employees and grow businesses, long term training program
- What is difference between growing 72 plants with Caregivers license v. small grower at 100 or microbusiness at 150?
- Can we prevent folks from other communities from opening in Kzoo? No, not legal to preclude. However, we can incentivize local or take actions that favor City residents.
- Some license types not appropriate near residential areas
- Make room in community for small license types.
- Average business startup in this industry costs approx. $500,000 or more
- Microbusiness should be handled carefully due to the types of hazardous methods of processing and odor issues.
- Marihuana facilities are classified as an industrial occupancy. (What does this mean from the Building Code standpoint?)
Questions and Responses:

- **Question:** While not opposed to Adult Use Marihuana for recreational purposes, what protections for (property) can we put in place for the smell related externalities coming from my very close neighbors smoking outside at night?
  
  **Response:** The City of Kalamazoo currently does have a Nuisance Ordinance which includes offensive odor.

- **Question:** Is it possible to establish social equity program to benefit minorities?
  
  **Response:** This is not legal. One may not provide equity breaks to just one group of citizens.

- **Question:** It sounds like applicants for adult use marihuana retail license must first be licensed for medical marihuana sales which limits licenses to those not in the business yet.
  
  **Response:** Correct, new licenses available to those not in the medical marihuana industry are limited to Grow – Class A, Safety Compliance, Microbusiness, Consumption Establishment, Event Organizer and Event License.

- **Question:** How can we stop folks from other ‘Socially Impacted Communities’ from coming to Kalamazoo & opening businesses without conflicting with the State Law?
  
  **Response:** Can’t legally stop other citizens from outside Kalamazoo from applying for licenses.