

Economic Development Committee Minutes

Honorable Council
City of Newark
May 9, 2017

There was a meeting of the Economic Development Committee in Council Chambers on Monday May 8, 2017 after Service Committee with these members present:

Jeremy Blake
Jeff Rath
Curtis Johnson
Bill Cost Jr
Mark Fraizer

We Wish to Report:

1. **Ordinance No. 17–20** establishing chapter 1281 of the codified ordinances of the City of Newark, Ohio and thereby adopting article 98: medical marijuana dispensaries of the Zoning Code of the City of Newark, Ohio was considered.

Director Baum- you have been presented legislation for your consideration however as the governing body you are welcome to make any adjustments or changes. What I will say is that when you read that understand that I believe in September of 2017 or by September of 2017 the State will make their final list of restrictions, obligations or particulars that they want to put on that legislation so we could see more changes which is why frankly I would recommend a moratorium on that for a year or at least past the deadline or if you want to forward this to the Planning Commission so there is time to look at it and study it and see what other changes may come down the pike. This is more in the nature of conversation, we had inquiries about this and having not addressed it in the Zoning Code we felt we needed to present some ideas to you. There is also a processing and manufacturing aspect to it that we didn't address tonight. It is going to require some conversations on all of our parts.

Mr. Fraizer- I spent my free time this weekend doing some research. I have a power point presentation from the Ohio Medical Association, the DEA. One of the goals of the medical committee set up to oversee this is to actually make this as transparent as possible. When you go to their website you have the opportunity to see a lot of the information and it is very enlightening. The way that this all started was with issue 3 being placed on the ballot in November of 2015. This was defeated by about 64% of the vote. The State reassessed the situation as far as medical marijuana in Ohio. The poles seemed to be trending that the majority of people in Ohio were in support of the medical benefits of marijuana so House Bill 523 became effective on September 8, 2016. This created Ohio's medical marijuana control program. The Ohio Department of

Commerce and the State of Ohio Board of Pharmacy are in charge of Ohio's Medical Marijuana Control Program. This allows 24 cultivators, 12 that are level one status and 12 that are level 2 status. Level one is 25,000 square feet and level 2 is 2,000 square feet. There are timelines when applications are due. They have also set aside 40 processing provisional licenses. There is a \$10,000.00 application fee associated with that. There are also testing facilities for marijuana being established, that is only accessible to higher education facilities only. This is a medical treatment and there are specific illnesses covered. There are over 20 illnesses are covered and the only illnesses covered. We are talking about illnesses such as Parkinson's disease, epilepsy and seizures and you look at the impact it has on adults and children. Children with extreme seizures, extreme illnesses can really benefit for the use of medical marijuana. That is what I really want us to focus on is the medical application of this. A prohibition actually limits medical access to individuals who have real conditions. As far as consumption it says that it prohibits marijuana being smoked or combusted. It also prohibits any for that is attractive to children.

When it comes to the dispensary rules on September 8, 2017 is when the official rules are going to be presented however this committee met last year and the Board of Pharmacy set the ground work for what the rules are going to be which are available on their website. The key focus of the dispensary rules is on public safety, safe access to medical product and scalability. They are projecting 40 dispensary licenses throughout the State of Ohio. It is subject to a final inspection after 6 months and subject to any inspection at any time by the State Pharmacy Board. It is an \$80,000.00 biannual fee and all sales will be report to the Ohio Automated Prescription Reporting system within 5 minutes of the sale. It requires a licensed Pharmacist or a licensed Prescriber; employees are licensed with the State Pharmacy Board. Security measures are required to prevent diversion and patient education is required. A retail dispensary is prohibited from being located within 500 feet of a school, church, public library, public playground or a public park. Cities may also adopt additional legislation to limit the number of retail dispensaries.

On November 8th we had a local election and the Newark Marijuana Initiative passed by 53.52% - 9,582 votes. What that did was eliminate Newark's marijuana additional penalties. Previously 100 grams was a \$500 fine and up to 60 days in jail. Previously Marijuana Paraphernalia was \$250 fine and up to 30 days in jail. Now maximum fine of \$150 and loss of driving privileges. This is in line with State law. Ordinance 17-20 prohibiting dispensaries is what is before us. The final State rules will established on September 8, 2017. This law will eliminate medical access to Newark residents and we will still allow the cultivation and processing of marijuana just not the distribution for medical benefit.

My recommendation is a moratorium on zoning for dispensaries until August of 2017. It will ease the administrative impact on inquiries and zoning requests and allow the State to further develop the rules the in August of 2017 we can have a better way of addressing this situation by identifying the appropriate zoning and appropriately making sure dispensaries are available to the public. My other recommendation is to limit the number of dispensaries to a maximum of 3.

The other big thing is to educate the public on drug abuse, prevention, medical marijuana and responsible medical consumption. He showed a video of an adult man with Parkinson's and the impact he felt after consuming medical marijuana for the first time.

The biggest thing is getting past the stigma. It is a disservice to our residents to require them to go outside the city limits because of stigma, fear or lack of information. By doing a moratorium until August we can collect additional information and not put the Zoning Board in a pickle. We need look at what it's not addressing and that is illegal marijuana sales, more illicit drugs and legal prescription drug abuse.

Mr. Blake- Director Baum concerning Councilman Fraizer's presentation I would like to hear your comments.

Director Baum- I retrieved most of my information from the first two websites also there is a lot of good information. As far as the moratorium until August of 2017, since all of the restriction won't be in place until September of 2017 I would suggest that is the route you choose to take to extend it past September so we know exactly what we are talking about. There might be a last minute change that you might wish to consider. I would suggest that we have conversations about cultivating and manufacturing along with the dispensaries but as long as the dispensaries are a cash business I have concerns with the safety of these dispensaries inside the city of Newark. That is just how I feel and safety is my span of control and I am worried about a cash business that can't deposit their money in banks. As far as medical marijuana as a whole on a personal level if it helps people, it helps people and I am all for that. I'm concerned about the retail side of it inside the city limits.

Mr. Rath- can you explain why it is a cash business that can't deposit their money in the banks?

Director Baum- as I understand it at this point in time the Federal Government does not allow an FDIC insured institution to accept money from a marijuana dispensary. If that has changed then I am incorrect and I will be the first on to say I am incorrect but I don't believe that to be the case. As Mr. Fraizer rightly pointed out they can't be within 500 feet of several areas, churches, parks, schools, libraries and I would want to add gambling and liquor establishments. I don't know that I would want it in the downtown area. I think there are other restrictions you would want to put on these should you chose to allow dispensaries in the City of Newark.

Mr. Rath- are your safety concerns because of the amounts of cash in house or is it the marijuana in the facility or both?

Director Baum- I concern myself with the cash, what they do with the cash at night. There are simply problems with a cash business, of having lots of cash on hand. I mean you're not going to deposit it in a bank two or three times a day like a regular business would. I don't want to be a trailblazer on this issue. I would like to take a look at other places to see how they manage these safety concerns with dispensaries if there are safety concerns with dispensaries.

Mr. Johnson- I want to thank Mr. Fraizer for a very comprehensive presentation however if the rules are not going to be in place until September I don't know any reason why we should move ahead with anything on this until we really know we are

talking about. It seems to me that we don't really know what we are talking about. Maybe the State will come along with a comprehensive program. Maybe what they come up with won't be something we like or it might be something that we can use.

Motion by Mr. Johnson to table Ordinance 17-20, second by Mr. Fraizer
Motion to table passed by a vote of 5-0.

Jeremy Blake, Chair