

**SUMMARY REPORT TO CITY COUNCIL**  
**CANNABIS INDUSTRY INFORMATION SESSIONS**  
**MARCH 15 AND 16, 2022**

Rod Arroyo of Giffels Webster, meeting facilitator, explained the purpose and procedures for prior to each information session. The sessions were held via zoom and live streamed on YouTube and all session recordings are posted on the city website along with a copy of this summary report. All participants were called upon to answer the questions below if they wished and were also provided the opportunity to submit answers in writing. The public was permitted to participate through the Zoom Q & A or to submit questions via email. All written answers from participants submitted as well as questions submitted through the Zoom Q & A or email are attached with this summary report along with other articles or public comments submitted to the city.

Zoom Q & A as well as any additional questions asked during the sessions have been included in the body of this summary report. If it says *answered live*, the question was answered by a participant during the session.

**Session #1 - Tuesday, March 15 - 10:00 to 11:30 a.m.**  
**Growers (all classes) and Processors**

- 1. The City of Farmington Hills is collecting information from industry representatives in order to learn more about the business of growing and processing cannabis. Are there specific examples that you can provide where permitting growers and processors has led to an increase in economic development in that area (and identify the communities)?**

All participants felt that that cannabis operations created more economic development by way of rehabbing buildings and redeveloping run-down properties and creating increased property tax revenue. Other benefits identified included:

- The new line of revenue cannabis brings to communities
- Creation of jobs and often at higher wages
- Buying of products locally
- Benefitting local non-profits
- Providing the ability to connect with grass-root organizations and drive social equity efforts

Communities identified included Muskegon County and specifically the communities of the City of Muskegon, Muskegon Township, City of White Hall, Eggleston Township and Holton who have collectively brought in several millions of dollars of property upgrades to blighted areas. Other communities identified that have also experienced increased property tax revenue and/or increased jobs were Chesaning, Thetford Township, St. Sault Marie, Baldwin, White Cloud, Lowell and Walled Lake.

- 2. Odor is often cited as a primary negative impact related to growing and processing cannabis. What has been your experience dealing with the external impacts of odor? Have you had success**

**with correcting an odor issue, and if so, where was your success and what types of measures were used to address it?**

Participants noted that building designs or equipment that they use or is suggested to mitigate odor include:

- Fully sealed rooms with HVAC circulating inside only
- Exhaust equipment that eliminates odor through the system
- Outdoor equipment to measure odor
- Insulated walls
- UV filtration system and carbon filters
- Stacks
- Ozone generators with exhaust fans

It was noted that Marijuana Regulatory Agency (MRA) and Licensing and Regulatory Affairs (LARA) heavily regulate this industry and the city also has the ability to regulate odor through ordinances such as a public nuisance ordinance.

It was suggested that the city requires licensees through their application process to prove they have the funding to properly outfit their facilities and filtration systems, require a neighborhood outreach plan that includes weekly/monthly tracking and reporting of any odor complaints to the Homeowner's Associations and the city as it is on the operator to ensure they are not a nuisance and not for the city to police. The city should provide expectations for protecting the residents and businesses around them.

**3. If the City were to opt-in and allow growing and processing facilities, what is your opinion as to whether it is better to permit them to be located within industrial parks *with other industrial users* or is it better to have several cannabis growers and processors *concentrated in distinct geographic areas*? Why is one better than the other?**

If the city wishes to use this as an economic development tool, it was suggested allowing for growers and processors in industrial parks or commercial areas to focus on development and redevelopment of those areas and to reinvigorate those parks.

Suggested that the city does not limit the facilities to one specific area as you will see as other communities have that people will anticipate an increase in property value and buy up the property with no intention of using it as designated by the city themselves but to sell at a much higher price.

Zoning and land use has been a challenge for municipalities when it comes to the cannabis industry and Farmington Hills can learn from other communities. It was suggested to have a clear zoning process in place with a GIS map to help interpret the zoning district(s) identified.

It was strongly encouraged not to limit the number of licenses for growers and processors as this has been a source of litigation for communities. It is understandable to limit retailers but not when it comes to growers and processors and instead to utilize zoning districts for these licenses.

If processor licenses would be connected to retailers, it would make more sense to allow them in Light Industrial Districts or commercial areas. If processing licenses can be stacked with retail licenses it would help some companies in that they would not need to get a separate transporter license if they were processing their own product as well as selling it.

Creating the zone for different types of cannabis is critical so you don't create a gridlock and allow for some of the different industries to come together. Look at the area on a larger scale and design what is best for the community and businesses and plug in the licenses in most efficient way.

As a grower and business, the flexibility of different industrial areas would be more beneficial and economical; but for the city, targeting a specific area for redevelopment would be more beneficial but agreed that there is the risk of speculators then buying that property not for cannabis grow operations but for resale at a higher price.

**4. What has been your experience with crime within or near cannabis facilities, and how have you address security issues / concerns that have been voiced by people living and working near these types of businesses?**

All participants commented that they have had no major crime related to their businesses throughout the state. They commented on strict MRA regulations requiring cameras, limited access to the facility, product tracking through a state metrics system and the fact that these types of businesses are typically very discreet and do not advertise. Some have guards – one had armed guard with a 24 hour operation, but many have unarmed or no guards at all.

It was noted that security is of the utmost importance to the businesses as well to protect their product.

It was suggested having a good relationship with local law enforcement and to engage them early on in the process when site plans for security are submitted and to have them walk through the facility, if possible, to provide input.

Create as many deterrents as possible under the MRA regulations and working with law enforcement and fire department for fire safety. Use of key cards and monitor the inside operations as well for inside crime by following strict tracking regulations in place.

**5. If the City were to opt-in and allow growing and processing facilities, what is your opinion as to whether it would be better to have them in taller structures that allow for vertical stacking of grow operations, and are there any other unique site design features that the City should be aware of? If so, do growing operations require a particular ceiling height?**

As a grower the multi-tiered facilities can be more difficult as you have to maintain humidity levels throughout, safety concerns, etc., so it was felt that multi-tiered should not be required but permitted to allow for more flexibility for the grower. Flexibility for zoning is also key as the grower will find a building to fit their needs if they have more options.

Stacking is environmentally better as it is less of a footprint but agreed that growers should have flexibility.

**6. What premium site, building, or landscaping design elements do you think applicants would be willing to provide in order to make your site an asset to the City?**

Suggested that the city implements only the requirements that they would require of any other operator and not require an exorbitant amount of site plan expectations because this is cannabis.

Suggested same standards of site design apply as for any other operator as it can become a barrier for entrepreneurs and small businesses.

Growers and processors do not want to necessarily be seen and if limited to industrial parks, they would most likely be renting those buildings so it is not felt that many site or building design requirements would be required.

For the site to be an asset, a participant questioned how the city will partner with the growers to enhance the industry such as working with them on power and water consumption rates and ease that process if upgrades are needed to run the facility better or with regard to green energy funding not only for cannabis but other area businesses. This type of interaction allows for a site to become an asset to the city.

*\*An article from Leafly was mentioned regarding debunking dispensary myths and is included as back-up to this summary report.*

#### **Additional Questions through Zoom Q & A or e-mail:**

##### **What operation generates the most odor?**

It varies. Safety testing facilities, secure transport operators have very little odor issues. Retail is pretty minimal. Processing and cultivation are the odor generators, but there are several mitigation techniques that are available.

**Is there a chain of custody required for grow and transport of the product? If so, who keeps that record?** Answered live. Marijuana Regulatory Agency (MRA) regulated.



**Session #2 - Tuesday, March 15 - 2:00 to 3:30 p.m.  
Retailers, Testing Facilities, and Secure Transporters**

- 1. The City of Farmington Hills is collecting information from industry representatives in order to learn more about cannabis businesses. Are there specific examples that you can provide where permitting retailers, testing facilities or secure transporters has led to an increase in economic development in that area and identify the communities?**

Retailers have increased economic development by:

- Coming in to vacant, abandoned buildings or developing vacant property
- Attracted big corporate stores to areas due to the increased traffic the cannabis industry has created
- Created jobs and higher wages and turning into careers
- Generated revenue for the communities to use for other redevelopment or improvements
- Benefits other stores by bringing in the traffic from outside or from employees of the cannabis retailers having lunch or shopping in those areas; increase in traffic is estimated at approximately 15-20%
- Retailers working with chambers of commerce sponsoring non-profits and impacting communities on a day-to-day basis
- Investment of a significant amount of money into the city which has increased commercial and residential property values
- Hiring locally when possible
- Cites that communities could receive approximately \$28,000 per retail license and that is expected to increase

The city was cautioned not to allow for too many stores to open as that is not good for the city or the industry and sets both up for failure. Also make sure you have the “right” owners that will have this positive impact on the community.

Communities identified included:

**Big Rapids** – 14 stores opened; over 140 jobs created; with the first 3 stores the community received \$84,000 to make improvements to a local library area

**Baldwin** – developed over 23 acres of vacant land

**Walled Lake** – Over \$1 million dollar investment in community and bringing in additional 1,000-1,500 people per day to the area

**Thetford Twp** – Extremely economically depressed area. Redeveloped 7 acres of property and millions of dollars invested in the community. The Township receiving funding allowing them to hire additional full-time Police and Fire

**Orion Twp** – Oakland Business Park development that was a 288,000 square foot complex with over \$40 million dollars invested

**Pontiac** – Lenwood Plaza redevelopment – redeveloping 20+ acres of property that had sat vacant for over 20 years

**Flint** – Oak Flint – 2-acre redevelopment that included retail and residential

**2. Traffic and parking are often cited as primary negative impacts associated with cannabis retailers. What has been your experience dealing with traffic and parking related issues with retail operations? Have you had success with correcting an issue, and if so, what types of measures were used to address it?**

Key components for correcting the issue included:

- Partnering with the community and local law enforcement
- Having systems in place internally to better get customers through the process
- Working with the community in the planning stages to determine if the location is right for that type of business or how a plan could be modified to mitigate those issues – seasonal towns had to be mindful that they needed space for travel trailers and the community was key in providing that information
- Providing curbside service, if possible, to see a full menu from the parking lot or via an on-line menu
- Designate spots for curbside and for pick-ups
- Consider home delivery options – home delivery plans are required to be approved by MRA
- Implementing circular drive for larger vehicles
- Have parking coordinator to assist with flow of traffic if needed

**3. Retailers, what are the primary site-related factors you consider when looking for a new location? Is it much like other retailers – go where the traffic counts are – or are there other unique factors you consider? For testing facilities do you prefer industrial parks, office parks or some other location? For secure transporters, what is your preferred locational criteria?**

Site locations requirements for retailers include:

- Traditional retail for high visibility and high traffic areas for business but also for security reasons for employees due to cash transactions, etc. Prefer not to have retail to be in a secluded industrial area.
- Ample parking or ability to partner with other businesses for parking; shopping center areas are ideal to allow for events such as food trucks, vendor days, etc.
- Easy access in and out of the existing traffic flow and to highways
- Areas easily accessible for all, especially seniors and patients who need medical cannabis and don't be afraid to have retail near residential

Preferred site criteria for testing facilities include light-industrial areas or light-manufacturing and for secure transport services access to highway systems and major arteries is preferred due to the business models.

**4. What has been your experience with crime within or near cannabis facilities, and how have you address security issues / concerns that have been voiced by people living and working near these types of businesses?**

Zero crime incidents reported from participants but comment made that any building can be subject to a random incident.

- Cannabis industry has come a long way from being a cash business to alternative forms of payment that would minimize security issues
- MRA has strict security system requirements
- Have appropriate Standard Operating Procedures on site; hire slow/fire fast
- Create the culture you want in your business starting from within; zero tolerance=zero problems
- Safety issues are a myth – referenced the Leafly article provided with this report
- High-definition cameras, safes with money and product under lock and key
- Work closely with the community and local law enforcement
- Provide pro-active and adequate training for staff
- Ensure reputable owners marketing to appropriate clientele – site visits by the community
- Provide community a way to communicate with you to address any concerns or questions
- Operators in general often will take extra precaution to protect their investment as they don't want crime either
- Foot traffic (bustling areas) is ultimate deterrent and reduces risk in crime
- There are extensive tracking and tracing systems in place to identify all who come into the stores and the activity
- Tends to be no additional risk or crime due to cannabis industry presence

**5. What premium site, building, or landscaping design elements do you think applicants would be willing to provide in order to make your site an asset to the City and encourage locations in high traffic volume locations?**

- Retailers want curb appeal and will be competing to be the best establishment in the community
- Professional signage
- Sense of responsibility to the public and community and market themselves
- Site dependent somewhat and it was suggested that the city consider requiring the businesses to conform with the aesthetic of the neighborhood and surrounding area rather than have a specific set of requirements for every retail establishment
- Educate the community and use curbside appearance to draw the community in and let them know why they are there
- Partnering with the city to impact not only their business but other businesses in the community and being a good neighbor and asset to the community
- City has opportunity through ordinances to create what they want for the buildings and he does not feel aesthetic from what he has seen inside and outside of buildings will be an issue
- Operators have put in additional trees, bike racks, murals on buildings, use of green materials etc. as required by communities in order to add value for the community and the retailers
- Encourage city to apply the master plan regulations to cannabis industry as it would other businesses to improve the area; Want to be treated the same as other business members of the community

**Additional Questions through Zoom Q & A or e-mail:**

**Mr. Goodman was asked to provide the name of the pamphlet or article he referenced.**

Leafly - website to find the article is <https://www.leafly.com/news/politics/debunking-dispensary-myths>

**Types of opportunities in transportation or growth in industry?**

No participants able to respond. Information on MRA applications on attached Zoom Q & A report.

**With so many marijuana facilities opening, how would the city monitor cash flow and taxes for the city?**

Mr. Arroyo, Facilitator, answered that the city has not yet made the decision to allow for any licenses in the community so it would be premature to answer this at this time. He inquired if any of the participants had a general answer to this question.

- Cannabis industry most scrutinized and Marijuana Regulatory Agency (MRA) has yearly audit currently but may be changing to 3-year; all monies communities receive through the excise tax are handled by the state.
- Banks in industry are federally funded so the industry has to deal with even more regulations through the banks used
- Need to have good financial staff and attorneys as any other business and make good business decisions
- Completely self-contained and transparency provides for even playing field for the industry to grow

**Session #3 - Wednesday, March 16 - 10:00 to 11:30 a.m.**  
**Microbusiness, Designated Consumption Establishments**  
**and Temporary Event Organizers**

**1. The City of Farmington Hills is collecting information from industry representatives in order to learn more about cannabis microbusiness, designated consumption establishments and temporary events. Are there specific examples that you can provide where permitting these uses has led to an increase in economic development in that area and identify the communities?**

- Microbusinesses can only provide what they cultivate on site so they have flexibility to tailor business operations to certain times that could benefit other area establishments by creating more foot traffic
- Microbusiness licenses are offered to the smaller local growers who may potentially be more dedicated to the city and be a long-term business within the community

Location of microbusinesses:

Bay City – renovated a historic building in downtown Bay City that will help drive economic resources to that area and benefit other area businesses

Ann Arbor – smaller local grower dedicated to benefitting the community

**2. Uses that permit on-site consumption (Designated Consumption Establishments) of cannabis are just making their way into the State of Michigan. Public concerns range from impaired driving to and from these facilities to fear of external effects (crowds gathering outside, negative impacts on property values for nearby properties, crime and odor). What measures have been taken to address these concerns in other communities and where? Can you give examples of other communities and the specific actions / remedies that were put in place to address concerns or specific incidents?**

There are only a few designated consumption establishments in the state and the obstacle for these types of businesses has been that they can't monetize this business as the state does not allow the sale of food or drink so it is difficult to charge people to come to just consume cannabis. The state also requires state of the art ventilation systems and smoke-free areas for employees, which is good but there needs to be a model where you can monetize this to pay for these items and the license. There are a few in Kalamazoo. Public concern over crowds or impaired driving, there is not that same concern when another sports bar goes in necessarily so in time, these establishments will become more normal.

Another experience with consumption establishments was in California and they were ancillary to a retail outlet so if they purchased cannabis they could go through a door and consume it on site in the consumption area.

The state also has measures are in place similar to alcohol that could hold an establishment liable potentially if they allowed a customer to overindulge.

**3. For Temporary Events, many of the same issues listed in the previous question may be raised. Please address specific temporary events you have been involved with and how concerns related to security, noise, traffic, and odor have been addressed.**

These events that are now permitted are also now regulated so there are security requirements, each vendor as a Point of Sale (POS) terminal and all transactions go directly to LARA. Other regulations mentioned that they have seen include parking requirements, curfews for events and music regulations. They tend to operate similar to a Farmers Market but suggested that research is done on each potential licensee to determine brand presence as someone with a lot of followers could draw big crowds and that would factor into the location, adequate parking, etc.

**Zoom Q & A : Regarding the point of sale and credit card transactions. Please elaborate on that and type of institutions used.**

Issue of taking credit cards depends on the retailer having a bank that is allowed to work with the cannabis industry as all banks are federally insured; however, there are a number of state and local banks and credit unions who do work with the cannabis industry and allow for credit card transactions.

Most events are not allowed in hotels or similar venues due to the odor and most are taken place outside for that reason and the main concerns are mentioned are parking, crowd control and having safety measures in place for anyone who may overindulge as with other events and odor is not typically the concern since they are held outside.

For Farmington Hills, an area that would come to mind for this type of event would be outdoor at The HAWK Community Center that has adequate parking and a lot of outdoor space rather than perhaps Heritage Park where this type of event may not fit in as well with other uses.

Other benefits of events would also be that other local business could also benefit such as local food trucks or restaurants where people attending the event may go eat or shop.

**4. What are the primary site-related factors you consider when looking for a new location?**

Cautioned that when a community restricts zoning to a certain area of town, which is often dilapidated, often the owner or owners realize the property is now worth double and they raise the prices. Suggested to allow for open zoning but include regulations as far as proximity to schools, churches, etc.

Microbusinesses are capped at 150 plants and would not require the amount of square footage that would be found in a building in an industrial park area. Suggested light-industrial or retail areas for microbusinesses to succeed.

Microbusinesses made for smaller grower to enter the market and go through the same state regulations that a large grower or processor would and there needs to be a way for the city to assist these microbusinesses with regard to zoning in order to thrive and give back directly to the community.

**Follow-up question: What would be turn-around time for product for a microbusiness since the product is limited?** Two months as it takes that long to produce a crop and a typical business plan for the microbusiness in Bay City is to be open 6 times per year. It operates more like a pop-up shop with a new item.

A suitable location identified for a microbusiness in Farmington Hills according to one participant was ACO on Orchard Lake Road, north of 13 Mile Road due to square footage, high ceilings and being in a retail area.

**5. Give examples of the types of temporary events that you are aware of in other communities (indicate which communities), and what types do you think would be the most successful in Farmington Hills and why.**

Participant has held smaller cannabis event in Lansing that was successful but they learned lessons also such as if held in the summer to offer water at the event, etc. Suggested to look to other communities who have held them and model those.

Reiterated to research the licensee and the following they draw as it could be a very small event or draw big crowds depending on the following.

**Follow-up question: Cannabis Cup events have been mentioned in the sessions. What is a cannabis cup?**

Competition where growers can enter their product and be judged and be recognized in the industry. It also serves as a Farmers market event with vendors.

**END**

**Pages following this report are supplemental documents as provided by participants.**

## Fresh Water Cannabis Co.

Annette Compo, President

[annette@carebydesignmarket.com](mailto:annette@carebydesignmarket.com)

248-640-9803



---

Session #1 - Tuesday, March 15 - 10:00 to 11:30 a.m. Growers (all classes) and Processors

1. All opted in municipalities have benefited from the job creation resulting from the businesses. I also believe that the correct partner can become more involved in the community through events, nonprofit organizations and business chambers.

2. Facility development has come a long way. More grow facilities are being built with a clean room internal wall structure, this application not only serves the environmental needs of the crop but helps to prevent odor emissions as well. Another factor of operating grows is the facility layout, most of the important rooms for a facility will not have external walls, due to the adverse effect of ambient temperatures on the crop. Meaning the growth stage rooms or rooms that would have potential odor causing effects are typically more internal to the building. Our company has had the benefit of learning from the grow of Hemp as well as Marijuana and have learned some of the better ways to design floor plans that control this

Processing facilities do not have the potential odor issues that grow facilities do. The raw material is run through what is essentially a chemistry process to create the final product.

3. I believe that there are questions that need to be raised based on the commercial/industrial inventory in the city? Are there several options for commercial/industrial zoned buildings or is the city geographically already structured by default with distinct commercial/industrial areas. Commercial zoning itself would not necessarily be a fit for a commercial grower. A retail location for example, although commercial, would not necessarily work for a grow facility. The more desirable spaces would be locations of industrial nature, standalone buildings, with parking on site, bay doors for deliveries, etc.

That being said, there are several municipalities that do not limit to a concentrated geographic area allowing growers and processors to utilize any commercial space, including commercial retail spaces. The best example of a city limiting to distinct geographic areas is Detroit. There are designated green zones and any licensed facility needs to find a commercial/industrial space within those parameters that qualify, essentially limiting the options that are available to cannabis businesses. Given the manufacturing history of the city and available inventory within the green zones, the large-scale footprint of auto manufacturing isn't desirable to commercial growers, the scale is simply too large. The result has been not many new businesses opting to not work with that municipality and going to other cities, where a city has limitations on an organization to get up and running. Detroit faces lost potential revenue in the millions because of these constraints.



4. The cannabis industry has come a long way. It is no longer strictly a cash business. Most organizations now have banking/ ATM and credit card options that are available to them. Additionally, the state requirements for security systems with cameras on property and key card entry also cuts down on any potential threat of crime. The wild west days of cannabis in the state are long gone. The state of Michigan has really streamlined the seed to sale tracking mechanisms in place. We also have a state of the art security system in place that we communicate so it works as a deterrent then a need. We have no problems with any of our facilities in regards to crime or damage.

5. It has more to do with the grower's philosophy than the building type. Yes, vertical grow facilities have definite height requirements. Vertical grows can be multiple levels depending on ceiling height. Typically, what is most commonly seen are 2 or 3 tiered grows. Anything beyond that creates too hard to control 'hot spots' within the crop itself given the environmental of the growing conditions required for the plant. In addition to servicing the crop as well. . Just like what you would see in big agriculture, a living product can't fully be grown through automated processes, there is still largely human involvement in the process. Growers have to service the plants. If the vertical levels get to 4 or more for example, the workers have to get up to those levels and then there is a safety issue as well. Depending on the grower, a 6-7 foot height between grow levels is required. Meaning a 3-tier grow would have a minimum height requirement of 22-25 feet to allot for racking, irrigation lines and fire suppression requirements. However, there are many growers who don't like the vertical growing option and still grow with a 'sea of green' approach. Which means a single level. We lay out our planting systems similar to laying out a site plan for new construction. This allows us to create the best strategy to have healthy plants as well as maximize the area with safety of our staff as part of the decision processes.

6. It depends on the organization. We are in the process of building a facility at our Baldwin location with the mind of it being a destination place for consumers. This facility would educate consumers through facility tours and would welcome curb appeal improvements inside and out. We have taken into consideration the capital investment to protect the plant grow from being exposed to this traffic. When we are operating on a strictly wholesale scale, for example our White Cloud location, we limit the people on the grounds other than the staff to maintain the production of product and facility maintenance personnel. This is due to the fact of potential variables that can impact the plants' negativity. Either use of our facilities, our philosophy is to compliment the area that our business is in as well as engage as a community business leader with all business and economic development.

Another opportunity for any organization considering setting up their facilities is going to be variables like: How willing is the municipality to work out resolutions that are in the best interest of the city, company, and consumers that will ultimately be consuming these products. What processes or resources are available to the cannabis company? For Example; power and water consumption rate data and ease of the process for upgrading or improving these as well as participating in any green energy funding.

**Leafly**

# Special Report: Debunking Dispensary Myths

Literature Review Finds Cannabis Stores Are  
Associated With Lower Crime, Decreased Teen Use,  
and Increased Property Values

By David Downs and Bruce Barcott, Leafly  
With Dominic Corva, Ph.D.; co-director, Humboldt Institute for  
Interdisciplinary Marijuana Research; founder, Center for the Study of  
Cannabis and Social Policy

May 2019

FREDDIES LLC  
BARRY GOODMAN - CEO  
248-302-7877





## Acknowledgments

This literature review was paid for and published by Leafly, the world's cannabis information resource. Research assistance was provided by Amelia Williams, San Francisco State University.

## About the Authors

David Downs, Leafly's California editor, is the former cannabis editor of the San Francisco Chronicle. He is the author of *The Medical Marijuana Guidebook*.

Bruce Barcott, Leafly's deputy editor, is the author of *Weed the People: The Future of Legal Marijuana in America*, and the Time magazine special issue, "Marijuana Goes Main Street."

Dominic Corva, Ph.D., co-directs the Humboldt Institute for Interdisciplinary Marijuana Research (HIIMR) at Humboldt State University in Arcata, CA. He's the founder and executive director of the nonprofit Cannabis and Social Policy Center (CASP).

## Abstract

Common political objections to the siting of cannabis retail stores in a given area often center on the supposed negative consequences the stores will bring to that area. However, a systematic literature review of studies on the impacts cannabis retailers have on the surrounding community actually refutes key assertions regarding the supposed negative impacts of dispensaries and/or stores on crime, underage use, and property values. In fact, the broad body of research reviewed in this paper suggests the opposite is occurring: Crime near licensed dispensaries has generally stayed flat or decreased, teen cannabis use in legal states has fallen since legalization, and property values near cannabis outlets generally are not affected or, in some cases, experience a greater value increase than comparable properties not near a cannabis outlet.



## DEBUNKING DISPENSARY MYTHS: INTRODUCTION

# Legal, but Not Local

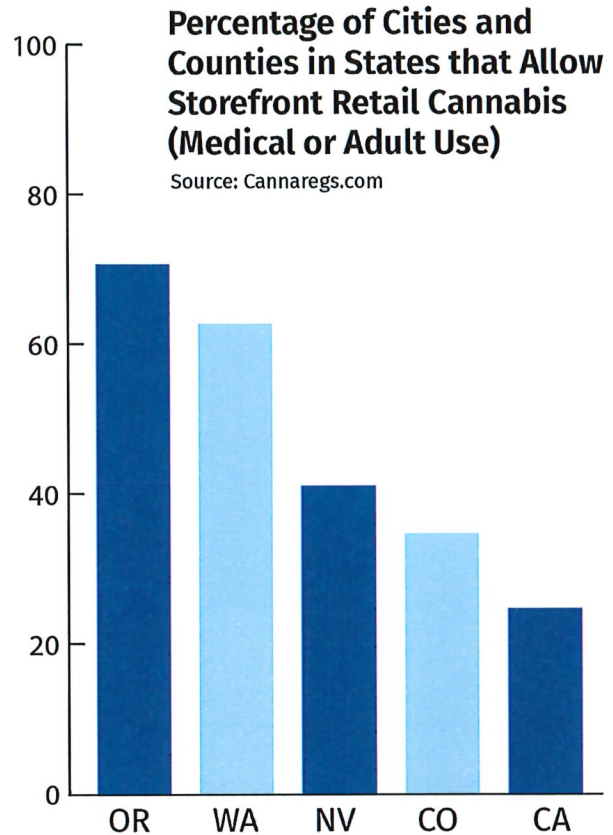
Americans are embracing cannabis legalization at record levels. Two out of three Americans now support legalization for all adults (CBS News poll, April 2019). As of early 2019, 34 states have legalized the medical use of cannabis. Ten states—plus Washington, DC—have declared it legal for adult use.

Yet legalization doesn't mean all patients and adult consumers enjoy the same freedoms.

All state legalization laws allow municipalities to permit or prohibit cannabis sales within their jurisdictions. At the city and county levels, a number of lawmakers have responded to statewide legalization with ordinances banning all state-licensed cannabis companies within their jurisdiction. Others prohibit cannabis stores under the theory that they attract or foment criminal activity. These cannabis bans effectively reinstitute cannabis prohibition for local residents and encourage the illegal cannabis market to flourish.

### AS OF MAY 1, 2019:

- CA** In California, 75% of jurisdictions have banned cannabis stores
- CO** In Colorado, 65% of cities and counties have similar bans
- MA** In Massachusetts, 54% of the state's 351 municipalities have banned cannabis stores
- WA** In Washington, 35% of cities and 20% of counties have banned cannabis stores.
- NV** In Nevada, 75% of counties and 42% of cities prohibit cannabis stores



### WHERE AND HOW BANS HAPPEN

Local cannabis bans tend to happen predominantly in suburban and rural districts in the aftermath of statewide legalization. At city council meetings, citizens and elected officials often voice fears about retail stores as a visual blight and a locus for criminal activity. Parents worry that a store could offer their children easier access to cannabis.

These debates are often rife with misinformation based on 80 years of government dishonesty and drug war hyperbole. The three most common myths center on the



notions that licensed cannabis retailers spur an uptick in crime, increase teen use of the drug, and cause property values to decline (Hughes, 2018).

Here are a few examples of more recent local concerns aired in California, Nevada, and Massachusetts:

#### ***Marijuana Production Faces 'War' From Asian American Communities***

"You will hear helicopters overhead, people shooting in the street, maybe prostitutes walking around," said Daniel Ding, of Temple City, CA. "It will destroy the city." (Los Angeles Times, 2019).

#### ***Nevada City Council Moves Forward With Adult-Use Cannabis Ordinance***

Several audience members spoke against allowing adult-use cannabis businesses, including former county Supervisor Nate Beason. "You need to consider the residents," Beason said. "We'll reach a point where something bad is going to happen ... This will change the character of our town." (The Nevada County Union, 2018)

#### ***The Marijuana War Has Gone Local***

"We have a brand-new youth center, a state-of-the-art library—all these beautiful things to attract families—and now we're going to bring retail pot shops in?" said Milford Selectman Mike Walsh. (Boston Globe, 2017)

#### ***Residents Say Pot Shop Will Ruin Neighborhood***

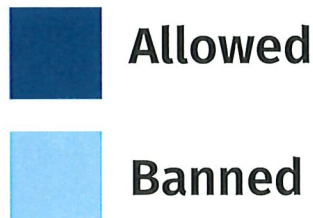
During a community meeting, residents of Haverhill voiced outrage that their neighborhood was zoned as a recreational marijuana establishment district. "We don't want you here," said Joel Bissonnette, an Elliott Street resident. "Go to Ward Hill." (The Haverhill Gazette, 2019)

During these debates, some residents and local leaders make their desire clear: Keep the cannabis stores in the big cities. Let Denver, Seattle, Portland, Boston, or Los Angeles go first. Others want to push it into the next town over: "Go to Ward Hill."

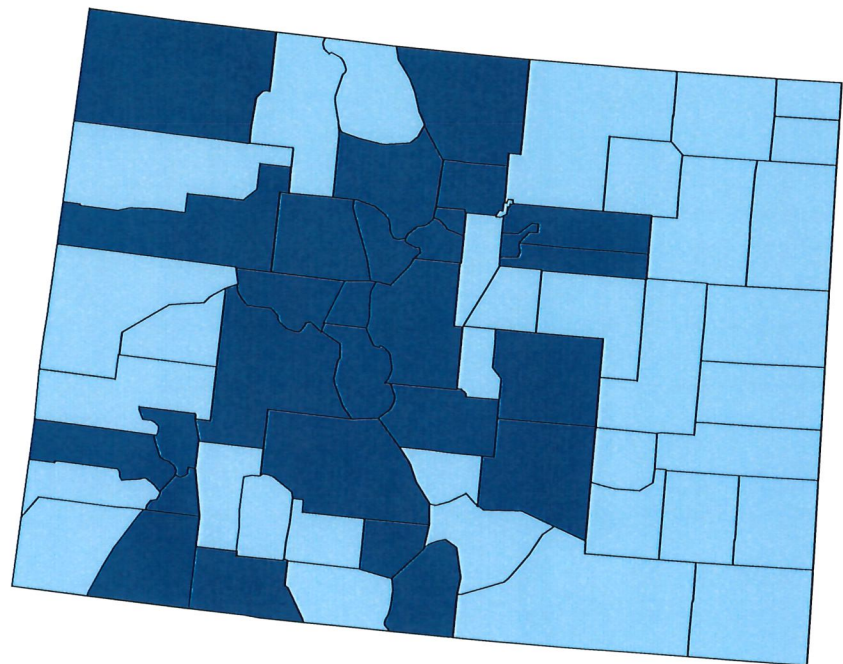
There's often an unspoken belief that banning cannabis stores will prevent cannabis from entering a community, as if patients and consumers reside only in metropolitan areas and aren't already in the local community.

A certain amount of virtue signaling also comes into play: *We're not the kind of people who use marijuana.* This can be a powerful motivator, even inspiring municipal authorities to act against the expressed desire of their own constituents—a majority of local residents vote for legalization, but then a handful of local officials prohibit cannabis businesses.

## **Colorado County Cannabis Bans**



Colorado famously legalized cannabis for all adults in 2012. But 38 of the state's 64 county governments have banned cannabis stores, resulting in a patchwork of legal and prohibition counties.





## ONGOING LOCAL LICENSING DEBATES

The concept of local control wasn't created by the cannabis legalization movement. It predates the existence of the United States.

All states follow existing legal precedent with regard to the enormous zoning and police powers of local cities and counties. Local authorities generally control all aspects of local cannabis commerce. They have the power to ban it entirely or to set the time, place, and manner in which it operates.

California, the world's biggest cannabis market by population, approved adult-use legalization by a 57% vote in 2016 and began licensing adult-use retail stores in December 2017. Sales began on Jan. 1, 2018. Even though adult-use stores have been legal for more than a year, a majority of communities—39 counties and 396 incorporated cities and towns—continue to prohibit cannabis stores within their borders.

In Massachusetts, where adult-use legalization—Question 4—passed by 54%, local licensing debates are taking on increasing urgency due to an upcoming deadline. Counties and towns have until June 30, 2019, to make a final decision on allowing or prohibiting cannabis retail stores. So far, 189 of the state's 351 municipalities have banned adult-use cannabis stores. Only 30 municipalities currently allow them.

Michigan residents voted in favor of statewide legalization in November 2018, passing Proposal 1 by a vote of 56% to 44%. But now comes the hard part: ending cannabis prohibition at the local level, or even keeping track of what's

**Even though adult-use stores have been legal for more than a year in California, a majority of communities—39 counties and 396 incorporated cities and towns—continue to prohibit cannabis stores within their borders.**

legal where. Michigan has 83 counties, 276 cities, 257 villages, and 1,240 townships, but no digital reporting mandate regarding cannabis regulations (Ostrowsky, CannaRegs), so it's going to be difficult to track implementation.

As cannabis legalization continues to spread to more states, communities across America will find themselves with the opportunity to weigh in on the appropriate place of cannabis in their communities. Each governing body will handle the decision its own way. These discussions should be informed by the best available information and research, not imagined fears and archaic mythology.

# 52%

**of all Americans report having used cannabis at least once**

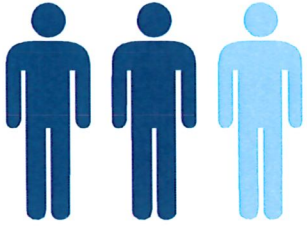
Source: Marist Poll, 2017



# Timeline: The Rise of Retail Cannabis in the US

<b>1937</b>	Federal prohibition begins under Marihuana Tax Act.
<b>1940s</b>	Medical cannabis formulations disappear from pharmacy shelves.
<b>1994</b>	Cannabis Buyer's Club of San Francisco opens.
<b>1996</b>	California legalizes medical cannabis with no licensing or regulation.
<b>1998</b>	Alaska, Oregon, Washington legalize medical cannabis with no licensing or regulation.
<b>2000</b>	Colorado and Nevada legalize medical cannabis with no licensing or regulation.
<b>2004</b>	California Senate Bill 420 creates a legal defense for dispensaries. Unlicensed dispensaries open across California. San Francisco begins licensing medical cannabis dispensaries.
<b>2010</b>	Colorado regulates its medical dispensaries. Arizona legalizes medical cannabis and state-licensed dispensaries.
<b>2011</b>	Federal prosecutors step up asset forfeiture campaign against California dispensaries.
<b>2012</b>	Colorado and Washington legalize adult use of cannabis, with licensing and regulation.
<b>2013</b>	Justice Department's Cole memo takes federal crosshairs off licensed medical and adult-use retailers.
<b>2014</b>	Adult-use cannabis sales begin as licensed stores open in Colorado and Washington. New York legalizes medical cannabis, with licensed dispensaries. Washington, D.C., voters legalize adult use of cannabis, but Congress blocks efforts to license and regulate retail stores.
<b>2016</b>	Voters in California, Massachusetts, Nevada, and Maine legalize the adult use of cannabis. Florida voters legalize medical marijuana.
<b>2017</b>	Adult-use cannabis stores open in Nevada. Licensed medical dispensaries open in Hawaii and Maryland.
<b>2018</b>	Adult-use cannabis stores open California and Massachusetts. AG Jeff Sessions rescinds Cole Memo. Oklahoma legalizes medical cannabis. Michigan votes to legalize adult-use cannabis. Vermont legislature votes to legalize adult cannabis possession, but does not allow retail sales.

Source: Marijuana Policy Project, California NORML



# 2 out of 3 Americans now support legalization for all adults

Source: CBS, 2019

## PUBLIC SAFETY MYTHS

Since the 1930s, cannabis critics have claimed, without proof, that the slightest interaction with the plant leads to a life of addiction, debauchery, and crime. Cannabis has often been used by people of lower income (Caulkins, Davenport, 2016) who interact more with law enforcement (La Vigne, 2017).

Many people—including law enforcement officials—frequently mistake correlation with causation when it comes to the possession of cannabis among suspects. For example: Research suggests that about 72% of tobacco smokers come from lower-income communities (Truth Initiative, 2018). Those communities also experience a greater police presence than higher-income communities (Shi, 2016). That doesn't mean cigarette smoking causes crime.

These misconceptions and stereotypes don't just drive local zoning decisions; in some cases, local zoning can create them.

Consider the history of medical cannabis in Los Angeles. California legalized the medical use of cannabis in 1996. In LA, the city's first unlicensed dispensaries opened by 2000. The lack of regulation propelled a dispensary boom. Those dispensaries tended to open in lower-value property neighborhoods and in areas with higher crime rates (Nemeth, 2014). Once medical cannabis became correlated with higher-crime areas, people quickly—and mistakenly—inferred that cannabis dispensaries cause crime.

## TEEN USE MYTHS

Teen access to cannabis has been relatively easy nationwide since the 1970s (MacCoun, 2011). Yet proponents of local cannabis bans act like stores bring cannabis into a community for the first time.

Ban advocates also assert that legalization states have higher rates of teen use, and that the rate is associated with current policy (RMHIDTA, 2017). But for decades, legalization states like California and Colorado have had higher general rates of cannabis consumption (Cerdeña, 2012).

At community meetings, some parents express fears of cannabis sales to youth or that minors will obtain it by theft. Some claim a store's presence will lower a minor's fear of cannabis, thus encouraging young people to try it.

## PROPERTY VALUE MYTHS

During local debates about zoning cannabis stores, some critics assume the past social stigma attached to cannabis will decrease the property value of homes and businesses near a licensed cannabis store.

They expect an increase in crime will drive house prices down or that the business type will make other negative impacts to neighborhood noise, traffic, or odor, similar to a convenience store.



## DEBUNKING DISPENSARY MYTHS: PART I

# Literature Review Methodology

In this report, Leafly reporters, researchers, editors, and data analysts conducted the world's first-ever literature review of studies that test three key assertions on this topic.

We were advised by Humboldt State University co-director for the Humboldt Institute for Interdisciplinary Marijuana Research, Dominic Corva. Working with Corva, Leafly editors conducted a thorough survey of all available studies and followed up with an analysis of study validity, prioritizing the most impactful and generalizable findings.

We spent weeks reviewing academic journals and databases, considering more than 100 studies, digging into study methodology, and following up with study researchers for more information and context.

We identified 42 studies, research papers, and surveys that directly touched on the subject. We reviewed scholarly databases such as PubMed, Google Scholar, and NIH; private research groups such as RAND; government websites including the ONDCP; and health departments in legalization states. We identified periodicals that cited studies, then pulled those studies and followed the trail of citations to find even more related work.

We reviewed studies for validity, general applicability, accuracy, and timeliness—using as a proxy the number of times each paper was cited, number of contributing researchers, location of publication, study time period and publication date, level of peer review, and size and scope of the study. We also looked for evidence-based model assumptions, methodological rigor, as well as realistic and comprehensive discussion of study limitations and generalizability. We scored each study for

its strength on a scale of 1 to 4 based on those factors. For example, personal Realtor survey data has less strength than longitudinal home value reports over time for a given city block.

We collected and ranked the most prominent studies on the topics in a matrix, which we've attached in this report's Appendix.

We used the professional services of CannaRegs, the world's most current, in-depth cannabis legislative and regulatory database, to ascertain the level of retail store access in legal adult-use states. To add narrative accounts to the data, we also obtained qualitative, anecdotal accounts from local officials familiar with the impact of cannabis stores on their communities.

Literature review limitations are noted in the Appendix.

### A NOTE ON LANGUAGE

The word “dispensary” came into use when medical marijuana retail collectives opened in the San Francisco Bay Area in 2004.

Since the advent of adult-use legalization, the term “dispensary” has also included retailers serving all adults age 21 and older. Language evolves, and it's now trending in the direction of “stores” for adult-use retailers and “dispensaries” for medical marijuana shops.

We try to maintain that distinction when possible, but there are occasions when “store” or “dispensary” is meant to cover both medical and adult-use cannabis retailers—a situation reflected in many states, where a single retailer may serve both the adult-use and medical markets.



## DEBUNKING DISPENSARY MYTHS: PART II

# Findings

Based on the findings from 42 key studies, we discovered that the vast majority of the best, most recent data contradicts three key myths about the impact of cannabis dispensaries on local communities.

### CRIME FALLS

*The Green Mile is not a hotbed of criminal activity, the source of vehicle accidents from an influx of traffic or a known source behind more youths using cannabis, Port Hueneme Police Chief Andrew Salinas said. Instead, the cannabis businesses for which the strip is named are helping the city get back on its feet financially, adding jobs and playing a meaningful civic role in the city, Salinas said.*

*Ventura County Star, March 29, 2019*

Cannabis stores function like standard consumer packaged goods (CPG) retailers, on a design spectrum from corner bodegas to high-end boutiques. One key feature is strict licensure and regulations that require ample security, such as guards, cameras, lighting, and space access controls.

Using street-level data from cities including Sacramento, Washington, DC, and Los Angeles, studies suggest that licensed cannabis dispensaries have no impact, or an insignificant effect, on various kinds of crime (Zakrzewski, 2019; Brinkman, 2017).

“Results indicated that mean property and violent crime rates within 100-foot buffers of tobacco shops and alcohol outlets—but not medical marijuana dispensaries—substantially exceeded community-wide mean crime rates” (Subica, 2018).

Researchers examining the temporary closure of



**We find no effects on burglary, robberies, or assaults, which are the types of crimes one would expect if dispensaries were prime targets as a result of their holding large amounts of cash.**

Source: Pacula, 2018



hundreds of dispensaries in Los Angeles in 2010 reported that “contrary to conventional wisdom, we find no evidence that closures decreased crime.” In fact, there was “a significant relative increase in crime around closed dispensaries,” as much as 24% in some places (Chang, 2017).

A study of California counties found “a negative and significant relationship between dispensary allowances and property crime rates, although event studies indicate these effects may be a result of pre-existing trends” (Hunt, 2018).

“These results suggest that the density of medical marijuana dispensaries may not be associated with crime rates or that other factors, such as measures dispensaries take to reduce crime (i.e., doormen, video cameras), may increase guardianship such that it deters



possible motivated offenders” (Kepple, 2012).

Only one strong study (Freisthler, 2017) found an association between cannabis retailers and property crime. Those researchers found that “densities of marijuana outlets were unrelated to property and violent crimes in local areas. However, the density of marijuana outlets in spatially adjacent areas was positively related to property crime in spatially adjacent areas over time.” In other words, the study found that crime increased in areas further away from dispensaries and their security.

One weak study found mixed results. In a 2012–2013 study of unregulated medical marijuana dispensaries in the city of Long Beach, CA, researchers found no crime increase in the immediate vicinity of dispensaries but a slight rise in outlying areas (Freisthler, 2016).

At the state level, the most-cited studies suggest crime stays flat or goes down amid a store opening. An overwhelming majority of the studies available found no increase in crime related to the location of dispensaries or stores.

One widely cited report by a police group asserted that cannabis stores were associated with increased crime. We include this report for transparency, although many independent reviewers have dismissed its conclusions as invalid. The 2017 report by the Rocky Mountain High Intensity Drug Trafficking Area (HIDTA), a federally funded program run by drug enforcement officers and established by the White House Office of Drug Control Policy, claimed that “marijuana is the gateway drug to homicide.” The report also stated that a rise or fall in annual crime rates should not be construed as “due to the legalization of marijuana” (RMHITDA, 2017).

At the national level, the White House Office of National Drug Control Policy, in its own 2013 survey of the literature, concluded that cannabis use doesn’t lead consumers to commit crime.

“Even though marijuana is commonly used by individuals arrested for crimes,” the report found, “there is little support for a contemporaneous, causal relationship between its use and either violent or property crime” (ONDCP, “Improving the Measurement of Drug-Related Crime,” 2013).

## TEEN USE DOES NOT RISE

*Using data from the national and state Youth Risk Behavior Surveys, the National Longitudinal Survey of Youth 1997 and the Treatment Episode Data Set, we estimate the relationship between medical marijuana laws and marijuana use. Our results are not consistent with the hypothesis that legalization leads to increased use of marijuana by teenagers.*

*“Medical Marijuana Laws and Teen Marijuana Use,” National Bureau of Economic Research, 2014*

Licensed dispensaries and retail cannabis stores must check IDs to ensure consumers are 21 or older. In some states the age is 18 for licensed medical marijuana dispensaries. They use cameras and track-and-trace software to prevent diversion to illegal jurisdictions. Sales tax revenue is often earmarked for youth prevention programs. And as the price of legal, regulated cannabis falls in the years after the opening of a state’s retail market, so may the profit motive to sell it illicitly.

Teen use—as shown by more than a dozen papers and national self-reported youth health surveys—is not directly impacted by the opening of cannabis dispensaries.

No study has performed block-level or city-level analysis of a dispensary’s effect on teen use. The best information available is state-level data tracked across broad periods of medical and adult-use retail expansion. A minority of studies reported a negative impact, and in those studies the negative impact was weak and limited to certain subgroups.

- Federally funded surveys of teens find rates of



youth cannabis use in the past month among minors aged 12 to 17 have decreased since 2002, the dawn of medical cannabis dispensaries in the US. The 2016 US teen use rate was the lowest in more than 20 years.

- In California, the most current, in-depth, independent survey data show cannabis use among seventh grade students dropped 47% from 2013 to 2017. Hundreds of medical cannabis dispensaries operated during that period.

- State health officials in Colorado and Oregon both reported in 2018 that survey data showed cannabis use flat or down since licensed adult-use stores opened. Colorado's adult-use retail stores have been open since January 2014. Oregon's dispensaries began selling adult-use products in October 2015.

- In Washington, a 2018 study in JAMA Pediatrics reported the prevalence of cannabis use generally fell among Washington teens amid the adult-use retail sales launch of 2014 to 2016 when compared to the 2010 to 2012 period.

## PROPERTY VALUES ARE NOT HARMED

*In California, Carpinteria has emerged as the state's greenhouse cultivation epicenter. With last year's stats in, "crime has gone down, and property values have increased," locals there note. "This begs a question: Has the cannabis boogeyman lost its power?"*

*Coastal View, April 3, 2019*

Modern cannabis retail stores are moving from the industrial fringes of town to prestige locations in high-value shopping districts. What were once unregulated, crudely adorned storefronts are now state-licensed, tightly regulated, and elegantly designed boutiques. The business type is subject to heavy local and state regulations to mitigate environmental impacts, including rules that regulate store signage and limit visual access to products from public areas. Those stores require significant financial investment, command premium rents,

and attract discerning customers. Most are clean, well lit, and welcoming additions to their neighborhoods.

The literature on the effects of dispensaries or stores on their neighbors is thinner but more detailed than on teen use. Most studies focus on older eras of lightly regulated or wholly unregulated medical marijuana dispensaries. The data from that period also contradict the claims of local cannabis ban advocates. The most authoritative peer-reviewed papers, which use block-by-block city data measured against property values over time, found a halo effect whereby home values increased an extra 8.4% near licensed dispensaries in Denver during the period of conversion from medical dispensaries to adult-use stores (Conklin, 2017).

Single-family residences close to a retail conversion (within 0.1 miles) "increased in value by approximately 8.4% relative to houses that are located slightly farther from a conversion (between 0.1 miles and 0.25 miles) in 2014 compared to the previous year" (Conklin, 2017).

At the city level, "legalizing retail marijuana on average increases housing values by approximately 6%" compared to cities that prohibit retail cannabis stores (Cheng, 2016).

At the national level, 75% of real estate agents in a 2018 industry survey told researchers that dispensaries did not impact nearby property values. Of those who did report an impact, 10% of Realtors said prices increased, while 12% to 14% reported a decrease in residential property values near dispensaries (National Association of Realtors Research Group, 2018).



## DEBUNKING DISPENSARY MYTHS: PART III

# Discussion: Crime Studies

The available data strongly suggest that licensed cannabis retailers are not associated with increases in crime. Studies vary in the degree of resolution they provide down to the property level, but they almost always trend against assertions of increased crime.

The leading papers come from the Institute for Labor Economics, the Federal Reserve Bank, Preventive Medicine, the Journal of Urban Economics, the Journal of Economic Behavior & Organization, the Journal of Drug Issues and the Journal of Studies on Alcohol and Drugs. Out of eight strong studies, only one found a relationship between cannabis retailers and a crime rate increase in spatially adjacent blocks.

The weakest studies had conclusions that were not supported by their data. The Rocky Mountain HIDTA annual impact report, which is often cited by advocates of cannabis bans, is one such study. John Hudak, senior fellow at the nonpartisan Brookings Institute in Washington, DC, called it “garbage,” noting that HIDTA is “notorious for using data out of context or drawing grand conclusions that data ultimately do not support.” Washington Gov. Jay Inslee and Attorney General Bob Ferguson called HIDTA’s allegations “outdated, incorrect and ... incomplete.” Oregon Gov. Kate Brown said that HIDTA’s data “does not (and frankly does not purport to) reflect the ‘on the ground’ reality of Oregon in 2017.”

## WHAT MIGHT BE DRIVING THESE RESULTS?

### **Eyes on the Street**

Medical dispensaries and adult-use stores often move into buildings that are vacant or in disrepair in neglected parts of town. These storefronts are often stripped and rebuilt or renovated using high-quality materials and sophisticated designs. The new stores employ staff members to ensure the safety and comfort of their customers. The stores also generate foot traffic that reduces opportunistic crimes. More “eyes on the street” make blocks safer (Chang and Jacobson 2017).

### **Cameras, Security Personnel**

Most state regulatory agencies require dispensaries and retail stores to install and operate advanced security systems that include cameras, security guards, locks, and safes.

### **Decreased Illicit Trade**

State-licensed dispensaries and stores may decrease the level of illicit cannabis trade (Chu, 2018).

### **Police Resource Savings**

Ending the expenditure of tax money on low-level cannabis arrests frees up more police resources for higher-priority criminal cases (Makin, 2018).

## DEBUNKING DISPENSARY MYTHS: PART III

# Discussion: Teen Use Studies

Studies overwhelmingly conclude that, as a demographic, teens in adult-use states are not using more cannabis. The key studies in this area were published by Preventative Medicine, JAMA Pediatrics, Journal of Adolescent Health, and The Lancet Psychiatry. One of the strongest studies (Shi, 2016) found that “the availability of medical marijuana dispensaries was not associated with current use of marijuana among adolescents.”

One state-level study conducted during the dawn of the adult-use era in Washington and Colorado (Cerdeira, 2017) partially supported the assertions of cannabis ban advocates. That study found “marijuana use among 8th and 10th graders in Washington increased 2.0% and 4.1%, respectively, between 2010-2012 and 2013-2015; ... In Colorado, the prevalence of marijuana use pre-legalization and post-legalization did not differ.”

## WHAT MIGHT BE DRIVING THESE RESULTS?

### Stores Card Their Customers

All licensed cannabis retailers must check IDs (twice, in some jurisdictions) and serve only those 21 and older, or, in medical instances, patients 18 and older.

### Decreased Illicit Market Motives

Legalization causes an initial spike in cannabis prices followed by a steady and gradual decline to a level that competes with the illicit market (Smart, 2017).

### Taboo Reduction

Taxing and regulating cannabis removes it from the realm of teenage-rebellion taboos and places it alongside other adults-only activities. The perception of cannabis’s harm is falling among teens (Austin, 2018), but so are teen use rates (Dilley, 2018). Opponents of legalization often point to the perception of cannabis harm among teens as a worrying sign. But it’s more likely that teens are coming to a more fact-based, scientifically informed understanding of cannabis and its health risks—and that a deeper understanding is leading to lower use and abuse rates among minors.

### Tax Resources Used for Youth Education

Most state and local legalization schemes earmark a portion of cannabis tax revenue for drug prevention programs. For example, California Proposition 64 earmarks \$50 million per year by 2023 for community reinvestment grants to local health departments. In 2018, about \$270 million in Washington cannabis tax revenue flowed to three state health departments. Some of these grants and programs aim to discourage teen use.



## DEBUNKING DISPENSARY MYTHS: PART III

# Discussion: Property Value Studies

We found that the strongest studies, as measured by our literature review scoring methodology, point out that dispensaries are associated with either increased property values or have no effect on them.

The most detailed peer-reviewed study available (Conklin, 2017) looked at Colorado dispensary impacts and found that “single family residences close to a retail conversion (within 0.1 miles) increased in value by approximately 8.4% relative to houses that are located slightly farther from a conversion (between 0.1 miles and 0.25 miles) in 2014 compared to the previous year.”

“In summary, the evidence from 2014-2015 paints a picture of economic growth, a tighter housing market, and lower crime rates, all while tax revenue is being generated for public works and marijuana usage is staying relatively flat. ... We find that after the law went into effect at the end of 2013” (Conklin, 2017).

Other studies offer less fine detail, but at the city level (Cheng, 2016) and at the state level (Realtor.com, 2016) there continues to be a mild association between legal cannabis retail and increased property values.

## WHAT MIGHT BE DRIVING THESE RESULTS?

### **Cannabis as a Symbol of Innovation**

Cannabis retail licensing is but one facet of innovation in America’s most dynamic cities. San Francisco, Seattle, Boston, Denver, Boulder, Portland, Los Angeles, and other cannabis retail hotbeds are synonymous with broader innovations in technology, finance, services, and other sectors driving regional economic growth.

### **Job Creation Spurs Growth**

Cannabis business licensing spurs economic growth in the form of job creation, retail sales, higher rents, and sales taxes. Leafly’s recent Cannabis Jobs Count report found that as of early 2019, more than 211,000 full-time jobs nationwide depended on legal cannabis. That’s a 44% increase over the previous year, and it marks the legal cannabis industry as America’s fastest-growing industry (Leafly, 2019). The strongest studies suggest that higher property values near cannabis retailers may occur because of “a surge in housing demand spurred by marijuana-related employment growth, lower crime rates, and additional amenities [located] in close proximity to retail conversions” (Conklin, Diop, Li, 2017).

### **Cannabis as an Attractive Amenity**

The hedonic price theory (Leonard, 2017) suggests a dispensary can increase property values because it can be an attractive amenity, alongside coffee shops and bars. More than 66% of Americans support legalization (Gallup, 2018) and 90% support the legal medical use of cannabis.



## DEBUNKING DISPENSARY MYTHS: PART IV

# Voices of Experience

Regulators and local leaders who have allowed legal dispensaries have realized gains in public health, tax revenue, economic vitality, and community safety. Here are a few of their voices:

**Pamela Goynes-Brown, mayor pro tem and councilmember, City of North Las Vegas:**

“We’re proud to be the only municipality in Southern Nevada that wasn’t sued over marijuana licensing. That happened because we took the time to create a responsible and thoughtful ordinance for all of the stakeholders involved. The legalization of marijuana in Nevada creates a great new avenue for economic development, job creation, economic diversity, and entrepreneurship. We welcome this new industry in the City of North Las Vegas and look forward to continuing to be a part of this growing trade.”

**Joe Devlin, chief of cannabis policy enforcement, City of Sacramento:**

“Overall, Sacramento’s pragmatic approach to managing cannabis has largely been successful. We have established a comprehensive framework to regulate each part of the industry and created a functioning marketplace that supports the transition of the cannabis industry, while also implementing enforcement strategies to reduce the illicit market.” (Quoted in the Sacramento News & Review, 2019)

**Ron Kammerzell, former senior director of enforcement, Colorado Department of Revenue:**

“One of the common misconceptions concerning people who operate licensed marijuana businesses is that they are nothing more than state-sponsored drug dealers. Many who are uninformed have images of Cheech and Chong or the characters from *Dude, Where’s*

*My Car?* in mind when they think of marijuana business owners. As a former regulator with more than 25 years of regulatory experience in various industries, I can tell you that these misconceptions couldn’t be further from reality. Marijuana business owners come from all walks of life including former bankers, scientists, botanists, farmers, information technology professionals, engineers, startup company CEOs, bakers, and pharmaceutical professionals. They are tremendous employers and socially responsible members of the communities in which they operate.”

**Rebecca Kaplan, City Council president, City of Oakland:**

“For over a decade, Oakland has had a successful system to tax and regulate cannabis facilities, starting with medical cannabis, and now including adult use as well. I am proud of much of the results we have achieved in Oakland. We are clearly showing that the legal and regulated industry can pay taxes and abide by the rules. As the first city in the nation to issue permits for cannabis dispensaries, we have seen no significant issues with crime related to cannabis retailers. ... The Oakland permit system proved that having responsible regulation is far more effective than prohibition, and demonstrated that permitted and regulated cannabis facilities can be a positive contribution to the wider community. This approach has become a widely-adopted model.”



## DEBUNKING DISPENSARY MYTHS: PART V

# Conclusion

In states that have legalized the adult use of cannabis, many residents still aren't able to enjoy legal cannabis. That's because their local county, city, or town has banned cannabis stores.

These local bans are often based on fears about crime, teen use, and property values. But research has shown that those fears simply don't reflect reality.

A thorough review of the research literature on the effects of medical cannabis dispensaries and/or adult-use stores found:

- The majority of studies show neighborhood crime rates decreasing or remaining unchanged after the opening of state-licensed cannabis stores. By contrast, when Los Angeles ordered its medical dispensaries to close, crime rates increased by as much as 24% within an 1/8th of a mile of shuttered dispensaries.

- The vast majority of national and state-level surveys indicate teen cannabis use has fallen in states that pass medical cannabis and adult-use laws. As adult-use stores opened across Washington state, for example, cannabis use among eighth graders declined from 9.8% to 7.3%. Illegal sellers do not check IDs. State-licensed stores strictly turn minors away.

- Longitudinal, highly detailed studies and Realtor surveys show that licensed dispensaries do not hurt nearby property values; rather, they can often give an extra boost to home values. In Colorado, home values went up an extra 8% within 1/10th of a mile of medical dispensaries that converted to adult-use sales.

Despite the fears of those who want to ban cannabis stores, the published research finds that legal retailers are safe, responsible neighbors.

## Impact of Cannabis Legalization on Communities

### Home Values



Increased 8% within 1/10th of a mile of Colorado dispensaries

### Crime Rate



Stays flat or declines after store openings

### Teen Use



Declined from 9.8% to 7.3% in eighth graders



## DEBUNKING DISPENSARY MYTHS: PART VI

# Information for Policy Makers

A number of best-practice models have emerged from local counties and towns in legal states. Among them:

- Somerville, MA, (pop. 81,000) adopted a suite of cannabis regulations that included a pioneering social equity measure. That measure stipulates that existing medical marijuana dispensaries will be granted adult-use licenses on a one-to-one basis with locally owned and/or economic empowerment licenses.

- Oregon City, OR, (pop. 32,000) initially imposed a citywide ban on all cannabis businesses in the wake of the 2014 statewide legalization vote. In 2016, local residents voted to lift the ban. City officials began licensing cannabis businesses in early 2017. Those licenses established buffer zones and limits on allowed locations and operating hours. Today there are six licensed stores serving the residents of Oregon City.

- The League of California Cities has a cannabis resource page for local officials seeking information about cannabis laws and sample ordinances and regulations. The California State Association of Counties also maintains an index of links to retail ordinances by county. Of interest are Sonoma County and the City and County of San Francisco. The City of Sacramento also publishes its retail cannabis dispensary ordinance. See also, ordinances from Emeryville and the City of Santa Rosa code (chapter 20-46).

- The City of Bainbridge Island, WA, (pop. 24,000) adopted zoning regulations that limited cannabis producers, processors, and retailers to business and industrial zones. The local regulations also included wastewater conservation and power efficiency standards. This resulted in a number of appropriately

scaled cannabis operations, including one retail store, that are now thriving.

- Nevada City, NV, (pop. 3,100) initially prohibited adult-use cannabis stores after Nevada's 2016 statewide legalization vote. In 2018, the Nevada City Council adopted a new ordinance that allowed the town's existing medical marijuana dispensary to also serve all adults 21 and older.

- The League of Oregon Cities has created a 60-page guide to local government regulation of marijuana. It's specific to Oregon but contains a number of model local ordinances that can be adapted to municipalities in other states.





**Leafly**

# Appendix

Research Studies Ratings, Key Literature, Extended  
Bibliography, Study Limitations



## DEBUNKING DISPENSARY MYTHS: APPENDIX I

# Research Studies Rated

GREEN = STUDY FOUND POSITIVE DISPENSARY EFFECTS; YELLOW = NEUTRAL; RED = NEGATIVE EFFECTS

### CRIME

TOPIC	AUTHORS	DATE	WHERE PUBLISHED	STUDY STRENGTH (1-4)
Exploring the Effects of Marijuana Dispensary Laws on Crime in California Countries	Priscillia E Hunt, et al.	2018	Institute for Labor Economics	4
The Effect of Marijuana Legalization on Neighborhood Crime	Jeffrey Brinkman, David Mok	2017	Federal Reserve Bank	4
The geography of crime and violence surrounding tobacco shops, medical marijuana dispensaries, etc.	Andrew M. Subica, et al.	2018	Preventive Medicine	4
The impact of dispensary closures on crime	Tom Y. Chang, Mireille Jacobson	2017	Journal of Urban Economics	3
Improving the Measurement of Drug- Related Crime	Rosalie Liccardo Pacula, et al., RAND Drug Policy Research Center. M. Fe Caces, ONDCP	2013	WhiteHouse.gov	4
The effects of medical marijuana laws on crime	Yu-Wei Luke Chu, Wilbur Townsend	2018	Journal of Economic Behavior & Organization	4
Medical Marijuana & Crime: Further Evidence From the Western States	Edward M. Shepard, Paul R. Blackley	2016	Journal of Drug Issues	3



Exploring the Ecological Association Between Crime and Medical Marijuana Dispensaries	Nancy Kepple, Bridget Friesthler	2012	Journal of Studies on Alcohol and Drugs	4
A Block-Level Analysis of Medical Marijuana Dispensaries and Crime in the City of Los Angeles	Chrisopher Contreras	2016	Justice Quarterly	4
Crime and the legalization Journal of Economic Behavior & of recreational marijuana	Davide Dragone, et al.	2019	Journal of Economic Behavior & Organization	2
Exploring the spatial association between medical marijuana dispensaries and crime	William J. Zakrzewski Jr., et al.	2019	Journal of Crime and Justice	2
Is Legal Pot Crippling Mexican Drug Trafficking Organisations? The Effect of Medical Marijuana Laws	Evelina Gavrilova, et al.	2017	The Economic Journal	1
The Effect of Medical Marijuana Laws on Crime: Evidence from State Panel Data, 1990-2006	Robert G. Morris, et al.	2014	PLOS One	1
Marijuana Dispensaries and Neighborhood Crime and Disorder in Denver, Colorado	Lorine A. Hughes, et al.	2018	Juatices Quarterly	4
Analysis of medical marijuana dispensaries and crime in long beach California	Bridget Freisthler, et al.	2016	Addiction	2
Marijuana Outlets and Crime in an Era of Changing Marijuana Legislation	Bridget Freisthler, et al.	2017	The Journal of Primary	3



## TEEN USE

The availability of medical marijuana dispensary and adolescent marijuana use	Yuyan Shi	2016	Preventative Medicine	4
California Healthy Kids Survey - Results of the Sixteenth Biennial Statewide	Gregory Austin, et al.	2018	California Dept of Education	4
Prevalence of Cannabis Use in Youths After Legalization in Washington State	Julia A. Dilley, et al.	2018	JAMA Pediatrics	4
Youth marijuana use, attitudes and related behaviors in Oregon	Oregon Health Authority	2019	Oregon Health Authority	4
The Impact of State Medical Marijuana Legislation on Adolescent Marijuana Use	Esther K. Choo, et al.	2014	Journal of Adolescent Health	4
Medical marijuana laws and adolescent marijuana use in the USA from 1991 to 2014	Deborah S. Hasin, et al.	2015	The Lancet Psychiatry	4
Effects of state medical marijuana laws on adolescent marijuana use	Sarah D. Lynne-Landsman, et al.	2013	American Journal of Public Health	4
Medical Marijuana and Marijuana Legalization	Rosalie Liccardo Pacula, Rosanna Smart	2017	Annual Review of Clinical Psychology	4
Marijuana Legalization in Colorado: Early Findings	Colorado DPH	2016	Colorado DPH	3
Medical Marijuana Laws and Teen Marijuana Use	Mark D. Anderson, et al.	2014	National Bureau of Economic Research	2
High times: The effect of medical marijuana laws on student time use	Yu-Wei Luke Chu, Seth Gershenson	2018	Economics of Education Review	3
Declining Prevalence of Marijuana Use Disorders Among Adolescents in the United States, 2002 to 2013	Richard Grucza, et al.	2016	J. of the American Academy of Child & Adolescent Psychiatry	4



2017 Drug Use Trends in King County, Washington	Caleb Banta- Green, et al.	2018	University of Washington	4
Rocky Mountain High Intensity Drug Trafficking Area - Reports	RM HIDTA	annual	self	0
Employment and Marijuana Use Among Washington State Adolescents Before and After Legalization of Retail Marijuana	Janessa M. Graves, et al	2018?	Journal of Adolescent Health	4
Legalization of Recreational Marijuana and Community Sales Policy in Oregon: Impact on Adolescent Willingness and Intent to Use, Parent Use, and Adolescent Use	Julie C. Rusby, et al.	2018	Psychology of Addictive Behaviors	2
How Medical Marijuana Market Growth Impacts Adult and Adolescent Substance- Related Outcomes	Rosanna Smart	2015	no journal	1
Prevalence of marijuana and other substance use before and after Washington State's change from legal medical marijuana to legal medical and nonmedical marijuana	W. Alex Mason, et al.	2016	Substance Abuse	1
The Impact of Marijuana Legalization on Adolescent Use, Consequences, and Perceived Risk	Ashley C. Estoup, et al.	2016	Substance Use & Misuse	1
Association of state recreational marijuana laws with adolescent marijuana use	Magdalena Cerdá, et al.	2017	JAMA Pediatrics	4



## PROPERTY VALUES

Do medical marijuana centers behave like locally undesirable land uses?	Lyndsay N. Boggess, et al.	2014	Urban Geography	4
The External Effects of Retail Marijuana Establishments on House Prices	James Conklin, et al.	2017	Social Science Research Network; Real Estate Economics	4
The Effect of Legalizing Retail Marijuana on Housing Values: Evidence from Colorado	Cheng Cheng, et al.	2016	Economic Inquiry	4
The Effect of Marijuana Dispensary Openings on Housing Prices	Jessie Burkhardt, Matthew Flyr	2018	Contemporary Economic Policy	4
Will Legal Marijuana Give Home Prices a New High?	Realtor.com data team	2016	Realtor.com	2
Marijuana and Real Estate: A Budding Issue		2018	National Association of Realtors	1



## THE KEY LITERATURE: APPENDIX I

# Extended Bibliography

McCarthy, Justin. "Two in Three Americans Now Support Legalizing Marijuana." Gallup. Accessed April 16, 2019.

Hughes, Lorine A., Lonnie M. Schaible and Katherine Jimmerson. "Marijuana Dispensaries and Neighborhood Crime and Disorder in Denver, Colorado." *Justice Quarterly* (2019): 1-25.

Ormseth, Matthew. "Marijuana production faces 'war' from Asian American communities in San Gabriel Valley." *Los Angeles Times*. Published February 7, 2019.

Kellar, Liz. "Nevada City council moves forward with adult-use cannabis ordinance." *The Union*. Published November 15, 2018.

Adams, Dan. "The marijuana war has gone local, and pot advocates are losing — badly." *The Boston Globe*. Published September 17, 2017.

LaBella, Mike. "Residents say pot shop will ruin neighborhood." *The Haverhill Gazette*. Published April 18, 2019.

SCOTUS, 1932. *New State Ice Co. v. Liebmann*

Ostrowsky, Amanda (CEO, CannaRegs): Personal interview, April 2019.

McWilliams, John. *The Protectors: Harry J. Anslinger and the Federal Bureau of Narcotics, 1930-1962*, Univ. of Delaware Press, 1990.

"Why are 72% of smokers from lower-income communities?" Truth Initiative. Accessed April 18, 2019.

Shi, Yuyan. "The Availability of Medical Marijuana Dispensary and Adolescent Marijuana Use." *Preventive Medicine* 91 (2016): 1-7.

Németh, Jeremy, and Eric Ross. "Planning for Marijuana: The Cannabis Conundrum." *Journal of the American Planning Association* 80, no. 1 (2014): 6-20.

MacCoun, Robert J. "What can we learn from the Dutch cannabis coffeeshop system?" *Addiction* v. 106 #11 (2011), p. 1899-1910.

Rocky Mountain HIDTA Strategic Intelligence Unit. "The Legalization of Marijuana in Colorado: The Impact." Rocky Mountain High Intensity Drug Trafficking Area 5 (October 2017). Accessed April 10, 2019.

Cerdá, Magdalena, Melanie Wall, Katherine M. Keyes, Sandro Galea, and Deborah Hasin. "Medical Marijuana Laws in 50 States: Investigating the Relationship between State Legalization of Medical Marijuana and Marijuana Use, Abuse and Dependence." *Drug and Alcohol Dependence* 120, no. 1-3 (2012): 22-27.

Martinez, Arlene. "Port Hueneme's police chief lays out the 'State of Cannabis.'" *Ventura County Star*. Updated March 29, 2019.

Carpinteria, Terra Stephan. "Cannabis boogeyman." *Coastal View News*. Accessed April 15, 2019.

Makin, David A, Dale W Willits, Guangzhen Wu, Kathryn O Dubois, Ruibin Lu, Mary K Stohr, Wendy Koslicki, Duane Stanton, Craig Hemmens, John Snyder, and Nicholas P Lovrich. "Marijuana Legalization and Crime Clearance Rates: Testing Proponent Assertions in Colorado and Washington State." *Police Quarterly* 22, no. 1 (2019): 31-55.

Rocky Mountain HIDTA Strategic Intelligence Unit. "The Legalization of Marijuana in Colorado: The Impact." Rocky Mountain High Intensity Drug Trafficking Area 5 (September 2018). Accessed April 14, 2019.

Smart, Rosanna, Jonathan P. Caulkins, Beau Kilmer, Steven Davenport, and Greg Midgette. "Variation in Cannabis Potency and Prices in a Newly Legal Market: Evidence from 30 Million Cannabis Sales in Washington State." *Addiction* 112, no. 12 (2017): 2167-177.

Barcott, Bruce. "Part 1, Legal Cannabis Created 211,000 Full-Time Jobs." *Leafly*. Accessed April 20, 2019.

Devlin, Joe. "Making legal cannabis work." *Sacramento News & Review*. Accessed April 18, 2019.

## THE KEY LITERATURE: APPENDIX I

# Study Limitations

### **Heterogeneity of Time, Place, and Policies**

Each city and state has different cannabis policies that have changed over time, and are often still evolving. The research space is defined by its immense heterogeneity. Thus, it's hard to generalize from most individual studies.

For example, a study of Long Beach, CA, crime rates near medical cannabis dispensaries from 2010–2014 lacks generalizability to 2019. Back then, statewide medical cannabis regulations did not exist. The City of Long Beach responded by banning all dispensaries. That situation no longer speaks to locations in 2019 that have both state and local licenses.

Most studies cited in this report involve medical cannabis dispensaries, not adult-use stores, because dispensaries have been around longer than adult-use stores and exist in many more jurisdictions. For the purposes of this review, we

don't separate findings on medical dispensaries from adult-use cannabis retail stores. Medical cannabis commerce—going into a store and paying money for cannabis products—can look nearly identical to adult-use commerce, with stores either serving both groups of customers or switching from one mode to the next as state law changes. In general, early medical dispensaries operated with far fewer regulations and licensing requirements than current shops.

States differ in the robustness of their medical or adult-use markets over time. The medical and adult-use markets can be different. For example, medical eligibility often begins at 18 in California, while adult-use access is set at age 21. In Washington, DC, where medical dispensaries operate legally, adult-use storefronts are banned entirely; only personal cultivation and gifting are allowed.

Kenneth Bryant  
Michigan MM Inc  
Premiere Provisions  
[Ken@PremiereProvisionsBR.com](mailto:Ken@PremiereProvisionsBR.com)

1. The City of Farmington Hills is collecting information from industry representatives in order to learn more about cannabis businesses. Are there specific examples that you can provide where permitting retailers, testing facilities or secure transporters has led to an increase in economic development in that area and identify the communities?

**Absolutely. Right in the city we operate our retail store. Big Rapids has seen an increase in economic development. 14 stores have opened up in the City of Big Rapids. This was a benefit the City wanted to see to help renovate abandoned commercial properties within the City. The investments cannabis retailers have made to open eye appealing properties have really helped give the city a more vibrant appearance. Not to mention big corporations such as Marshalls, Arby's, Ace Hardware and many others are quickly opening locations in Big Rapids, because this City was mainly known for Ferris State University, now it's a destination location for many people to travel to because of the cannabis industry.**

**The City of Big Rapids has seen an increase in jobs offered. As we employ 15-20 employees at any time during the year, the average for stores is around 10 employees. With 14 stores open that's approximately 140 jobs created for a city with a population of only 9,000 or so residents within 5 square miles. We, alone, generated incomes for our employees of over \$650,000 last year in 2021. Not to mention the long term career paths being developed within our industry that many residents will prosper from.**

**In addition to the application fees of \$10,000 total for both med and rec licenses, and the renewal fees of \$10,000 total for both med and rec licenses, the city also receives shares of marijuana taxes. The numbers for 2021 were not released as of yet on the State of Michigan's website, but the 2020 numbers are available of which only from 3 stores being opened in Big Rapids, including ours, the City received \$84,000. This will be nearly 5 times that much for the year 2021.**

**It was great to hear that the funds received by the City of Big Rapids were used to develop sidewalks, parking lots, and a playground adjacent to the Big Rapids Community Library. The Library project will also create an early learning skills program for children to learn reading skills much earlier. This project should be complete by end of summer.**

**This is what Big Rapids has been able to do with just funding from 3 cannabis stores, wait until they receive the funding from 14 stores.**

**Our giveback efforts weren't required by the City of Big Rapids, but we managed to collect over 500 coats and 100 toys to give to the community through our Coats for**

**Joints and Toys for Joints programs of which anyone who donated a new or slightly used coat or new toy received a free pre-roll courtesy of Premiere.**

**We've also donated funds to other local causes such as a young 18 year old woman who was on her way to her freshman year of college. Unfortunately, during a going away event with her friends she was paralyzed from the waste down from a dune-buggy accident.**

**We also have just confirmed sponsoring a Pride event with the City of Big Rapids as well for this upcoming summer!**

2. Traffic and parking are often cited as primary negative impacts associated with cannabis retailers. What has been your experience dealing with traffic and parking related issues with retail operations? Have you had success with correcting an issue, and if so, what types of measures were used to address it?

**We've always scouted our locations to make sure we have ample parking. Our first location in Ann Arbor, MI was in a shopping center with 100s of parking spaces available. After having so much success and compliments about the convenience of our parking vs other stores, we made this a part of our requirements for a location. Our latest location in Big Rapids is also in a shopping center with a huge parking lot. Enough to where food truck vendors have plenty of room to park their trucks within our shopping center. Choosing locations with more than enough parking has made our curbside services one of the most efficient and less intrusive on normal traffic flows.**

3. Retailers, what are the primary site-related factors you consider when looking for a new location? Is it much like other retailers – go where the traffic counts are – or are there other unique factors you consider? For testing facilities do you prefer industrial parks, office parks or some other location? For secure transporters, what is your preferred locational criteria?

**We definitely like to look for locations that are where normal retail locations would be. We do this first for our customers' safety. We do not want to have our retail location in an industrial location. These locations are usually secluded with little traffic and are a safety issue for us. We mainly conduct transactions in cash and do not want to be in a "hidden" locations. Both our staff and customers feel much more safe conducting business where retailers should be. We also of course look for high traffic areas as this provides easy access to customers on their way to work or on their way back home. It also helps promote our store to those looking for a cannabis shop but aren't sure where to find one. Our first two locations were in shopping centers. Our next location, if not a shopping center, we'd want a stand alone building, for the purpose of having more outside events, such as vendor days, where our vendors can set up tents and give out free clothing and information materials on their products. Customers seem to really enjoy these events and a stand alone building would allow us to provide these activities without infringing on our shopping center neighbors.**

4. What has been your experience with crime within or near cannabis facilities, and how have you address security issues / concerns that have been voiced by people living and working near these types of businesses?

**Knock on wood. We have not had any crime at our former Ann Arbor location nor our present Big Rapids location. We track and trace every individual that comes into our store. All customers whether rec or med are put into our system with their driving license or state ID information. For anyone who is not a customer, but enters our store, they must sign in with their information on our sign-in sheets. This helps keep everyone comfortable knowing that we know exactly who enters our shop, what time they enter, and what time they leave. The track and trace procedures of our store we believe greatly helps alleviate misbehavior of all sorts whether criminal or not.**

5. What premium site, building, or landscaping design elements do you think applicants would be willing to provide in order to make your site an asset to the City and encourage locations in high traffic volume locations?

**I'm sure all applicants would be willing to accommodate any design elements the City deems fit. We've seen cities such as Ann Arbor, require certain bike racks, adding tree landscaping, and Berkley encouraged murals to provide better aesthetics for the City. Some have asked that green-products have been used for roofing or even solar panels for electricity if applicable. All of these improvements, we would not have any opposition to as they all show our cannabis businesses as being partners with the City to add value for all.**

**Session #2 - Tuesday, March 15 - 2:00 to 3:30 p.m. Retailers, Testing Facilities, and Secure Transporters**

1. The City of Farmington Hills is collecting information from industry representatives in order to learn more about cannabis businesses. Are there specific examples that you can provide where permitting retailers, testing facilities or secure transporters has led to an increase in economic development in that area and identify the communities?

Yes most definitely:) We are based in Walled Lake and have been tapped to be the retailer to help rebuild and rejuvenate the historic downtown Walled Lake district. We started by spending over \$1 million dollars on a rebuild and additions to an existing structure. We also purchased an additional piece of property that was a burned down restaurant and turned it into additional parking. I being the owner of the Greenhouse of Walled Lake was also appointed by Mayor Ackley to the DDA to help rejuvenate Walled Lakes business district. We serve between 1k and 1.5k patients/customers per day bringing in many shoppers that then spend time shopping at other stores and restaurants in the downtown. I would also like to point out we are in an area with residential very close to our store and have had zero problems with residents in the area. Actually they have embraced us and have commented on how we have brought life to Walled Lakes downtown which has added property value to their homes.

2. Traffic and parking are often cited as primary negative impacts associated with cannabis retailers. What has been your experience dealing with traffic and parking related issues with retail operations? Have you had success with correcting an issue, and if so, what types of measures were used to address it?

During th pandemic we were only curbside so we had a lot of traffic since the inside was closed and most people were home with few places to go. We worked hand in hand with Walled Lake PD to mitigate any traffic issues. Other than during the pandemic we have had little to no traffic issues. As far as parking yes it is needed. As long as there is a good parking plan presented

ahead of time it should not be an issue. Early on when legal cannabis stores were new parking was an issue but now most shoppers spread their visits out and the parking has not been an issue as of late. If Farmington Hills does decide to allow cannabis businesses into their community I don't see parking an issue as the novelty has worn down and consumers and spread out their visits.

3. Retailers, what are the primary site-related factors you consider when looking for a new location? Is it much like other retailers – go where the traffic counts are – or are there other unique factors you consider? For testing facilities do you prefer industrial parks, office parks or some other location? For secure transporters, what is your preferred locational criteria?

As far as a retail establishment it's location, location, location. You want to be in a heavy retail area that is easily accessible. Cities that opted in early put most stores in to industrial zones which has proven to be a negative for both the business and the consumer. Most Cities are now allowing them in the normal business districts as they see that the stigma is wearing off very fast and it is a reputable business. The key is to make sure who the person will be running the establishment because that individual is the key to how a retail cannabis store is run. Making sure the owner is a reputable business person with a background in running a facility is key.

4. What has been your experience with crime within or near cannabis facilities, and how have you address security issues / concerns that have been voiced by people living and working near these types of businesses?

We have been open for 3 years and I am proud to say we have had ZERO problems at the Greenhouse of Walled Lake. Our customer base is unique in that we cater to an older clientele and to women. Our average patient/customer is 44 years old. Since we specialize in medical we see thousands of patients and help them find products to help them with their ailments. It is key to run

reputable facility and your patients/customers will understand this and appreciate it. Security wise we have over 50 cameras that are live monitored 24/7 plus have additional security measures throughout out store. We also have the Walled Lake police in occasionally to give seminars to our staff on what to do in certain situations. Overall if you have a good owner there should not really be any problems.

5. What premium site, building, or landscaping design elements do you think applicants would be willing to provide in order to make your site an asset to the City and encourage locations in high traffic volume locations?

Location is key for a successful cannabis business to flourish. I think presenting a location with some drawings of a basic location with structure in place would be suffice. As for the smaller companies they have to invest large sums of money into architectural plans that might never come to fruition. I think it levels the playing field to allow potential businesses to submit basic plans and then proceed from there.



# Fresh Water Cannabis Co.

Annette Compo, President  
[annette@careabydesignmarket.com](mailto:annette@careabydesignmarket.com)  
248-640-9803



---

Session #2 - Tuesday, March 15 - 2:00 to 3:30 p.m. Retailers, Testing Facilities, and Secure Transporters

## Retailers Perspective

1. Retailers impact the economy from the real estate either bought or leased and the costs of staffing to running that location would have trickle effects into the community. Any retail location brings shoppers, in any industry. Testing facilities have the same effect with the purchase or lease of a building and then staffing and running that location(s). Secure transporters are the same. One difference being how the organization is set up. Meaning what is the size of their fleet and where are the vehicles housed? Just means a larger facility and larger staff.

Our company focuses on coming from contribution in all of the towns we have partnered with in this industry. Our stores management serve on Chamber, local non profits and sponsor activities that drive support to all avenues of the community. We have a grant distribution once a year through our personal non profit, Freshwater Cannabis Foundation that supports the local community in preservation of our State's natural resources of lakes, creeks and streams.

2. Our locations that we have selected in the past are selected for the site plan that takes this into consideration as well as curb side and if there is an option to offer now drive through services.

3. When looking for a location we look for the location that we determine as an "A" location and then we have two to three other options. Our selection process rates each location and that is based on priority of site plan needs; i.e. traffic flow in and out of the facility, traffic counts, what neighbors we would have and are we a complement addition to the business facade, additional amenities i.e.: parking and the ability to offer other customer services. (curbside and drive through)

4. The cannabis industry has come a long way. It is no longer strictly a cash business. Most organizations now have banking/ ATM and credit card options that are available to them. Additionally, the state requirements for security systems with cameras on property and key card entry also cuts down on any potential threat of crime. The wild west days of cannabis in the state are long gone. The state of Michigan has really streamlined the seed to sale tracking mechanisms in place. We also have a state of the art security system in place that we

communicate so it works as a deterrent then a need. We have no problems with any of our facilities in regards to crime or damage.

5. It depends on the organization. We are in the process of building a facility at our Baldwin location with the mind of it being a destination place for consumers. This facility would educate consumers through facility tours and would welcome curb appeal improvements inside and out. We have taken into consideration the capital investment to protect the plant grow from being exposed to this traffic. When we are operating on a strictly wholesale scale, for example our White Cloud location, we limit the people on the grounds other than the staff to maintain the production of product and facility maintenance personnel. This is due to the potential of negative variables that can impact the plants. Either use of our facilities, our philosophy is to compliment the area that our business is in as well as engage as a community business leader with all business and economic development.

Our retail locations focus on more of the earth colors, the use of metal, green walls inside and out for the more therapeutic feel cosmetically.

**From:** Connie Maxim-Sparrow <[connie@hatchaplanmi.com](mailto:connie@hatchaplanmi.com)>

**Sent:** Thursday, March 17, 2022 12:37 PM

**To:** Pam Smith <[PSmith@fhgov.com](mailto:PSmith@fhgov.com)>

**Subject:** RE: Cannabis Information Session #3

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

1. The City of Farmington Hills is collecting information from industry representatives in order to learn more about cannabis microbusiness, designated consumption establishments and temporary events. Are there specific examples that you can provide where permitting these uses has led to an increase in economic development in that area and identify the communities?

Sparrow Consulting has been involved in several business development efforts related to all three license types. Currently we have two microbusiness clients, one in Decatur, Michigan. The other is in Muskegon Heights, Michigan. Consumption lounge is in process in Coldwater. The first consumption lounge in the State will open in Kalkaska on 4/20, it's called Kalcushka, and it's owned and operated by Carbidex, who is the parent company of Franklin Fields and Botanical company. This is the first one in the state, no one is really sure what to expect of the license type's performance. Related to temporary events, we are currently planning CannaBash, I am the MEO for that event. I have also attended several temporary events, including Halloweed at New Standard in Muskegon and Sensi Mardi Gras night in Lansing two weeks ago.

Regarding economic development, the microbusiness models bring forward a lot of similar development opportunity that retailers, cultivators, and processors bring. Property development, construction labor, new jobs, excise tax, and other development. Since consumption lounges aren't really open yet, it's hard to tell what the impact would be. The state has really limited what can happen at a consumption lounge, limiting the ability for a business model to be developed. Temporary events are very similar to any other tourism event concept. If done well, it will bring in tourism and attendees who will want to stay in the area. Each license has potential.

2. Uses that permit on-site consumption (Designated Consumption Establishments) of cannabis are just making their way into the State of Michigan. Public concerns range from impaired driving to and from these facilities to fear of external effects (crowds gathering outside, negative impacts on property values for nearby properties, crime and odor). What measures have been taken to address these concerns in other communities and where? Can you give examples of other communities and the specific actions / remedies that were put in place to address concerns or specific incidents?

We are currently working with Muskegon Township on a temporary event. The township approved an ordinance allowing for temporary consumption events on a specific parcel of property only. We, the event managers made a commitment to canvass the surrounding area to ensure that neighbors were aware of the event, the details of security and consumption. Those neighborhood conversations were very helpful. The township has had little push back from the public. In fact, it has been the complete opposite, we have been overwhelmed with interest from the public. COVID has impacted all of these licenses, this year will prove to be the year that everyone finds out what works and what doesn't. I do anticipate changes to the consumption lounge license rules once these operators evaluate the restrictions, but at this time, much of this is very unknown. I would encourage the municipality to request plans from applicants that address overconsumption education to staff, as well as safety procedures and appropriate actions for those who have overconsumed, very similar to the expectations of liquor and alcohol establishments.

3. For Temporary Events, many of the same issues listed in the previous question may be raised. Please address specific temporary events you have been involved with and how concerns related to security, noise, traffic, and odor have been addressed.

A very similar answer, working with the community is key.

4. What are the primary site-related factors you consider when looking for a new location?

It depends on the license. For a microbusiness, it is essential to zone those commercial. They are retailers in the end, no different than Walgreens or Meijer's. They should be zoned in a way that encourages consumer participation. Consumption Lounges are also similar in nature to that of retail. They should be zoned commercial as they are similar to a bar, commercial corridors is appropriate. Related to temporary events, event planners are looking for any space that has the capacity and public utilities necessary to support at least 2,500 attendees. Most event managers are looking for outdoor public or privately owned land, like parks to hold events. Consumption events are heavily dependent on the municipality and their tolerance for the event itself.

5. Give examples of the types of temporary events that you are aware of in other communities (indicate which communities). What types of events do you think would be the most successful in Farmington Hills and why?

I am the planner and fiduciary for CannaBash, scheduled for July 9, 2022 in Muskegon Township, Michigan. I attended Sensi Mardi Gras Night in Lansing the first week of March. I also attended New Standard's Halloweed party on their property in Muskegon, Michigan. Each event is very different. New Standard threw a party for their customers, they were the only vendor on site for the event. It was not well attended. Sensi Night was well attended but was set up like a business expo with open consumption, not necessarily a party. Sensi had 4 vendors vending cannabis on site, an outdoor consumption area with a dab bar and a DJ. The more common type of event that we are seeing now are actual outdoor consumption festivals. Our festival, Cannabash has a festival budget near \$200,000 and will feature headlining national acts, and a full day of activities. There will be 8 vendors vending cannabis with over 35 other brands there with brand ambassadors. It will have a Dab Bar, consumption lounge, VIP, Art Market, and yard games, all while hosting a concert. The event concept is changing quickly. These licenses will be the ones that everyone learns most about this year as COVID is finally past us.



Let Us Hatch Your Plan!

Connie Maxim-Sparrow - Principal  
**Sparrow Consulting, LLC**  
Muskegon | Michigan  
231.224.6355 | 231.670.5863  
[www.hatchplanmi.com](http://www.hatchplanmi.com)

