

Ad Hoc Marihuana Committee
Minutes
July 21, 2020
6:00 pm.

Attendance: Mayor Wishart, Council member Witt, Casey Buckleitner, Paul Gunderson, Katie Kucharek, Dr. Steven Wisnicwski, Tiffany Larson, Mark Hansen, City Attorney Slough, Manager J. Duff, Drew Driver, Managing member, Driven Grow LLC

Absent: Council member Akin

Review of Economic Data – OCEA

Duff reported that the OCEA had not responded to the inquiry for information on wage data, poverty level incomes, or unemployment numbers for the City or County as of yet. Duff did review however with the Committee the latest information as it relates to the City having 67.1% of its residents being in the low/moderate level income range. This was in data collected by the City in an income survey conducted by Lake Superior State University in 2015. Duff provided the low to moderate level of income numbers for 1 through 8 person individuals and families at the time of the study. Incomes ranged from 1 person at \$31,600 to 8 persons at \$59,550.

Drew Driver, Fredric Facilities Grower

Drew Driver, managing member of Driven Grow LLC, a Class C Adult Use Grow Operation located in Fredric, attended the meeting to answer questions of the committee pertaining to his operation. Drew's license is a Class C grow operation. He has about 5,500 plants and grows for the both recreational and medical use. Drew explained that the industry is continuing to evolve and that he doesn't see a maximum threshold just yet. The State does a very good job of regulation. He indicated it is very difficult to attain a license from the State for any aspect of the business. Financials, character and backgrounds are checked very thoroughly before licenses are given. He has an approximately 40,000 sq. ft. building and grows and is also processing in a portion of the building. He indicated that there are strong restrictions on fire suppression and that his facility has over 100 cameras which the State can monitor at any time. He employs 26 people as growers, processors, and management. All receive full benefits starting at \$15 per hour. Drew indicated the cost of his facility was between \$100 to 150 per sq. ft. for the construction and renovations that were required. Drew indicated that his operation is regularly inspected by LARA officials, located out of Grayling.

Grower Discussion

There was then discussion on Kalkaska's industry. They have 2 Class C growers, and 5 Class A growers. They also have up to 3 to 5 provisioning centers allowed and unlimited number of transport and testing facilities. Chris Aiello, an Attorney from the Warren area, indicated that there are 138 licensed micro businesses and retailers in the State at this time. He provided, through Committee member Al Witt, an article dated May 29, 2019 appearing on M-Live informing the Committee on some information. He also indicated and provided a Projected Revenue for the City of Gaylord detailing depending on the number of retail or micro businesses allowed what the revenue stream would look like for our community. Both are attached to the Minutes.

Mr. Aiello also indicated that the money for municipalities really will come from the number of retail and micro businesses allowed. The revenues from growers, processors, transporters, and others will come based upon typical revenues of real property investments and jobs created.

There was then considerable discussion on how to choose “who” should be selected by the City in the event that we went through with an ordinance. Some were very concerned that we wanted local businesses available for selection. There was a good deal of discussion on this. Attorney Slough indicated that the test should be related to “health, safety, and welfare” of the City when selection criteria is developed. But all agreed that the licensing would be done by the State so all those applying for participation in a City for approval would be qualified.

Public Comments

Scott Dianda, representing Tranquility Fields, indicated and provided the Committee with a layout of the type of micro business they represent. They would definitely be interested in becoming a micro business within the City in the event that the ordinance did so allow. They indicated they grow, process, and sell in one facility and pay their employees \$17 per hour and benefits. They would employ about 10 to 12 people in a facility of their typical size.

There also was a number of others who spoke about the business and industry during the comment period. There were no comments from the public in opposition to moving forward at this time. The meeting was then adjourned at 8:10 pm.

Joseph P. Duff
City Manager