

SPECIAL JOINT SESSION

February 21, 2017

The Council and Planning Commission of the City of Chardon met in a joint Special Session on Tuesday, February 21, 2017 at 6:45 P.M. in Council Chambers of the Chardon Municipal Center.

Nancy McArthur, President of Council, and Ken Miller, Chairman of Planning Commission, presiding.

The joint meeting opened with the pledge of allegiance and roll call.

Members of Council present: Andrew Blackley, Deborah Chuha, Chris Grau, David Lelko, Nancy McArthur, Jeffrey Smock.

Members of Council absent: John Mallen.

Members of Planning Commission present: Andrew Blackley, Chris Grau, Al Hunziker, Dan Meleski, Ken Miller, Dean Peska, Mary Jo Stark.

Members of Planning Commission absent: none.

Others present: City Manager Randy Sharpe, Planning & Zoning Administrator Steve Yaney, Clerk of Council Amy Day, Police Chief Scott Niehus, Muriel Rouru, George Baker, Linda Miller, Lee Miller, Matter Petersen, Victor Matthews, Pat Leech, John Leech, Lynn Kempf, Joe Koziol, Ann Wishart, Brian & Lou Scotese, Paul McCarty, Thalia Hutter, Theresa Daniello.

Regarding a presentation from John Sikora of Growth Orchard regarding medical marijuana cultivation and processing, Mr. Sikora reviewed Growth Orchard's interest in constructing a 25,000 sq. ft. facility at 124 Parker Court for the cultivation and processing of medical marijuana. He stated that the State will issue 12 large and 12 small cultivator licenses. Growth Orchard would like to obtain a cultivation license and a processing license to convert plant material to oils, tinctures and patches.

Mr. Sikora reviewed the timeframe for obtaining the licenses. The applications for the licenses from the State will be available in May of 2017. The provisional licenses are expected to be issued by the State in September of 2017 which will allow nine (9) months for cultivation buildings to be built. The program must be fully operational by September of 2018. He stated that as the business grows, they anticipate having up to 30 jobs for cultivation and processing.

Mr. Sikora reviewed the State's requirements for building security and for background checks of employees.

Mr. Sikora reviewed what Growth Orchard needs from the City including: no moratoriums on cultivation or processing and proper zoning to allow light industrial zoning for medical marijuana purposes.

Mr. Miller asked how the residue from the processing of the marijuana will be disposed of.

Mr. Sikora stated that the State regulates that residue needs to be mixed with at least 50% of compost material and put together in a way that it cannot be recognized again. Any active ingredients will have been removed through the processing.

Mr. Blackley asked if the process will emit any smell.

Mr. Sikora stated that the building will be carbon filtered and will not emit any smell.

Mr. Blackley stated that because marijuana cultivation and processing is in violation of federal law, there can be issues with handling money. He asked how the money from the operations from sales and payroll will be handled and what impact this would have

on the Police Department.

Mr. Sikora stated that the State is discussing a closed-loop payment system.

Mr. Blackley asked how the City would receive income tax money from a closed-loop system.

Mr. Sikora stated that it would not be closed-loop when it is distributed back to Growth Orchard. It would be State regulated and they would be the bank and Growth Orchard could go to the bank to withdraw funds.

Mr. Blackley asked if there are any statistics on crime.

Mr. Sikora stated that crime varies but typically occurs around dispensaries. He added that 87% of marijuana is purchased on the black market and crime from black market purchases exceeds crime from dispensaries.

Mr. Blackley asked how the finished product will leave the facility and if Chardon Police assistance will be necessary.

Mr. Sikora stated that the finished product will leave the facility in an armored vehicle. He does not know what the State will allow with regards to local police assistance. The State will dictate the procedure and the routes the vehicles will take.

Mr. Blackley asked the Police Chief about this type of operation in the City.

Police Chief Scott Niehus stated that other states have experienced problems with these types of operations such as burglaries of the facilities and financial crimes related to the cash flow of the business.

Mr. Grau asked Mr. Sikora his background and how he got involved in this business.

Mr. Sikora stated that his background is in pharmaceutical sales. He was approached by a friend who suggested that they start this business.

Mr. Grau asked what Growth Orchard would do if they only receive the cultivating license.

Mr. Sikora stated that they would produce dried flour.

Mr. Grau asked about their water requirements.

Mr. Sikora stated that water is not an issue for them; however, they need power.

Mr. Smock asked how many other communities Growth Orchard is approaching.

Mr. Sikora stated that they have approached four (4) communities.

Mr. Lelko asked if Growth Orchard has contacted the Illuminating Company about the possibility that additional power could be provided to the Parker Court location.

Mr. Sikora stated that they have not discussed their additional power needs with the Illuminating Company.

Mr. Lelko asked why additional power would not be investigated first if adequate power supply is such a critical issue.

Mr. Sikora stated that it is a 6-month lead time for additional power to be added which can be investigated before the licenses are issued by the State. If the Illuminating Company cannot provide electrical power, they would have to put a gas powered substation on the property.

Chief Niehus asked what occurs at the processing center.

Mr. Sikora stated that a carbon dioxide process is used to remove oil.

Chief Niehus asked if it would produce wastewater and where that would go.

Mr. Sikora stated that he would have to investigate if it would produce wastewater.

Ms. Stark asked if when marijuana is taken medically, if it gets a person high.

Mr. Sikora stated that it works on the pain receptors to reduce pain and nausea but it is not the same high as if it were inhaled.

Mr. Lelko asked if the product that leaves their site, could it be used in the state it is in.

Mr. Sikora stated that if someone steals the product, some of it could be usable in the state it is in.

Mr. Blackley asked about the building security.

Mr. Sikora stated that at least during working hours, he would like to have an employee at a gated entrance. Security cameras will also record activity around the building and property.

Mr. Blackley asked about additional lighting of the property since it will be recorded on video.

Mr. Sikora stated that from the buildings he has seen, it does not appear to have any additional lighting from any other types of manufacturing buildings.

Chief Niehus asked how many plants would be grown.

Mr. Sikora stated that he does not know how many plants would be grown.

Chief Niehus asked about the inventory and auditing.

Mr. Sikora stated that the inventory and auditing process will be dictated by the State.

Mr. Blackley asked if the building has a sprinkler system.

Mr. Sikora stated that the building has not yet been constructed.

Mr. Hunziker asked if an alarm system will be connected to the Police Department.

Mr. Sikora stated that an alarm system will be connected to the Police Department.

Mrs. Chuha asked how the business would affect others on Parker Court.

Mr. Sikora stated that it would not be different from any other manufacturing business that could be located there.

Mr. Grau asked about the future profitability of the business.

Mr. Sikora stated that as there are more doctors and patients that want or need a product, sales will increase.

Mayor McArthur inquired about the cultivation and processing licensing timeframe.

Mr. Sikora stated that the rules will be issued in May and he expects that applications for cultivation licenses will be accepted in June or July. The processing licensure will occur after.

Mayor McArthur asked how many others will be applying for licenses.

Mr. Sikora stated that he is familiar with three (3) other companies and they are scattered throughout the quadrants.

Mr. Smock asked if there would be a local licensing procedure.

Mr. Yaney stated that the Law Director is investigating licensing procedures.

Mr. Blackley stated that this operation would be in violation of federal law and

questioned if there would be pushback at the federal level.

Mr. Sikora stated that this is unknown.

Mr. Meleski asked if products could be sold across state lines.

Mr. Sikora stated that products cannot be sold across state lines.

Mr. Yaney asked if the State requires barbed or razor wired fencing.

Mr. Sikora stated that he does not want to construct a building with barbed wire.

Mr. Yaney asked if the products have a shelf life and if there would be any outdoor storage tanks.

Mr. Sikora stated that the products have a shelf life of 12 months and there will not be any outdoor storage tanks.

Mayor McArthur asked if any member of the public wished to speak against the request by Growth Orchard for the cultivation and processing of medical marijuana in the City of Chardon.

Paul McCarty, 4571 Ireland Road, questioned how marijuana went from being a gateway drug to something respectable. He is skeptical that the benefits will outweigh the negative consequences and is concerned about opening the door for youth to use drugs.

Theresa Daniello, 17200 Valley Road, spoke to provide information about medical marijuana and the process that is used for extraction.

Ms. Daniello suggested various websites that the public could go to in order to educate themselves about medical marijuana.

Mr. Lelko asked if Ms. Daniello sees any issue with wastewater from the growing process.

Ms. Daniello stated that as long as they are not using pesticides, she does not.

Mayor McArthur stated that there is a large amount of research available on the topic of medical marijuana for those who would like to educate themselves about it.

Victor Matthews, 7955 Dines Road, an administrator for the juvenile court, stated that the court has seen 12-14 year olds that are using vaporized marijuana and have behavioral problems. He stated that the court is opposed to marijuana in any form.

Mary Elsbell, a prevention specialist for Ravenwood Mental Health Center, expressed concern that teens will think that using marijuana is ok if it is being grown in Chardon.

John Leech, 10149 Cedar Road, stated that the issue before Council and Planning Commission is whether or not the proposal for the cultivation and processing of medical marijuana is good for the community. He stated that there is a lot of information to consider and he cautioned that the information should be reviewed thoroughly before permitting it.

Mr. Yaney stated that marijuana processing and cultivating is currently not permitted or prohibited. Because it is not specifically regulated, it would have to be tied to a similar use to be permitted.

Mr. Lelko asked if marijuana processing and cultivating is similar to other uses and if the City can specifically prohibit it.

Mr. Yaney stated that he would want the Law Director to provide his opinion on similar uses but he believes that the City can prohibit it.

Brian Scotese, 1156 Golden Ridge Rd., stated that medical marijuana is legal and

there are medical benefits to it. He believes that the State will issue strict guidelines to address many of the concerns that have been brought up. The question that exists is if it is something that the City wants to be a part of and if it will benefit Chardon.

Mr. Smock asked Mr. Yaney if he has an opinion on the impact fees.

Mr. Yaney stated that he has not yet seen any construction drawings for the building yet to have an opinion on the impact fees.

Mr. Blackley asked Mr. Sikora if he has a breakdown on his sales projections of recreational vs. medicinal marijuana sales.

Mr. Sikora stated that medicinal sales are the only sales that are approved by the State.

Mr. Sharpe asked Mr. Sikora if his business model is set out into the future with the assumption that marijuana will stay medicinal only.

Mr. Sikora stated that they believe that eventually recreational marijuana will be legal but as their business model exists today, it only includes medical marijuana.

Mr. Lelko asked if the City would have the ability to regulate dispensing if recreational marijuana became legal and Growth Orchard decided to become a dispensary.

Mr. Yaney stated that the City can approve or prohibit dispensing, cultivation or processing.

ANY OTHER BUSINESS TO COME BEFORE PLANNING COMMISSION - none.

PLANNING COMMISSION ADJOURNMENT

Mr. Hunziker moved and Mr. Meleski seconded to adjourn Planning Commission.

Planning Commission adjourned at 7:57 P.M.

ANY OTHER BUSINESS TO COME BEFORE COUNCIL - none.

COUNCIL ADJOURNMENT

Mr. Smock moved and Mrs. Chuha seconded to adjourn the Council meeting. Upon voice vote the motion passed unanimously.

The meeting adjourned at 7:57 P.M.

NANCY MCARTHUR Mayor
President of Council

Attest:

AMY DAY
Clerk of Council

KENNETH MILLER
Planning Commission Chairman