



Village of Arlington Heights
Arlington Economic Alliance
Commissions Room, 2nd Floor
September 18, 2019
7:30 AM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

- A. Minutes 8/21/19

IV. REPORTS

- A. Development Update

V. OLD BUSINESS

- A. Downtown Construction Update
- B. Downtown Signage Update
- C. Buy Local Program Update

VI. NEW BUSINESS

- A. Retail Sale of Adult Use Cannabis

VII. OTHER BUSINESS

VIII. ADJOURNMENT

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact David Robb, Disability Services Coordinator, at 33 S. Arlington Heights Road, Arlington Heights, Illinois 60005, (847)368-5793 (Voice), (847)368-5980 (Fax) or drobb@vah.com.



Arlington Economic Alliance
9/18/2019

Item: Minutes 8/21/19

Department: Planning & Community Development

ATTACHMENTS:

Description

Minutes

Type

Minutes

DRAFT

MINUTES OF THE MEETING OF THE ARLINGTON ECONOMIC ALLIANCE HELD ON AUGUST 21, 2019 AT 7:30 A.M. AT THE VILLAGE HALL

MEMBERS PRESENT:

Joyce Barabicho
Tony Guido
Lyndsay Holton-Crowe
Rex Paisley
Dave Parulo
Jon Ridler
Brian Roginski
Andi Ruhl
Andrew Stengren

MEMBERS ABSENT:

Rich Casey
Matt Fink
Scott Whisler – Chairman

STAFF PRESENT:

Michael Mertes – Business Development Coordinator

ALSO PRESENT:

Melissa Cayer, Resident
Mike Driskell, Arlington Heights Memorial Library
Nathaniel Groh, Office of State Rep. Mark Walker
Keith Moens, Resident
Scott Rowader, Special Events Commission

Appointment of Temporary Chair

JON RIDLER MOVED AND ANDY STENGREN SECONDED A MOTION TO APPOINT DAVE PARULO AS TEMPORARY CHAIR. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

Call to Order

Dave Parulo called the meeting to order at 7:30 AM.

Introduction of New Members

Lyndsay Holton-Crowe is the owner of Downtown Mediaworks and was approved to the Commission by the Village Board on Monday, August 19. She is representing the Alliance in the position of *Downtown Business Owner*. Joyce Barabicho of the Holiday Inn Express is the new Alliance representative for the *Hospitality Industry* category and was approved by the Village Board at their first meeting in August. The remaining Commissioners introduced themselves to the new members.

Approval of Minutes – July 17, 2019

The meeting minutes of the July 17, 2019 Arlington Economic Alliance meeting were reviewed.

ANDY STENGREN MOVED AND BRIAN ROGINSKI SECONDED A MOTION TO APPROVE THE DRAFT JULY 17, 2019 ARLINGTON ECONOMIC ALLIANCE MEETING MINUTES. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

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Development Update

Two zero interest loans were recently approved by the Loan Committee. A \$20,000 loan was granted to Beer on the Wall for interior build-out of the new store. An \$8,300 loan was also awarded to Wildfish for purchase and installation of new equipment. In additional business news, Coco & Blu is a European-style coffeehouse that will be located at 12 S. Dunton Avenue in the Downtown. Ownership has begun conducting build-out on the space.

Downtown Construction Update

Updates are being sent out via e-mail as they come, and about ten e-mail updates have been sent out since the last Alliance meeting. Recently completed work includes Campbell, east of Chestnut, being paved and restored in time for the Mane Event/Taste of Arlington Heights over the first weekend of August. Asphalt patching has been recently completed along Evergreen, north of Sigwalt, as well. Meanwhile, sewer work continues at Sigwalt & Vail.

Current and upcoming work over the next week involves sewer work west of Vail, along Sigwalt, including the installation of a 54-inch pipe. Anticipated road closures to local traffic include Sigwalt from Dunton to Chestnut, Vail between Campbell and Sigwalt, and Highland between Campbell and Sigwalt. Traffic from Sigwalt is to be detoured onto Campbell.

Downtown Signage Update

The Village Staff recommendations for the implementation of the garage parking system, as well as parking lot and garage signage, are slated to go to the Village Board on September 3. The LED parking guidance system has been partially installed on the fourth floor of the Vail garage as a trial run.

Public Works will be handling the painting of stairwell towers. Additional painting of columns are anticipated to be contracted out and conducted sometime in the next few months. Public Works has also begun creating and hanging new floor indicator and guidance signs on beams within the Vail Garage, and will be creating and hanging new floor/aisle indicators and guidance signs on columns within the garage.

Buy Local Program Update

Mr. Mertes provided background on the genesis of the program, and its purpose, to the new Alliance members. The Village's Legal Department reviewed the State Prizes and Gift Act. This prohibits anybody a promotion where money has to be spent in order to be entered to win the prize. Therefore, the Village cannot require customers to spend \$50 in the community in order to be placed in the drawing for the \$100 gift card.

Ms. Holton-Crowe suggested that business cards be considered in place of receipts. She does this for a promotion run at her business. Mr. Ruhl would like to see a way that customers visit businesses, even if they do not make a purchase, to which Mr. Paisley suggested that they take selfies. Social media could help publicize these businesses. Mr. Ridler inquired about how the program would be administered, and Mr. Mertes confirmed that it would be run by Village Staff and suggested if customers submit receipts, then they can get additional entries. Mr. Mertes will work with the IT Division to create a unique email address for people to respond to the program.

In order to make the program less complicated, the Commission informally recommended moving it past the Downtown (as originally proposed), and making it a Village-wide program. Mr. Parulo inquired about whether the program has been discussed with other businesses. Mr. Mertes responded that the original goal was to bring to the Alliance first, as the community's business representatives. In order to keep the program moving forward, Mr. Ridler recommended making it a pilot and businesses can opt out if they wish. Creation of posters that merchants could put in their windows would help gain business community support and help market the program. Ms. Ruhl would like to see the "shop local" aspect of the program be emphasized in order to support independent merchants, and used as an educational opportunity to garner more support from residents.

Mr. Ridler recommended the creation of a working group, within the Alliance, that can provide direct feedback and assistance to Mr. Mertes in order to finalize and begin implementing the program. He, Ms. Holton-Crowe, and Ms. Ruhl volunteered to serve.

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JON RIDLER MOVED AND REX PAISLEY SECONDED A MOTION TO ESTABLISH A WORKING GROUP TO WORK WITH VILLAGE STAFF ON THE IMPLEMENTATION OF THE BUY LOCAL PROGRAM. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

Ms. Ruhl wants to make sure that the program is created in a way that Village Staff is able to administer the program moving forward.

Arlington Economic Alliance Budget – 2020

The Commission has been allocated a budget of \$16,200 for 2020, up from \$16,000 in 2019. To date, the Alliance has spent \$4,583. Mr. Mertes recommends placing the additional \$200 for 2020 into Business Retention Outreach, for a total of \$10,900 next year. The line items for marketing and communications (\$5,000) and photocopying (\$300) would remain the same.

Mr. Stengren asked if the Commission plans to spend additional funds this fiscal year, and if these monies remain unspent, will they affect the Alliance's allotment for 2020. Mr. Mertes replied that the remaining funds are not encumbered for any specific activity, but the Alliance certainly can spend remaining funds on projects through the rest of the year. Additionally, the Commission is entitled to \$16,200 next year, regardless of how much of their remaining funds they spend this year. Per Mr. Parulo's question, Mr. Mertes verified that the fiscal year is the same as a calendar year, January through December. Mr. Ridler asked if funds from one line item can be used for a project in another, if needed. Mr. Mertes replied that they can be, if requested.

ANDY STENGREN MOVED AND TONY GUIDO SECONDED A MOTION TO APPROVE THE 2020 ARLINGTON ECONOMIC ALLIANCE BUDGET AS PROPOSED. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

Other Business

A memo from the Village Manager is being distributed by the Staff liaisons to all Commissions, summarizing the Manager's discussions with the Chairpersons for each, as well as a survey sent to all Commissioners a few months back. The Alliance will continue as it exists now. There are plans for the creation of an orientation program for new Commissioners, to be implemented in the future. Additionally, there will be an orientation program for new Chairpersons, and an annual meeting for them as well. Other important points from the memo include additional efforts made to recognize Commissioners, the elimination of pay positions for applicable Commissions, a formal process for when Commissions wish to bring an item to the attention of the Village Board, and an invitation to Commissions to participate in the Board's goal-setting processes. Lastly, an annual work plan is expected to be provided by all Commissions to the Mayor and Trustees.

Mr. Paisley sees this response from the Village Manager as a positive, and an acknowledgement of the Alliance's efforts over the past several months to bring items to the Village Board. Regarding Mr. Ridler's question, Mr. Mertes acknowledged that the Mayor and Trustees did receive the letter provided by the Alliance regarding economic development areas of focus, and per the memo, do not need to resubmit or provide their request in a different format. In regards to the annual work plan requirement, Mr. Parulo asked if there is a timetable. Mr. Mertes said he has not yet received such direction, but he will update the Alliance as to the date for submittal and approval once he is aware.

The Arlington Heights Commission for Citizens with Disabilities is searching for businesses for its "Disability Employment Awareness Award". Mr. Mertes asked the attendees to contact him if they know of any potential nominees. He can then forward the information on to the Village's Health Department.

The Village Board asked the Economic Alliance for their feedback on possible retail sales of adult-use cannabis. The State allow will allow such sales beginning on January 1, 2020. Public consumption will still not be allowed. The Village has a couple options on what it can implement:

- Prohibit retail sales of cannabis outright
- Allow retail sales of cannabis, but place restrictions on the number of dispensaries and/or locations of them

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Arlington Heights can place a local tax of up to 3% on such sales. Written background, both pro and con, was provided to the Commissioners, prior to this meeting. Mr. Mertes suggested that the Alliance reviews this material, and make a recommendation to the Village Board at the Commission's September meeting. The recommendation should not take into account personal views on usage, but rather the impact it would have, positive or negative, on the business community. Mr. Paisley asked about what the potential restrictions could be, in terms of location for example. Mr. Mertes said that he would try to get more direction for the next meeting.

Responding to Mr. Parulo's request, Mr. Mertes summarized the point of the six articles provided to the Alliance as background:

- A letter from the owner of the existing medicinal marijuana business in Arlington Heights (PharmaCann dba Verilife), requesting the ability to sell retail should the Village allow it;
- An report written by Leafly, provided by the owner of Verilife, titled "Debunking Dispensary Myths";
- A presentation from a representative of Linden Oaks Behavioral Health, titled "Consequences of Promoting Marijuana Use in Arlington Heights";
- An email from a business owner expressing interest in opening a dispensary in Arlington Heights;
- An email from Jon Ridler, as Executive Director of the Arlington Heights Chamber of Commerce, discussing statistics related to legalization of recreational adult-use cannabis;
- A summary from the Governor's office explaining HB 1438, *The Cannabis Regulation and Tax Act*.

Mr. Ridler clarified that the email from him is information that has been provided to the Chamber Board. That body has taken a vote, and he will explain further at the next Alliance meeting. Mr. Stengren inquired about the Village Board's discussion on the subject, prior to this Alliance meeting, as well as the Police Department's position. Mr. Mertes replied that he can provide the minutes from the Committee-of-the-Whole meeting in which it was discussed, and will see if the Police Department has issued a formal position.

Mr. Ridler's take from the August 13 Committee-of-the-Whole meeting is that the Village Board has three options:

1. Prohibit retail sales of cannabis
2. Allow only Verilife in Arlington Heights to sell retail cannabis
3. To allow potential additional businesses to sell retail cannabis

Mr. Parulo asked if the Alliance should be formulating the way the Commission reviews the Board's request. In other words, should it just look at the issue from an economic standpoint, or from a community values standpoint. Mr. Stengren feels it should be viewed as all encompassing. Mr. Guido concurs, and points out that nearby communities will implement it and it will be an economic generator. At the same though, the community will not necessarily know the employees' knowledgeability or the potential impacts on their neighborhoods.

Mr. Ridler offered to set up a meeting for the Commissioners with Verilife, acknowledging that no more than three Alliance members can attend at one time per the Open Meetings Act. He added that existing Illinois medical dispensaries have first right at a State license, but they must obtain a local license to operate within their communities as well. Further, if Arlington Heights opts out from retail sales, Verilife can continue to operate as a medical marijuana dispensary.

Mr. Parulo asked for clarification from the Village Board regarding the kind of recommendation that it is looking for, and Mr. Mertes said that he would speak to the Village Manager to verify this. In addition, Mr. Ridler added that the State law prohibits the growing of marijuana plants, and the law is intended to allow private consumption only. Cannabis cannot be consumed in public, and those driving after consumption can still be charged with a DUI.

Nathaniel Groh, representative of the office of State Rep. Mark Walker, said that he would be happy to provide any additional information on the law per the Commission's request. Keith Moens, resident, feels that retail sales of cannabis is a great opportunity for the Village. He anticipates that neighboring communities will permit it, and Arlington Heights Police will need to be prepared for it, regardless of whether or not the Village allows it. He expects this to be a growth industry that will provide an influx of tax revenue. In response to Mr. Ridler's question, the residents with whom Mr. Moens has spoken seem to have a neutral position. In his opinion, his neighbors do not

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anticipate purchasing cannabis for themselves, but they also do not see allowing it as diminishing the community's image and reputation. Melissa Cayer, resident, referenced a National Public Radio report that many of the pharmaceuticals consumed in the United States are produced in China.

Mr. Stengren inquired as to where the retail cannabis would be grown. Mr. Groh responded that each community can determine this based upon which companies they choose to license, and from where those companies get their product. Mr. Ridler noted that there are multiple growers in Illinois for existing medicinal product. He added that businesses still have the right-to-terminate if marijuana is found in an employee's system during drug testing, but are not required to have such a policy. Mr. Parulo inquired if any trade associations have come up with a "best practices" guide for employers, and Mr. Ridler responded that the Illinois Chamber of Commerce worked with many of them in formulating the bill.

Mr. Rowader mentioned that Bill & Hillary Clinton, as well as Tommy Fleetwood (professional golfer), were seen in Downtown Arlington Heights recently. He asked if it is possible for the Village or Economic Alliance to take advantage of the fact that Arlington Heights seems to be a destination, even for out-of-town celebrities.

Adjournment

BRIAN ROGINSKI MOVED AND TONY GUIDO SECONDED A MOTION TO ADJOURN. ALL ALLIANCE MEMBERS VOTED IN FAVOR OF THE MOTION.

The meeting adjourned at 8:46 AM.

Scott Whisler, Chairman
Arlington Economic Alliance

Prepared by Department of Planning & Community Development



Arlington Economic Alliance
9/18/2019

Item: Retail Sale of Adult Use Cannabis

Department: Planning & Community Development

ATTACHMENTS:

Description	Type
Chamber - Retail Adult-Use Cannabis Info	Exhibits
Village Staff - Retail Adult-Use Cannabis Info	Exhibits
Web Links provided by Nathaniel Groh	Exhibits
Meeting Minutes - COW (8-13-19)	Minutes
Board of Health Motion - Adult Use Cannabis	Exhibits



MEMO: Cannabis Research on Opiates, Teen Use, Crime and Debunking the Gateway Drug Myth

DATE: May 13th 2019

This memo centralizes all contemporary research material around cannabis.

Reduction of Opiate Usage

Date: May 13, 2019

Subject: Marijuana less addictive than many commonly used substances including alcohol

Byline: Budney A, Roffman R, Stephens R, Walker D. Marijuana dependence and its treatment. *Addiction Science and Clinical Practice*. 2007;4(1):4–16.

Highlights:

- The experience of dependence on marijuana tends to be less severe than that observed with cocaine, opiates, and alcohol (Budney, 2006; Budney et al., 1998). On average, individuals with marijuana dependence meet fewer DSM dependence criteria; the withdrawal experience is not as dramatic; and the severity of the associated consequences is not as extreme.¹

Date: May 2, 2014

Subject: Medical Cannabis Laws and Opioid Analgesic Overdose Mortality in the United States, 1999–2010 ²

Byline: Marcus A. Bachhuber, MD; Brendan Saloner, PhD; Chinazo O. Cunningham, MD;

Highlights:

- Deaths attributable to both prescription opiates and heroin fell by 20% within a year following marijuana legalization and by 33% within six years.
- States with medical cannabis laws had a 24.8% lower mean annual opioid overdose mortality rate compared with states without medical cannabis laws.
- Cannabis appears to act as a substitute or, in some cases, an exit drug for those struggling with drug abuse.
- Marijuana has no causal influence over hard drug initiation. Moreover, by the time individuals reach age 30, most of them have significantly decreased their cannabis use or no longer indulge in the substance at all.

Date: September 08, 2017

¹ <https://www.drugwarfacts.org/node/3628>

² <https://jamanetwork.com/journals/jamainternalmedicine/fullarticle/1898878>

Subject: Effects of Legal Access to Cannabis on Scheduled II–V Drug Prescriptions³

Byline: Sarah S. Stith, PhD; Jacob M. Vigil, PhD; Anthony P. Reeve, MD

Highlights:

- Legal access to cannabis may reduce the use of multiple classes of dangerous prescription medications in certain patient populations.
- Access to cannabis could lead to a reduction in scheduled prescription drug use, if it treats patients' underlying condition(s) more effectively than scheduled drugs requiring a prescription.

Date: April 2, 2018

Subject: Association of Medical and Adult-Use Marijuana Laws With Opioid Prescribing for Medicaid Enrollees⁴

Byline: Hefei Wen, PhD; Jason M. Hockenberry, PhD

Highlights:

- In this population-based, cross-sectional study using the all-capture Medicaid prescription data for 2011 to 2016, medical marijuana laws and adult-use marijuana laws were associated with lower opioid prescribing rates (5.88% and 6.38% lower, respectively).
- Medical and adult-use marijuana laws have the potential to lower opioid prescribing for Medicaid enrollees, a high-risk population for chronic pain, opioid use disorder, and opioid overdose.
- Marijuana is one of the potential nonopioid alternatives that can relieve pain at a relatively lower risk of addiction and no risk of overdose.

Date: April 17, 2018

Subject: Cannabis Laws and Opioid Prescribing in the Medicare Part D Population⁵

Byline: Ashley C. Bradford, BA; W. David Bradford, PhD; Amanda Abraham, PhD

Highlights:

- Researchers examined the number of opioid prescriptions (e.g. hydrocodone, oxycodone, morphine, methadone and fentanyl) filled between 2010 and 2015 under Medicare Part D, the prescription drug benefit plan available to Medicare enrollees.
- In states with medical cannabis dispensaries, researchers observed a 14.4% reduction in use of prescription opioids.

Date: June 1, 2018

Subject: Cannabis as a Substitute for Opioid-Based Pain Medication: Patient Self-Report

Byline: Amanda Reiman PhD, MSW, University of California, Berkeley; Mark Welty, PhD,

³ [http://www.jamda.com/article/S1525-8610\(17\)30429-2/fulltext](http://www.jamda.com/article/S1525-8610(17)30429-2/fulltext)

⁴ <https://jamanetwork.com/journals/jamainternalmedicine/article-abstract/2677000?redirect=true>

⁵ <https://jamanetwork.com/journals/jamainternalmedicine/article-abstract/2676999?redirect=true>

NCC, LPCC–S, LSW, Kent State University; Perry Solomon, MD, Chief Medical Officer, HelloMD⁶

Highlights:

- UC Berkeley partnered with HelloMD to conduct the largest patient survey which explored the use of cannabis as a substitute for opiate and non-opiate based pain medication. The significant results support the views that cannabis can and should be considered the primary option for managing chronic pain due to its safety and efficacy.
- Patients were asked about their usage of cannabis and how it affected their consumption of opioids. Among the key findings, the study found:
 - 97% “strongly agreed/agreed” that they could decrease their opioid use when using cannabis
 - 92% “strongly agreed/agreed” that they prefer cannabis to treat their medical condition
 - 81% “strongly agreed/agreed” that cannabis by itself was more effective than taking cannabis with opioids. The results were similar when using cannabis with non-opiate based pain medications.
- 97% of people were able to decrease the amount of opioids that they used in conjunction with cannabis use. This was more than double the amount shown in any previous studies conducted.

Date: July 18, 2018

Subject: Cannabidiol does not display drug abuse potential in mice behavior⁷

Byline: Adrián Viudez–Martínez, María S. García–Gutiérrez, Juan Medrano–Relinque, Carmen M. Navarrón, Francisco Navarrete & Jorge Manzanares, *Acta Pharmacologica Sinica* (2018)

Highlights:

- Evidence suggests that cannabidiol (CBD) may be useful for the treatment of different neuropsychiatric disorders.
- CBD failed to induce CPP, withdrawal symptoms, or altered motor behavior after its administration.
- Results show that CBD lacks activity as a drug of abuse.

Reduction in Teen Use

Date: August 20, 2018

Subject: Biennial State California Health Kids Survey: School Climate, Substance Abuse, and Well-being Among California Students 2015 – 2017

Byline: WestEd (a research, development and service agency) under contract from the California Department of Health Care Services, with support from the California Department

⁶ <https://www.liebertpub.com/doi/10.1089/can.2017.0012>

⁷ <https://www.nature.com/articles/s41401-018-0032-8>



of Education, Coordinated School Health and Safety Office, in fulfillment of Health and Safety Code Section 11605

Highlights:

- The survey results have indicated a general decreasing trend in alcohol and marijuana use since 2011–13.
- Current use of alcohol, binge drinking, and marijuana use among eleventh graders decreased by four points.
- Lifetime marijuana use dropped by seven points.
- Use of marijuana was reported by 17 percent of eleventh graders, six percentage points lower than for alcohol.

Date: September 2017

Subject: Key Substance Use and Mental Health Indicators in the United States: Results from the 2016 National Survey on Drug Use and Health⁸

Byline: Substance Abuse and Mental Health Services Administration (SAMHSA)

Highlights:

- In 2016, rates of marijuana use among the nation's 12- to 17-year-olds dropped to their lowest level in more than two decades. [In no states did the share of teens using marijuana increase by a significant amount, and in a number, including California, Colorado, Maryland, New Jersey and Texas, rates of teen marijuana use fell considerably.]
- In 2015, 6.5% of adolescents used marijuana on a monthly basis. [That represents a statistically significant drop from 2014, when the nation's first recreational marijuana shops opened in Washington state and Colorado.
- Public health research has generally shown that alcohol use is more harmful to individuals and society than marijuana use, although marijuana still poses a number of risks to its users.
- State-level numbers show that a little more than 9% of Colorado teens age 12 to 17 used marijuana monthly in 2015 and 2016, a statistically significant drop from the prior period. That's the lowest rate of monthly marijuana use in the state since 2007 and 2008.

Reduction in Crime

Date: May 2018

Subject: High on Crime? Exploring the Effects of Marijuana Dispensary Laws on Crime in California Counties⁹

Byline: Priscillia Hunt, RAND Corporation and IZA; Rosalie Liccardo Pacula, RAND

⁸ <https://www.samhsa.gov/data/sites/default/files/NSDUH-FFR1-2016/NSDUH-FFR1-2016.htm#summary>

⁹ <http://ftp.iza.org/dp11567.pdf>

Corporation and NBER; Gabriel Weinberger, Pardee RAND Graduate School

Highlights:

- By transitioning marijuana transactions from illegitimate exchanges that had to be actively enforced to legitimate transactions, there is an immediate reduction in the burden of enforcement assuming the legal market replaces the black market.
- Study found no evidence that ordinances allowing for marijuana dispensaries lead to an increase in crime.

Date: October 2017

Subject: The geography of crime and violence surrounding tobacco shops, medical marijuana dispensaries, and off-sale alcohol outlets in a large, urban low-income community of color¹⁰

Byline: Andrew M. Subica, University of California Riverside; Jason Douglas, San Jose State University; Nancy Kepple, University of Kansas; Sandra Villanueva, Loyola Marymount University; and the study's senior author, Cheryl T. Grills, Loyola Marymount University.

Highlights:

- Study findings provide the first empirical evidence that tobacco shops may constitute public health threats that associate with crime and violence in U.S. low-income urban communities of color.
- Implementing and enforcing control policies that regulate and monitor tobacco shops in these communities may promote community health by improving public safety.
- Research indicated that dispensaries were not linked to greater violent crime around their locations likely for several reasons including that they often appear and disappear quickly in these communities while liquor and tobacco stores stay at one location for many years. Many dispensaries also have property safeguards like security guards and cameras to deter crime that liquor and tobacco stores may not.

Date: January 2017

Subject: Crime and the Legalization of Recreational Marijuana¹¹

Byline: University of Bologna

Highlights:

- The analysis of the causal effects on crime with the legalization of cannabis for recreational use shows a reduction in rapes by about 4 per 100,000 inhabitants (a 30% drop), and thefts by about 100 per 100,000 inhabitants (a 20% drop).
- The policy towards legalization leads to the emergence of a legal market, which offers more safety and more reliable product quality. It thus reduces the risk of being victimized while buying, the risk of being sanctioned, search costs (especially for first-time buyers), as well as the psychological unease possibly related to purchasing an illegal product.

¹⁰ <https://www.sciencedirect.com/science/article/pii/S0091743517305078>

¹¹ <http://ftp.iza.org/dp10522.pdf>

Date: November 16, 2017

Subject: Is Legal Pot Crippling Mexican Drug Trafficking Organisations? The Effect of Medical Marijuana Laws on US Crime¹²

Byline: Evelina Gavrilova, Takuma Kamada, Floris Zoutman

Highlights:

- When California legalized medical use of the drug, violent crime fell by 13% on average.
- The legalization of recreational marijuana was linked to a 15–30% decrease in reported rapes and a 10–20% percent decrease in thefts.
- With California's 1996 medical marijuana program, there was a reduction of 15% in violent crime after medical marijuana legalization.
- Data indicated that the crimes most strongly affected were robbery, which fell by 19%, and murder, which dropped by 10%. Homicides specifically related to the drug trade fell by an astonishing 41%.
- Residents in legal states reduced their normal and binge alcohol consumption significantly when provided with the alternative of legal marijuana.
- The full legalization of marijuana in Colorado and Washington will have an even stronger impact on the drug trade as large-scale marijuana production facilities are erected in these states, further threatening the position of drug cartels.

Date: July 2018

Subject: Marijuana Legalization and Crime Clearance Rates: Testing Proponent Assertions in Colorado and Washington State¹³

Byline: David A. Makin, Dale W. Willits, Guangzhen Wu, Kathryn O. DuBois, Ruibin Lu, Mary K. Stohr, Wendy Koslicki, Duane Stanton, Craig Hemmens, John Snyder, Nicholas P. Lovrich

Highlights:

- Evidence found that there were no negative effects of legalization on crime clearance rates.
- Evidence suggests some crime clearance rates have improved.
- Findings suggest legalization has resulted in improvements in some clearance rates.

Debunking the Gateway Drug Myth

Date: May 2019

Subject: Marijuana is Not a Gateway Drug

Byline: Drug War Facts

Highlights:

¹² <https://onlinelibrary.wiley.com/doi/full/10.1111/econj.12521>

¹³ <http://journals.sagepub.com/doi/full/10.1177/1098611118786255>

- **The results of the study indicate a moderate relation between early teen marijuana use and young adult abuse of other illicit substances; however, this association fades from statistical significance with adjustments for stress and life-course variables. The findings show that any causal influence of teen marijuana use on other illicit substance use is contingent upon employment status and is short-term, subsiding entirely by the age of 21. In light of these findings, U.S. drug control policymakers are urged to consider stress and life-course approaches in their pursuit of solutions to the 'drug problem.'**¹⁴

Date: May 2018

Subject: The Recreational Cannabis Consumer: Attitudes, Usage and Behavior

Byline: High Yield Insights

Highlights:

- Marijuana consumers in states that have legalized recreational cannabis use less alcohol, over-the-counter pain medications and sleep aids.
- More than a fifth of recreational cannabis consumers use less beer, spirits, painkillers and sedatives than standard consumers.
- More precisely, legal recreational cannabis consumers use 27% less over-the-counter pain medications, 22% less sleep aids, 21% less alcoholic spirits and 20% less beer than consumers in states that have not legalized adult-use marijuana.
- The most profound reduction in usage has been among pharmaceuticals, indicating that consumers are using recreational cannabis to manage sleep disruption, anxiety and pain.

Date: February 2017

Subject: Various Finding related to the Gateway Drug Myth

Byline: Various Authors

Highlights:

- Research shows that marijuana could more accurately be described as a “terminus” drug because the vast majority of people who use marijuana do not go on to use other illicit drugs.¹⁵
- Marijuana has never been proven to have an actual “gateway effect.” However, a more critical interpretation of this and further research suggests that those who use drugs may instead have an underlying propensity to do so that is not specific to any one drug.¹⁶
- Marijuana is the mostly widely used illicit substance in the world. Therefore, if the gateway theory were true, we would expect to see many more users of other illicit substances than we do. However, the vast majority of people who use marijuana do

¹⁴ <https://www.drugwarfacts.org/node/3524>

¹⁵ <http://druglibrary.org/schaffer/library/mjgate.htm>

¹⁶ Janet E. Joy, Stanley J. Watson, Jr., and John A. Benson, Jr., "Marijuana and Medicine: Assessing the Science Base," Division of Neuroscience and Behavioral Research, Institute of Medicine (Washington, DC: National Academy Press, 1999).

- not go on to use other illicit drugs.¹⁷
- The gateway theory falls victim to the mistaken assumption that correlation alone implies causation. Using the same logic, one could argue that drinking milk is a gateway to illicit drug use since most people who use illicit drugs also drank milk as young people. The correlation between marijuana use and the use of other drugs should not be equated with causation.¹⁸
- It has been known in the scientific community for nearly two decades that most drug users begin with alcohol and nicotine before marijuana – usually before they are of legal age.¹⁹

Effectiveness with Pain Management

Date: December 7th 2018

Subject: Older Americans are Flocking to Medical Marijuana

Byline: NY Times; Paula Span

Highlights:

- Older Americans are using medical marijuana more frequently for pain management; more communication with their doctors is needed so that the patient doesn't have to use trial and error to understand what dosage is best for them.

Date: March 2018

Subject: Epidemiological characteristics, safety and efficacy of medical cannabis in the elderly²⁰

Byline: European Journal of Internal Medicine: Ran Abuhasira, Lihi Bar-Lev Schleider, Raphael Mechoulam, Victor Novack

Highlights:

- After six months of treatment, 93.7% of respondents said their condition had improved and pain was reduced from a median of eight to four on a scale of ten.
- 18.1% said they had stopped or reduced their dose of opioid analgesics.
- Medical cannabis was found to improve symptoms of Parkinson's Disease in the initial stages of treatment and did not cause major adverse effects in this pilot, 2-center, retrospective survey.

Date: October 30, 2015

¹⁷ <https://www.unodc.org/wdr2016/>

¹⁸ Tarter, Ralph E., PhD, Vanyukov, Michael, PhD, Kirisci, Levent, PhD, Reynolds, Maureen, PhD, Clark, Duncan B., MD, PhD, "Predictors of Marijuana Use in Adolescents Before and After Licit Drug Use: Examination of the Gateway Hypothesis," American Journal of Psychiatry, Vol. 63, No. 12, December 2006, p. 2139.

¹⁹ Janet E. Joy, Stanley J. Watson, Jr., and John A. Benson, Jr., "Marijuana and Medicine: Assessing the Science Base," Division of Neuroscience and Behavioral Research, Institute of Medicine (Washington, DC: National Academy Press, 1999).

²⁰ [https://www.ejinme.com/article/S0953-6205\(18\)30019-0/fulltext](https://www.ejinme.com/article/S0953-6205(18)30019-0/fulltext)

Subject: Transdermal cannabidiol reduces inflammation and pain-related behaviors in a rat model of arthritis²¹

Byline: University of Kentucky: D.C. Hammell, L.P. Zhang

Highlights:

- The application of transdermal CBD gel significantly reduced joint swelling, limb posture scores as a rating of spontaneous pain, immune cell infiltration and thickening of the synovial membrane in a dose-dependent manner.
- Data indicates that topical CBD application has therapeutic potential for relief of arthritis pain-related behaviors and inflammation without evident side-effects.

Date: January 12, 2017

Subject: The Health Effects of Cannabis and Cannabinoids: The Current State of Evidence and Recommendations for Research²²

Byline: Committee on the Health Effects of Marijuana, the National Academy of Sciences

Highlights:

- In adults with chemotherapy-induced nausea and vomiting, oral cannabinoids are effective antiemetics.
- In adults with chronic pain, patients who were treated with cannabis or cannabinoids are more likely to experience a clinically significant reduction in pain symptoms.
- In adults with multiple sclerosis (MS)-related spasticity, short-term use of oral cannabinoids improves patient reported spasticity symptoms.
- The evidence suggests that smoking cannabis does not increase the risk for certain cancers (i.e., lung, head, and neck) in adults.
- Cannabis use does not appear to increase the likelihood of developing depression, anxiety, and posttraumatic stress disorder.

Other Therapeutic Benefits

Date: June 06, 2018

Subject: Investigational cannabinoids in seizure disorders, what have we learned thus far?²³

Byline: Dejana Ružić Zečević, Marko Folić, Ziyad Tantoush, Milan Radovanović, Goran Babić & Slobodan M. Janković; Faculty of Medical Sciences, University of Kragujevac, Serbia

Highlights:

- Cannabidiol showed clear therapeutic benefit and good safety in patients with therapy-resistant seizures associated with Dravet syndrome.

21 <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4851925/>

22 <http://nationalacademies.org/hmd/reports/2017/health-effects-of-cannabis-and-cannabinoids.aspx>

23 <https://www.tandfonline.com/doi/abs/10.1080/13543784.2018.1482275>

- Cannabidiol showed clear therapeutic benefit and good safety in patients with therapy-resistant seizures associated with Lennox–Gastaut syndrome who have drop seizures.

Date: May 31, 2018

Subject: Effect of tetrahydrocannabinol:cannabidiol oromucosal spray on activities of daily living in multiple sclerosis patients with resistant spasticity: a retrospective, observational study²⁴

Byline: Javier Mallada Frechín, Unidad de Neurología, Hospital General de Elda, Elda (Alicante), Spain

Highlights:

- ADL was maintained or slightly improved with THC:CBD oromucosal spray across treatment time (mean 31.9 months) including significant improvement in ‘standing up’ ($p < 0.05$) and trends in other items.
- Significant improvements ($p < 0.01$) with THC:CBD oromucosal spray were observed in several multiple sclerosis spasticity-related symptoms.
- Overall, 96.9% of patients using THC:CBD oromucosal spray had a positive global impression of change during treatment.
- In this pilot study, THC:CBD oromucosal spray maintained or improved aspects of daily functioning.

Date: June 2018

Subject: Anti-Atherogenic Properties of Cannabis Sativa

Byline: Bruno Musetti, Leonor Thomson, Mercedes González, Javier Varela; Faculty, Universidad de la Republica, Montevideo, Uruguay

Highlights:

- Extracts from Cannabis sativa showed anti-atherogenic properties, decreasing the amount as well as the rate of LDL-lipid oxidation and also the production of foam cells in patients with atherosclerotic vascular disease.
- There is a link between cannabinoid-signaling and inhibition of foam cell formation, including the signal mechanisms leading to inflammasome activation.

Date: July 2018

Subject: Long-term safety and treatment effects of cannabidiol in children and adults with treatment-resistant epilepsies: Expanded access program results²⁵

Byline: Jerzy P. Szaflarski; Elizabeth Martina Bebin; Anne M. Comi; Anup D. Patel Charuta Joshi Daniel Checketts; on behalf of CBD EAP study group

24 <https://www.futuremedicine.com/doi/abs/10.2217/nmt-2017-0055>

25 <https://onlinelibrary.wiley.com/doi/full/10.1111/epi.14477>

Highlights:

- Cannabidiol (CBD) was associated with 51% and 48% reductions in median monthly convulsive and total seizures, respectively, after 12 weeks of treatment
- Reductions in median monthly convulsive and total seizures were similar among visit windows through 96 weeks of treatment

Other Benefits

Date: May 20th 2019

Subject: Analysis: Cannabis Shops Linked to Lower Crime, Increased Property Values²⁶

Byline: David Downs

Highlights:

- 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).**
- 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).
- 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).

Date: November 29th 2018

Subject: The Effect of Marijuana Dispensary Opening on Housing Prices

Byline: Jessica Burkhardt, Matthew Flyr

Highlights:

- Evaluating the effect of medical and recreational dispensary openings on housing prices in Denver, Colorado-- the introduction of a new dispensary within a half-mile radius of a new home increases home prices by approximately 7.7% on average. The effect diminishes for homes further from new dispensaries but is consistent over time.

²⁶ <https://www.greenentrepreneur.com/article/333871>



MEMORANDUM; Diversity and Compliance

About MedMen

For nearly a decade, MedMen has shaped the way cannabis is produced and sold to patients and adult-users in state-sanctioned markets. Founded in 2010 by Bierman and Modlin, we currently employ over 1,100 employees across North America, with licenses to operate 78 cannabis dispensaries across 12 states, inclusive of pending acquisitions. We are a major employer in communities where we operate, and we provide industry-leading wages and benefits. Additionally, we have the first bi-coastal cannabis partnership with the United Food and Commercial Workers International Union to represent our store employees in California and New York.

Since MedMen's inception, we have gone to great lengths to build a diverse, inclusive and complaint cannabis company. We invite you to explore our website and learn more about our company and leadership at medmen.com.

Thought Leader

MedMen is thriving to become a thought leader in the cannabis industry not just as business leader but as a leader on Diversity and Inclusion, Criminal Justice Reform, Economic Reform and Political Activism. MedMen is pushing the envelope by having the first televised marijuana commercial that highlights the racial misjustice the prohibition of marijuana has caused on communities of color, but by also thriving to be the most diverse big marijuana company in the industry.

Diversity and Inclusion

MedMen affords equal employment opportunities to employees and applicants without regard to race, religion, color, sex, gender, gender identity or expression, sexual orientation, national origin, ethnicity, ancestry, citizenship status, marital status, pregnancy, age, genetic information or any other characteristic protected by law or ordinance. Our internal culture and external community engagement reflect this commitment to inclusion. Some of these efforts are outlined below:

- As of October 2018, MedMen's workforce composition was 58% minorities.¹

¹ "Diverse" includes the federal government's ethnicity categories, which include American Indian or Native Alaskan, two or more races, Hispanic or Latino, Black or African American, Asian and Native Hawaiian or other Pacific Islander.



- While women hold approximately 21% of leadership roles in traditional businesses, and 27% of leadership roles in the cannabis industry,² women hold over 29% of MedMen's leadership roles as of October 2018, nearly a third more than traditional businesses.
- MedMen is proud of its diverse Board of Directors.
- We provide extensive on-boarding orientation for new hires as well as comprehensive harassment and sensitivity training given annually to all employees nationwide.
- We have a 24/7 hotline run by a third-party vendor that allows employees to report concerns at any time.
- We partner with numerous non-profits which have an emphasis on serving the LGBTQIA+ community.
- We support annual PRIDE parades across the country and has targeted resources to transgender organizations, including the Trans Chorus of Los Angeles and Trans Can Work, an organization that seeks to increase professional opportunities for trans people through employer outreach, education, and training.
- We work closely with national minority professional organizations to identify and secure top talent.
- We seek out product vendors which are minority-, woman- and veteran-owned to help diversify the marijuana industry.
- MedMen's SVP of Government Affairs, Morgan Sokol, wrote a 10-week adult learning social equity ownership curriculum in partnership with a fellow Teach For America alumnus. The purpose of the curriculum is to assist social equity applicants interested in cannabis business ownership understand the varied components and requirements around ownership, regulations and how to prepare a merit based competitive cannabis licensing application. The curriculum

² Nick Kovacevich, *Cannabis a Wide-Open Space for Female Pioneers*, Forbes (Dec. 17, 2018) available at <https://www.forbes.com/sites/nickkovacevich/2018/12/17/cannabis-a-wide-open-space-for-female-pioneers/#7dbfa9eb70e6>



has ten lesson plans made for an instructor to immediately implement. At the end of the ten weeks, participants should have a broad understanding of:

- What social equity means in the cannabis industry
- What a merit-based application process involves in the cannabis industry
- Examples of social equity programs across the country and what the application process looks like to apply for a merit-based cannabis business license
- The challenges and opportunities that come with owning and running a highly regulated cannabis business
- The unique steps a cannabis business owner must take to create a compliant cannabis business operation under federal prohibition

Workforce Investment

Local Hiring

We host and participate in local job fairs to recruit directly from the communities we serve, and to ensure our employees represent the communities most impacted by the failed war on drugs. MedMen is committed to hiring locally and providing industry-leading wages and benefits to our employees.

Union Partnership

We understand the value of a well-represented workforce to employees and their surrounding communities, which is why we partnered with the United Food and Commercial Workers (UFCW) on both coasts. We've committed to expanding this partnership and are currently working with UFCW to bring this partnership to additional states as we enter new markets.

MedMen provides a living wage to all employees. We are the largest cannabis company to partner with organized labor in North America and are proud to partner with the UFCW. Benefits under this partnership include:

- Higher than minimum wage pay; nearly \$3 above minimum wage in California and New York. Our employees in New York are paid between \$17-20+/hour.
- Two-weeks of vacation, employee discounts, ten recognized paid holidays and time-and-a-half pay for anyone working on a holiday.
- Guaranteed 40 hours of work for full-time staff members and 20 hours for part-time.



- Fully paid benefits for all eligible employees, including those who work part-time.
- A bonus incentive program based on a store-team approach – rewarding employees who hit monthly sales goals.

Joint Cannabis Labor Relations Committee

We are working with UFCW to set an industry standard for cannabis workers through the creation of a joint labor relations committee to host regular, transparent meetings. These meetings will include participation from leadership to discuss and further the commitment to hiring and employment practices that provide a safe, healthy work environment that benefits employees.

Employee Mentorship

In order to support the continued professional development and personal growth of our employees, we are developing a mentorship program that connects new employees with seasoned, high-level employees who can provide advice, guidance and mentorship in their field. We're committed to providing lucrative career advancement opportunities for our workforce across all departments.

Stock Incentive Program

Our Letterman Program is a program whereby the company grants every employee stock options. Our co-founders have always recognized that building this business is a collective effort and their goal remains to give every employee the opportunity to own a piece of MedMen. The program offers all employees the opportunity to be rewarded for the company's success. This means all of our employees are owners of MedMen. Increasing the diversity of ownership in the cannabis industry is crucial to MedMen's ethos, as we recognize one primary way to disrupt the failed war on drugs is to increase ownership opportunities amongst communities of color.

Red Jacket Program

As part of MedMen's new employee onboarding program, all employees go through a three-day training, including shadowing retail staff at one of our retail locations, and then graduates and receives our Red Jacket.

Corporate Social Responsibility and Community Engagement

We support a regulated cannabis industry that creates meaningful career and ownership opportunities for communities of color, drives economic activity, is sustainable, and generates significant tax revenues that can benefit communities, particularly those that have been disproportionately impacted by the failed war on drugs, on an ongoing basis. To truly disrupt the harms of the failed war on drugs, we recognize it is critical there is ongoing funding for



community wraparound services and resources, as well as sustained capital to increase the diversity of ownership in the industry.

Record Expungement Support

Record expungement is a critical component of undoing the wrongs of the failed war on drugs, and provides career and economic advancement opportunities for those who have been imprisoned for cannabis-related offenses. We wholeheartedly support record expungement, and have funded the following projects across the country:

- In early 2018, we partnered with a California non-profit organization to create the largest record expungement clinic in LA County history, servicing over 830 people with record reclassifications, expungements and social and health wraparound services support for them and their families. These wraparound services included:
 - a mobile health clinic,
 - access to stable housing resources,
 - CalFresh registration,
 - Covered California healthcare registration,
 - consultation on immigration issues,
 - voter registration,
 - referrals to social workers, and
 - connection to 24 employers.
- We also partnered with Greater Boston Legal Services in mid-2018 as well as 25 organizations and employers to provide a free CORI sealing clinic and cannabis industry job fair for Massachusetts residents. Attendees received free legal services to help seal prior marijuana-related convictions, access to more than 160 available industry jobs, and follow-up legal and social work appointments.
- *New York.* MedMen are proud supporters of criminal justice reform in New York by supporting multiple non-profit and community organizations including the recently passed marijuana decriminalization legislation.

Grants and Local Partnerships

We commit significant resources to non-profit and local organizations in the communities we serve in order to meet identified, community-specific needs. Below is a sample of the organizations we have supported across the country:

- Housing Sustainability
 - *Downtown Women's Center* in LA
 - *The Alliance for Housing and Healing* in West Hollywood



- LGBTQIA+ Services
 - *Voice Awards*, a partnership between LAUSD and Gay Men's Chorus of LA to bring anti-bullying, tolerance, and acceptance campaigns to schools and juvenile detention centers.
 - *Rogue Artists Ensemble*
 - *ONE Archives Foundation*.
 - *The Foundation for the AIDS Monument*.
 - MedMen is a supporter of *annual PRIDE parades* across the country.
 - *Trans Chorus of Los Angeles*
 - *Trans Can Work*, an organization that seeks to increase professional opportunities for transgendered people through employer outreach, education, and training.
- Medical Marijuana Access
 - *Being Alive*, more than 1,200 coupons annually in Los Angeles to provide economically disadvantaged patients access to medicinal cannabis.
 - *Epilepsy Florida*
 - *Florida Advocacy Alliance*
 - *CAMACOL*
 - *Massachusetts Patient Advisory Council*
 - *Utica, NY Breast Cancer Awareness*
- Food Security
 - *Meals on Wheels* chapters in Culver City and Santa Monica.
 - *Project Angel Food* in West Hollywood.
- Substance Abuse Treatment
 - *Van Ness Recovery House*, a residential drug and alcohol treatment facility in LA for members of the LGBTQIA+ addiction recovery community.
 - *Venice Recovery Center*
- Civil Rights Organizations
 - *NAN* in New Jersey
 - *We Built This*
 - *Mexican American Legal Defense Fund*
 - *Cannaclusive*

Community and Legislative Roundtable Conversations

We value input from elected officials and community members on cannabis program implementation and host roundtables with the community and elected officials on social



employer programs and social justice issues. Recently, we have participated in and hosted roundtables with New York State Black and Latino Caucus legislators at our Manhattan dispensary, at SOMOS Puerto Rico in 2018, and with Nassau County officials and law enforcement on DWIs. MedMen is also partnering with the Northern Nevada Coalition to eliminate impaired driving through the “Teaming Up to Build a Zero Fatalities Future Campaign”. The coalition is comprised of police, local leaders, and influential businesses such as Lyft to ensure people do not make unsafe choices to drive while intoxicated with marijuana. Additional panel discussions we have participated on include:

- **Harlem Business Alliance**—Roundtable focusing on diversity in Marijuana for New Yorkers impacted by the war on drugs. MedMen discussed how companies such as MedMen can be a positive impact in communities that were negatively impacted by the War on Drugs.
- **We Built This** – Resume training and Marijuana Industry Roundtable about reshaping Brooklyn residents resumes who have experience in selling illegal drugs so they can get jobs in the legal market. Over 21 people attended the roundtable.
- **Cannaclusive** – discussed the opportunities a legal marijuana market will create around the country and how communities of color should prepare for the new market. A lot of the questions were directed at what direct and indirect opportunities will be available.
- **SOMOS Criminal Justice Panel** – MedMen participated on the Criminal Justice Panel with Senator Bailey and Assemblywoman Fernandez about the importance of criminal justice reform, especially how it impacts communities of color impacted by the war on drugs.
- **Safe Driving Round Table in Nassau County**: MedMen discussed initiatives MedMen is participating in around the country to raise awareness around DUIs and Marijuana.
- **Capitol Days with Epilepsy Florida** – MedMen proudly joined Epilepsy Florida at Florida’s state capitol to speak to the advantages Medical Marijuana has had for Florida residents experiencing epilepsy. The MedMen team also sponsors walks and hosts awareness events throughout the state.

MedMen’s National Retail Volunteerism Program

The MedMen Hospitality and Government Affairs teams have established a quarterly volunteer program for all interested retail employees called “We Care”. Below are some of the events we have participated in to date:



- **West Palm Beach Clean-up** - The West Palm Beach retail team has logged three volunteer trips to the beach helping keep the West Palm Beach area clean. Our volunteer program is a reminder that MedMen is a good neighbor in the communities we serve.
- **Orlando volunteer clean-up program** - MedMen retail team works together to clean up the surrounding areas. Keeping our communities clean is one way to make our communities better.
- **MedMen MS Walk Florida** – Thousands of Floridians suffer from MS, and we walk in solidarity with those dealing with this horrible disease. Medical Marijuana can help those dealing with some of the debilitating side effects of MS.
- **American Diabetes Association Walk in Florida**
- **Red Cross Sound the Alarm Campaign** - Sound the Alarm is a nationwide Red Cross event creating attention and action around the Red Cross' effort to reduce death and injury by home fires. Having working smoke alarms and an escape plan reduces the risk of death by over 50%. Through this campaign, volunteers will install smoke alarms in more than 100 major cities in at-risk communities across the nation during the months of April and May. MedMen joined the national Sound the Alarm campaign to assist communities that have been disproportionately impacted by the failed war on drugs have access to life saving fire safety features. MedMen will be participating in 10 cities in 6 different states across the country. Interested MedMen retail team members will work alongside Red Cross volunteers, local government agencies, and fire and police departments to canvass at-risk neighborhoods, install free smoke alarms, and help families create escape plans. Taking part in Sound the Alarm is our commitment as a company to make our surrounding communities happier, safer and healthier.

Commitment to Regulatory Compliance

To date, no MedMen licensed cannabis facility has received any material compliance violation in any jurisdiction where we operate. Our legal and compliance team is one of the largest departments within the Company and is comprised of more than 30 professionals with expertise in securities, real estate, M&A, labor and employment, licensing and regulatory compliance. We also engage with a suite of external resources, including local regulatory counsel in every state we operate in as well as Canadian and U.S. Securities counsel.

Memberships and Associations



Government Affairs is partnering with retail GMs on being members of key associations and chambers of commerce across the country.

State	Jurisdiction	Association	MM Point of Contact
CA	Culver City	Culver City Chamber of Commerce	Justin Jones
CA	San Francisco	Union Square Business Improvement District	Morgan Sokol
CA	Venice	Abbot Kinney Merchant Assoc	Chad Dodson
CA	WeHo	West Hollywood Chamber of Commerce	Lauren Banuelos
FL	Pensacola	Greater Pensacola Chamber	Nick Hansen
FL	St. Petersburg	St. Petersburg Chamber	Nick Hansen
FL	Key West	Key West Chamber of Commerce	Dana Heath
FL	Orlando	Orlando Chamber of Commerce	Logan Laatsch
FL	WPB	Chamber of Commerce of the Palm Beaches	Nick Hansen
IL	State	Medical Cannabis Alliance of Illinois	Don Williams
IL	Chicago	Chicago Chamber of Commerce	Omar Delgado
IL	Oak Park	Oak Park Chamber of Commerce	Omar Delgado
IL	State	Illinois Retail Merchants Association	Don Williams
NV	State	Nevada Dispensary Association	Jason Timothy
NV	Las Vegas	Las Vegas Chamber of Commerce	LV GM
NY	Utica	Greater Utica Chamber of Commerce	Utica Plant Manager
NY	Amherst	Amherst Chamber of Commerce	Jennifer Frys
NY	Syracuse	Greater Syracuse Chamber of Commerce	Bob Battaglia
PA	Philadelphia	Philadelphia Chamber of Commerce	Don Williams

Legislative Letters of Support

The Government Affairs team is proud to support legislation that is aligned with our company's policy priorities, business objectives and Corporate Social Responsibility program. Pieces of legislation we have supported in the past include:

Photos

CEO Adam Bierman on the "Why Not?" Tour:

MedMen®



MedMen®



“LA County Record Expungement Clinic, 2018”



“Boston Job Fair, 2018”

MedMen®



“Capitol Days with Epilepsy Florida”



“Capitol Days with Epilepsy Florida

MedMen®



“West Palm Beach Clean-up”



program”

“Orlando volunteer clean-up

MedMen®



program”

“Orlando volunteer clean-up

MedMen®



“MedMen MS Walk Florida”



“American Diabetes Association Walk in Florida”

The attached correspondence and information related to adult-use cannabis has been sent to Village Staff by different people and/or organizations. Staff is not attesting to the accuracy of any of the provided information, just sharing it. The following are the documents provided and who provided them:

1. Letter from Jeremy Unruh, Director of Public and Regulatory Affairs for PharmaCann, which holds the license for the medical dispensary license in Arlington Heights
2. Report from Leafly -Debunking Dispensary Myths, provided by Jeremy Unruh
3. Presentation from Linden Oaks Behavioral Health- Consequences of Promoting Marijuana Use in Arlington Heights, provided to the Village from Omni Youth
4. Email from Karl Camillucci, attorney for Green Thumb Industries, seeking to put an adult-use dispensary on Dundee Road in Arlington Heights (without attachments)
5. Email from Jon Ridler, Arlington Heights Chamber of Commerce, regarding statistics related to legalization of marijuana
6. Governor's Summary of Adult-Use Cannabis Act, which has been provided to some elected officials

**Changing
the way
people
view
cannabis.**

190 SOUTH LASALLE STREET
SUITE 2950
CHICAGO, IL 60603
312.667.6260

pharmacann.com

PHARMACANN

August 2, 2019

VIA ELECTRONIC & FIRST CLASS MAIL

Robin Ward, Esq.
Village of Arlington Heights
33 S. Arlington Heights Road
Arlington Heights, IL 60005

Re: Regulation of Adult-Use Cannabis - PharmaCann LLC d/b/a Verilife

Dear Ms. Ward:

I write as a follow-up to our discussion regarding the intention of our company, PharmaCann LLC, to pursue adult-use cannabis sales in Arlington Heights, and the process that could be expected should the Village Board direct the staff to move forward with preparing the zoning ordinances to allow adult-use cannabis sales within the municipality. I understand that the Board plans to consider the Village's options at the August 13 Committee-of-the-Whole. I wanted to provide you with some perspective in advance of that meeting.

As you know, PharmaCann LLC d/b/a Verilife proudly serves patients at the sole medical cannabis dispensary in the Village, located at 1816 S. Arlington Heights Road. The dispensary was established at the subject location as a permitted use of-right (drugstore and pharmacy) in the B-2 General Business District. Since its establishment, Verilife has operated the dispensary in full compliance with the Illinois state rules and regulations; consistent with all Village codes and ordinances. Since opening in June 2018, there has not been a material security incident of any sort arising in or out of our facility. This is no accident. Our security is state-of-the-art; including three dozen security cameras, a vault, and secured access control in every space within the facility.

In our time in the Arlington Heights community, we have completed more than 22,000 medical cannabis transactions for just over 1700 unique patients. We have dispensed nearly 100,000 units of medical cannabis, and have generated \$72,000 in tax revenues.

At the same time, our adult-use dispensary in Wareham, Massachusetts, services nearly 1000 customers every day without any security or safety incidents to date. During the first six months of 2019, we have remitted approximately \$300K in adult-use sales tax to the municipality of Wareham. Like Illinois, Massachusetts authorizes municipalities to levy a 3%

excise tax on adult-use cannabis sales. Enclosed herein are two reference letters from the Town of Wareham Planning and Zoning department as well as the Wareham Police Department attesting to our good citizenship (called Group Exhibit A).

In Arlington Heights, Verilife is seeking permission from the State under the Early Approval Adult Use (EAAU) provisions of the new Cannabis Regulation and Tax Act ("CRTA") to establish a co-located medical and adult-use cannabis dispensary at our current location. Consistent with the standards set forth in the CRTA, and with the express authorization of the Village, PharmaCann intends to sell retail cannabis products to both medical patients and adult-use patrons. We do not intend any sort of on-site consumption or social use. We would simply begin to sell the same products to persons over the age of 21 with valid identification that we sell today to medical patients at our dispensary.

Early Approval Adult-Use:

In its passage of the CRTA, the Illinois General Assembly has given priority to existing medical cannabis dispensaries, like ours, to co-locate¹ an adult-use dispensary with an existing medical dispensary. A separate and expedited approval of such EAAU licenses is provided for in the CRTA, with the State committing to approve completed applications within 14 days in order to ensure that as many adult-use dispensaries are operating by January 1, 2020 as possible. The "co-location" of current medical dispensaries is known as the "existing site" authorization.

Under Section 15-15(g) of the CRTA, "[a] registered medical cannabis dispensing organization that obtains an EAAU Dispensing Organization License may begin selling cannabis ... to purchasers under the rules of this Act no sooner than January 1, 2020."

Considerations for the Village of Arlington Heights:

Under the CRTA, a municipality may impose a tax of up to 3% on the gross receipts from adult-use cannabis sales. Here, the Village should consider a unique opportunity to optimize its revenue from the enactment of this state law.

- Top-tier locations will average \$15-\$20 million/year in sales over the next five years (in a mature environment, some may see double that estimate).
- Other locations in the Chicagoland area will average ~\$10 million/year over the next five years.
- Associated California stores are currently averaging between \$10-\$15 million per year (annualized).
- Long term, in a "steady state" market (e.g., with the maturity of Colorado or Washington) as additional stores come online and prices decline, the average

¹ In this context, "colocation" simply means dual-use; serving both medical patients and adult-use patrons in the same dispensary.

store will realize \$5-7 million in sales across the state (assuming a \$1.5-2 billion market with 300 dispensary locations). It may take ten years for the market to balance.

- Other municipalities have indicated an interest in hosting adult-use cannabis dispensaries. The 35 experienced operators (including PharmaCann) that are eligible to locate a "secondary site" dispensary in the 9-county Bureau of Labor statistics area (including McHenry, Will, DuPage, Cook, Lake, DeKalb, Grundy, Kendall, and Kane counties), are pressed to locate these storefronts swiftly, in time for the January 1, 2020 "first sale" spelled out in the CRTA.
- Municipalities must appreciate that dispensary operators beyond the original 55 may be new to Illinois, without the knowledge and experience that existing operators have demonstrated over the past five years. Our commitment to social equity, security, consumer protection, and harm reduction makes Verilife an ideal partner to optimize the impact of this new law.

Options for Regulating Adult-Use Cannabis Dispensaries:

In light of the State's expedited review and approval under the EAAU provisions, we ask the Village to consider allowing PharmaCann to establish a co-located medical/adult-use cannabis dispensary at its existing medical dispensary as-of-right. General retail sales, and even packaged goods liquor sales, are permitted as-of-right in the B-2 District. In light of the State's robust licensing, operational and enforcement powers, the Village should consider permitting the co-location of an adult-use cannabis dispensary in conjunction with a licensed medical dispensary as-of-right. We are happy to be a resource to the Village and will make ourselves available to come discuss these matters as you see fit.

With only a single medical cannabis dispensary in the Village, allowing such co-location will permit the Village to limit and control the number and location of adult-use dispensaries significantly while availing itself of the revenue benefits of the adult-use cannabis program. In the future, a special use process could allow the Village to fully consider any new applicants as well as the proposed location to ensure alignment with the standards of Arlington Heights before approval.

Very truly yours,
PHARMACANN

By:

Jeremy Unruh
Director of Public and Regulatory Affairs

Enclosures



John A. Walcek
Interim Chief of Police

Wareham Police Department

2515 Cranberry Highway
Wareham, Massachusetts 02571
www.warehampolice.com



Phone: (508) 295-3180
Fax: (508) 291-8652

June 10, 2019

To Whom it May Concern:

Please be advised that our police department has worked collaboratively with Shelley Stormo and Verilife to mitigate any potential issues. Shelley has been very cooperative in addressing concerns we have brought forward and as a result there have been virtually no problems with the facility.

I would anticipate that this cooperation will continue as Shelley and I communicate frequently. If you have any questions or concerns feel free to contact me.

John A. Walcek, Acting Police Chief
Wareham Police Department

john_walcek@warehampolice.com

(508) 295-3180



Town of Wareham
Planning and Community Development

54 Marion Road
Wareham, MA 02571-1428

Phone: (508) 291-3100 x6501
Email: kbuckland@wareham.ma.us

Kenneth Buckland, Director of Planning
Jasmin Farinacci, Dept. Assistant

June 10, 2019

Ms. Shelley Stormo
Verilife
112 Main Street
Wareham, MA 02571

RE: Reference for Verilife Medical/Recreational Retail Marijuana Establishment, 112 Main Street, Wareham

Dear Ms. Stormo:

Thank you for siting your business in the Town of Wareham. While Town Meeting overwhelmingly endorsed the option for marijuana establishments in Wareham, the manner in which you have developed your business, your attention to requests from the Town and your cooperative approach has created a very productive 'partnership' that could really be used as a model for others in future business development.

Sincerely,

A handwritten signature in black ink, appearing to read "KBuckland", is written over the printed name.

Kenneth J. Buckland



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



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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.

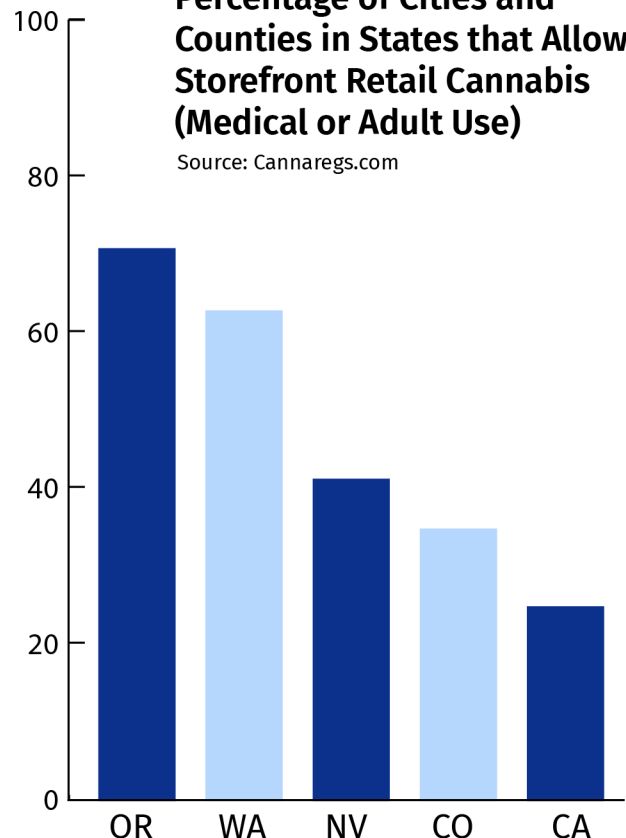
All state legalization laws allow municipalities to permit or prohibit cannabis sales within their jurisdictions. At the city and county levels, a number of lawmakers have responded to statewide legalization with ordinances banning all state-licensed cannabis companies within their jurisdiction. Others 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

Percentage of Cities and Counties in States that Allow Storefront Retail Cannabis (Medical or Adult Use)

Source: Cannaregs.com



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

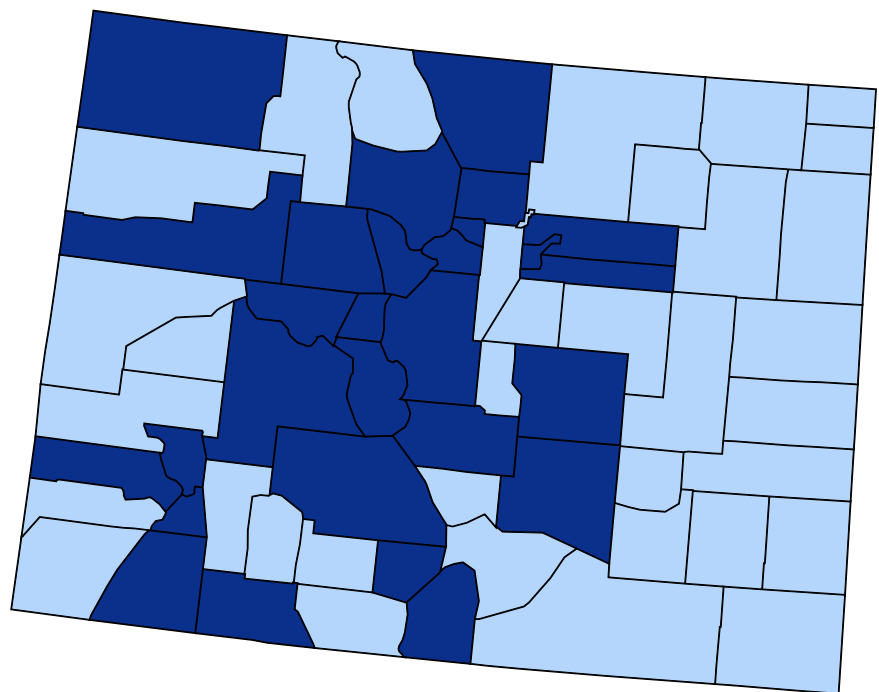
During a community meeting, residents of Haverhill voiced outrage that their neighborhood was zoned as a recreational marijuana establishment district. "We don't want you here," said Joel Bissonnette, an Elliott Street resident. "Go to Ward Hill." (The Haverhill Gazette, 2019)

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%

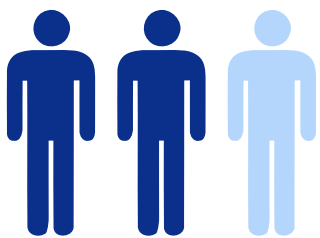
of all Americans report having used cannabis at least once

Source: Marist Poll, 2017

Timeline: The Rise of Retail Cannabis in the US

1937	Federal prohibition begins under Marihuana Tax Act.
1940s	Medical cannabis formulations disappear from pharmacy shelves.
1994	Cannabis Buyer's Club of San Francisco opens.
1996	California legalizes medical cannabis with no licensing or regulation.
1998	Alaska, Oregon, Washington legalize medical cannabis with no licensing or regulation.
2000	Colorado and Nevada legalize medical cannabis with no licensing or regulation.
2004	California Senate Bill 420 creates a legal defense for dispensaries. Unlicensed dispensaries open across California. San Francisco begins licensing medical cannabis dispensaries.
2010	Colorado regulates its medical dispensaries. Arizona legalizes medical cannabis and state-licensed dispensaries.
2011	Federal prosecutors step up asset forfeiture campaign against California dispensaries.
2012	Colorado and Washington legalize adult use of cannabis, with licensing and regulation.
2013	Justice Department's Cole memo takes federal crosshairs off licensed medical and adult-use retailers.
2014	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.
2016	Voters in California, Massachusetts, Nevada, and Maine legalize the adult use of cannabis. Florida voters legalize medical marijuana.
2017	Adult-use cannabis stores open in Nevada. Licensed medical dispensaries open in Hawaii and Maryland.
2018	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 (Cerde, 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).

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.”

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

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.





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 Counties	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

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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.

Consequences of Promoting Marijuana Use in Arlington Heights

Aaron Weiner, PhD

August 13, 2019

Aaron.Weiner@eehealth.org



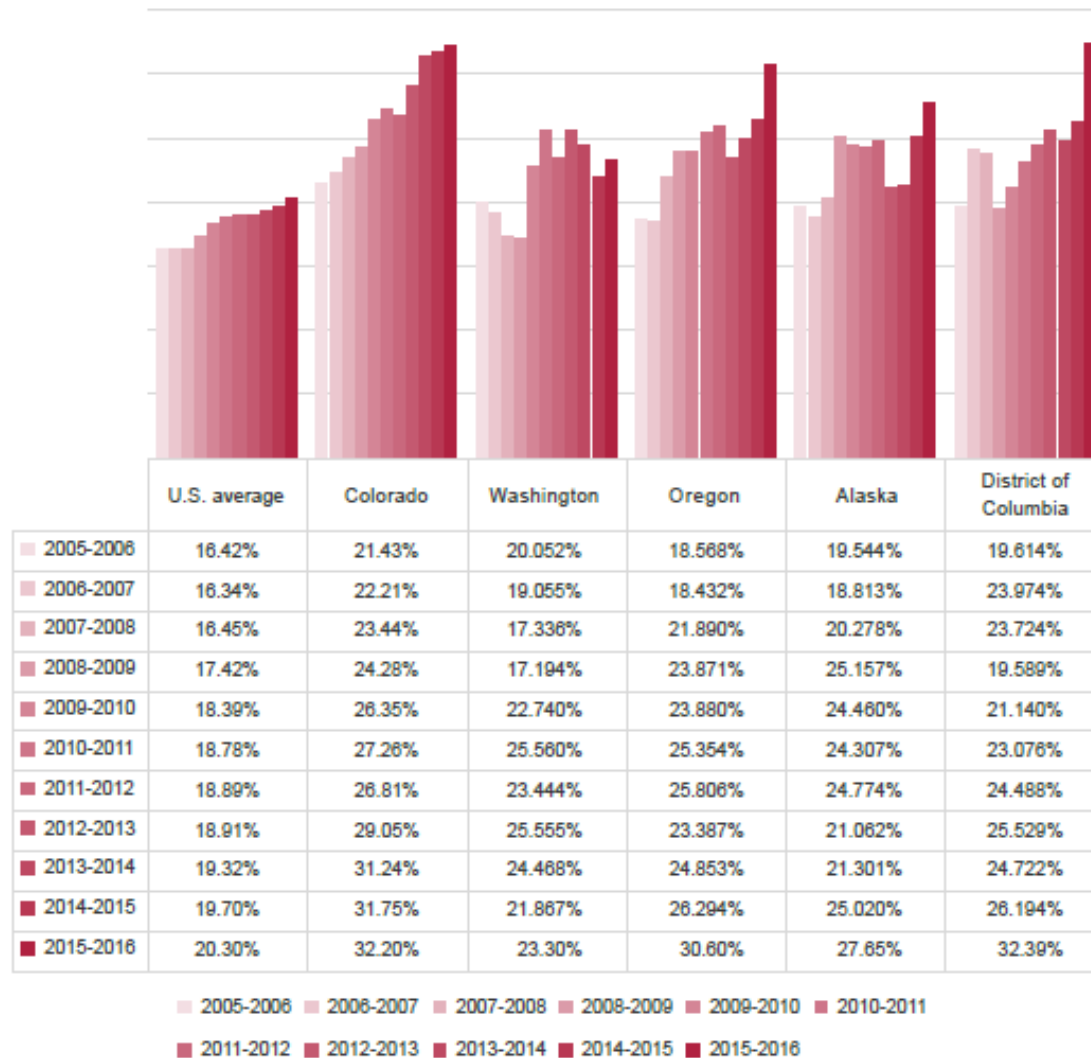
Choices & Consequences

- More access, more use – Less access, less use
 - 42% increase in adult use in Colorado in 8 years

			2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
18+ Yrs	Past Year	Colorado	16.08	18.94	20.74	23.57	23.82	25.65
		Washington	15.29	17.58	19.06	17.68	19.45	23.21
	Past Month	Colorado	10.4	12.86	15.17	17.12	16.62	17.18
		Washington	10.29	12.53	13.06	11.42	12.41	15.9

			2013-14	2014-15	2015-16	2016-17
18+ Yrs	Past Year	Alaska	19.86	22.31	23.46	23.43
		D.C.	21.83	23.9	25.3	27.01
	Past Month	Oregon	19.5	19.59	23.19	27.38
		Alaska	12.16	14.8	16.66	16.59
		D.C.	12.72	12.1	14.41	17.67
		Oregon	12.59	13.04	16.26	20.04

PAST MONTH MARIJUANA USE OF COLLEGE AGE 18-25 YEARS OLD



Associations between young adult marijuana outcomes and availability of medical marijuana dispensaries and storefront signage

Regina A. Shih , Anthony Rodriguez, Layla Parast , Eric R. Pedersen , Joan S. Tucker ,
Wendy M. Troxel, Lisa Kraus, Jordan P. Davis & Elizabeth J. D'Amico

RAND Corporation, Santa Monica, CA, USA

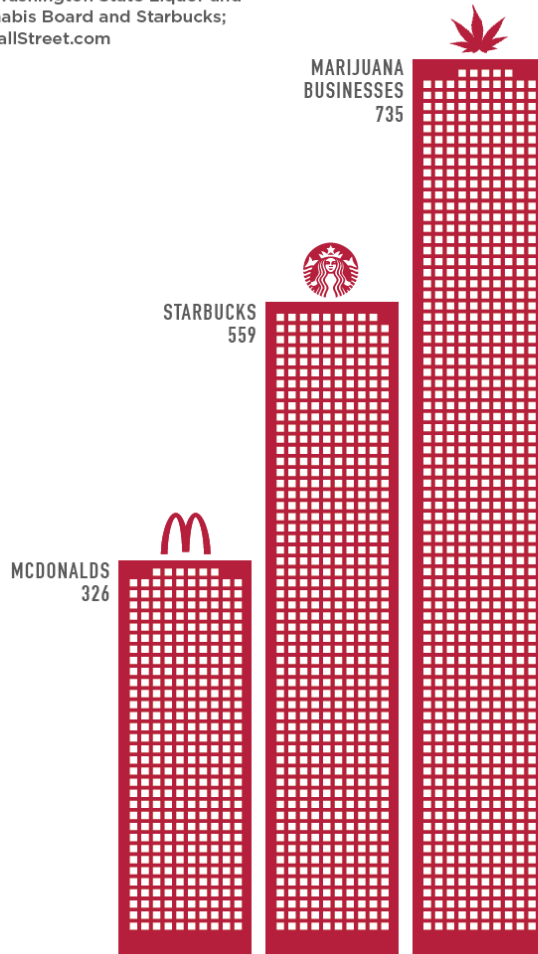
($\beta = -0.005$; 95% CI = $-0.009, -0.001$; $P = 0.03$). **Conclusions** For young adults in Los Angeles County, living near more medical marijuana dispensaries (MMDs) is positively associated with more frequent use of marijuana within the past month and greater expectations of marijuana's positive benefits. MMDs with signage show stronger associations with number of times used each day and positive expectancies.

Overview

- More access, more use – Less access, less use
 - 42% increase in adult use in Colorado in 8 years
 - This is why we passed Tobacco 21 – this is the opposite
- Most communities will opt out, so we would also bring in additional marijuana traffic
 - Colorado: 70% opt-out
 - Michigan: 74% opt-out
 - California: 78% opt-out

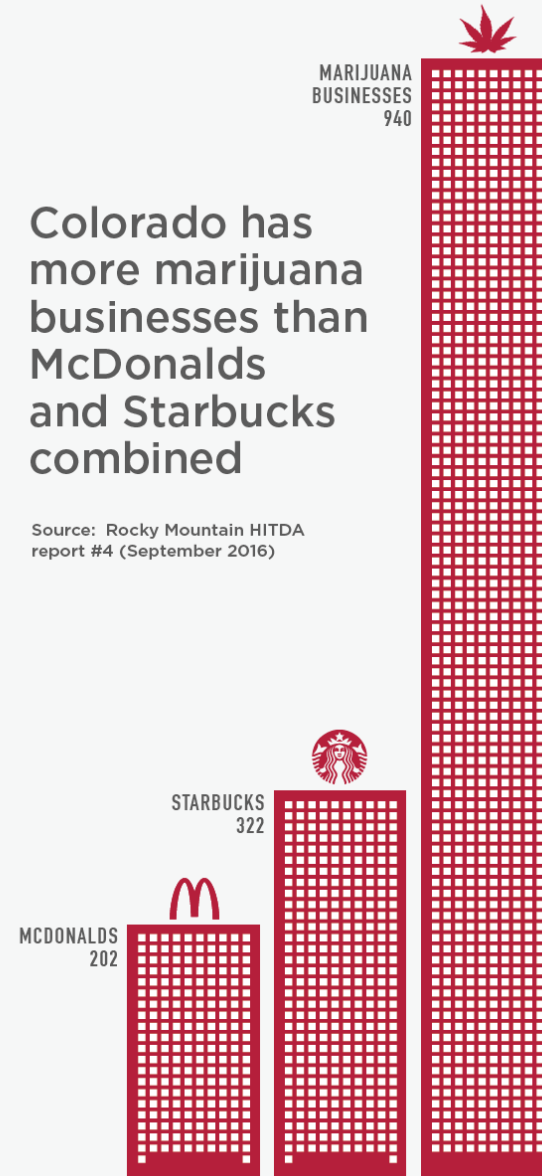
Washington State has more marijuana businesses than Starbucks or McDonalds

Source: NW HIDTA Report, citing the Washington State Liquor and Cannabis Board and Starbucks; 24WallStreet.com



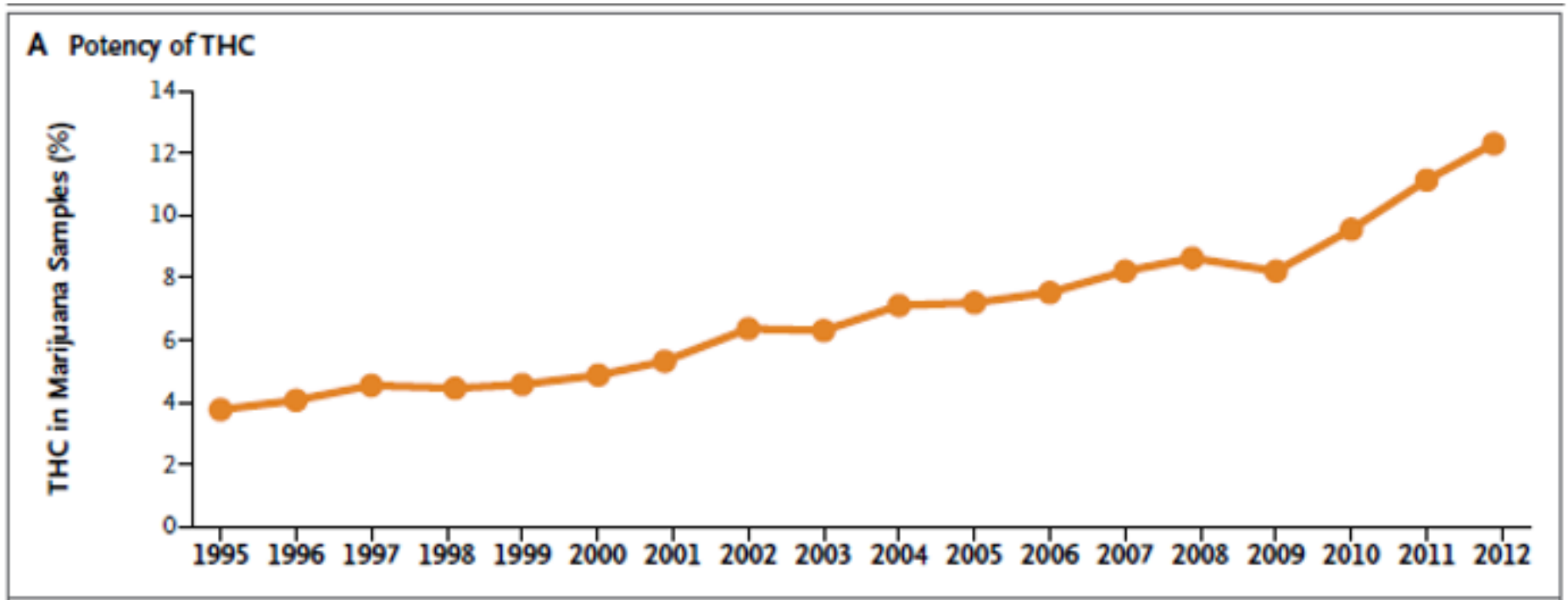
Colorado has more marijuana businesses than McDonalds and Starbucks combined

Source: Rocky Mountain HITDA report #4 (September 2016)



Overview

- More access, more use. Less access, less use
 - 42% increase in adult use in Colorado in 8 years
 - This is why we passed Tobacco 21 – this is the opposite
- Most communities will **opt out**, so we would also bring in additional marijuana traffic
 - Colorado: 70% opt-out
 - Michigan: 74% opt-out
 - California: 78% opt-out
- More local use, more local health and safety consequences
- More THC, more consequences
 - High-potency – not Woodstock anymore
 - No caps



(Volkow et al., 2014)



ER visits linked to marijuana rose at Colorado hospital after legalization, study finds

People who consume marijuana edibles may be ingesting unsafe levels because they don't feel the immediate high, researcher says.

March 25, 2019, 4:30 PM CDT

By Shamard Charles, M.D.



Smoking strong marijuana daily increases risk of psychosis, study finds

CBS
NEWS

MARCH 20, 2019 / 11:44 AM / CBS/AP



Psychotic Disorders as Function of THC dose, Frequency of Use 11 Sites, 6 Nations in Europe, Brazil: 3 of the cities

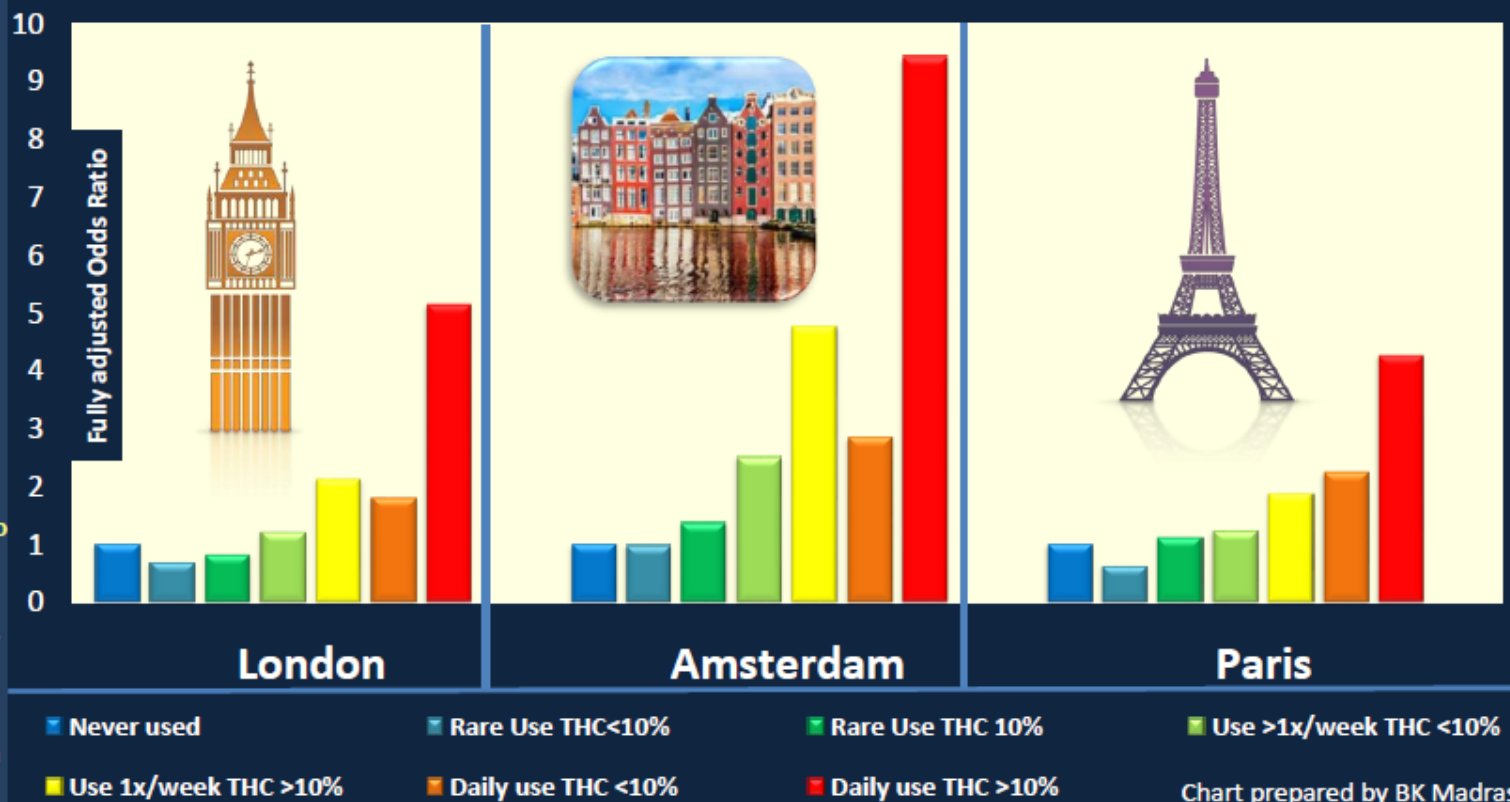
The contribution of cannabis use to variation in the incidence of psychotic disorder across Europe (EU-GEI): A multicentre case control study

Di Forti et al

www.thelancet.com/psychiatry
Published online March 19, 2019

If high-potency cannabis were no longer available:

- 12.2% of cases of first-episode psychosis could be prevented across 11 cities
- 30.3% prevented London
- 50.3% prevented Amsterdam



Association between medical cannabis laws and opioid overdose mortality has reversed over time

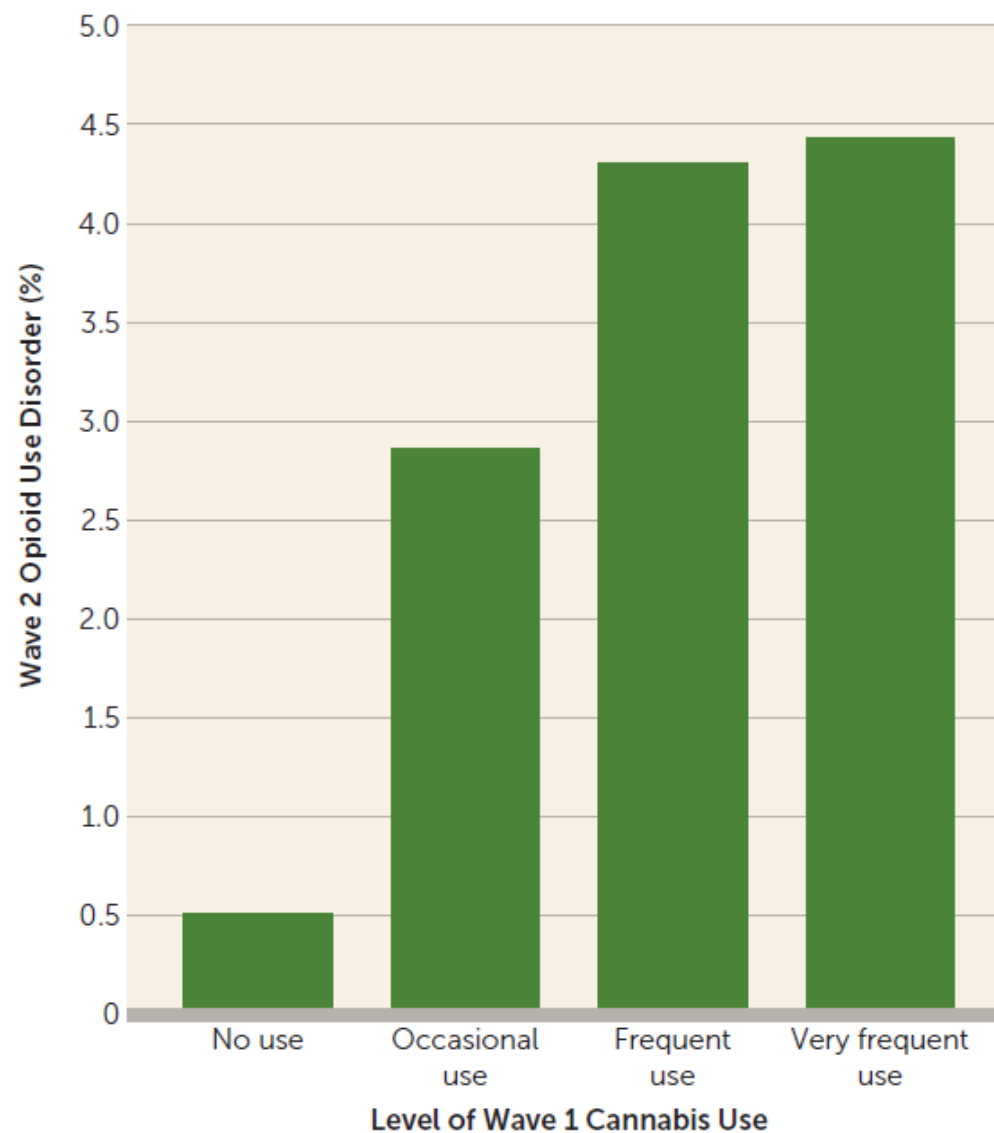


Chelsea L. Shover, Corey S. Davis, Sanford C. Gordon, and Keith Humphreys

PNAS June 25, 2019 116 (26) 12624-12626; first published June 10, 2019 <https://doi.org/10.1073/pnas.1903434116>

et al.'s analysis through 2017. Not only did findings from the original analysis not hold over the longer period, but the association between state medical cannabis laws and opioid overdose mortality reversed direction from -21% to $+23\%$ and remained positive after accounting for recreational cannabis laws. We also uncovered no evidence that either broader (recreational) or more restrictive (low-tetrahydrocannabinol) cannabis laws were associated with changes in opioid overdose mortality. We find it unlikely that medical

FIGURE 1. Level of Wave 1 Cannabis Use and Incident Wave 2 Prescription Opioid Use Disorder in the NESARC^a



^a NESARC=National Epidemiological Survey on Alcohol and Related Conditions; wave 1 was conducted in 2001 and 2002, and wave 2 in 2004 and 2005.

We have an opportunity to limit the local damage

We have an opportunity to send a message to our community, and especially our youth and young adults, about whether we endorse and promote getting high as “recreation”

People over profits: let's keep our community safe, healthy, and productive.

Opt out of retail sales in Arlington Heights



Thank You



From: "Camillucci, Karl D." <kcamillucci@taftlaw.com>
Date: August 2, 2019 at 11:58:08 AM CDT
To: "planningmail@vah.com" <planningmail@vah.com>
Cc: Brendan Blume <bblume@gtigrows.com>
Subject: 955 W. Dundee Road - Zoning Approval

Charles,

Our firm represents Green Thumb Industries ("GTI"). GTI would like to operate an adult-use cannabis dispensary at 955 W. Dundee Road in Arlington Heights. As you probably know, the Illinois General Assembly recently adopted the Cannabis Regulation and Tax Act, which for the first time legalized adult-use cannabis dispensaries in Illinois. The licensing process is underway, and GTI needs to submit applications as soon as possible. The licensing process raises a zoning issue, however. One of the requirements of the State application is evidence that GTI has applied for local zoning approval for the dispensary. But most municipalities' zoning ordinances do not yet permit adult-use cannabis dispensaries. Rather, municipalities are in the process of determining how to treat adult-use dispensaries for zoning purposes. For this reason, it is difficult to satisfy the zoning application requirement of the State's license application.

To satisfy the licensing requirement while allowing municipalities the time they need to amend their zoning ordinances, we have prepared two letters: (1) a letter applying for "zoning approval" from the Village; and (2) a suggested form response letter from the Village for you to consider. Essentially, the response letter confirms receipt of GTI's application and states that the application will remain pending until the Village's adult-use cannabis regulations are complete. We believe a response letter from the Village in substantially the form of the attached letter will show, for the purpose of the State license application, that GTI has applied for zoning approval from the Village, as required. Importantly, the letter does not commit the Village to any particular outcome with respect to zoning review or the proposed dispensary.

Please review the letters and let me know any questions or comments. If the attached response letter is acceptable to you, please print it on the Village's letterhead, sign it, and send it back to me at your earliest convenience.

Thank you for your assistance. We appreciate your cooperation and look forward to working with the Village of Arlington Heights!

Sincerely,
Karl Camillucci

Taft /

Karl D. Camillucci / Attorney
Taft Stettinius & Hollister LLP
111 E. Wacker Drive, Suite 2800
Chicago, Illinois 60601-3713
Tel: 312.527.4000 • Fax: 312.966.8583
Direct: 312.836.4085
www.taftlaw.com / kcamillucci@taftlaw.com



From: Jon Ridler <jridler@arlingtonhcc.com>
Sent: Thursday, August 8, 2019 11:04 AM
To: Recklaus, Randall <rrecklaus@vah.com>
Cc: David Jaffe (davidjaffe@atproperties.com) <davidjaffe@atproperties.com>
Subject: AHCC - Legalization of Marijuana stats

[NOTICE: This message originated outside of Village of Arlington Heights email system -- **DO NOT CLICK** on **links** or open **attachments** unless you are sure the content is safe.]

Hi Randy – The AHCC Board has not taken an official position on this yet, however the chamber has always supported the expansion of any business in town as needed. As this issue moves forward in discussions, I will be addressing it with the AHCC board and asking for direction to advocate or not on behalf of Verilife who is a member. Below is some research I have done to get to the AHCC board on this issue and I thought you might find it helpful as well.

“Public opinion on cannabis legalization is clear. According to a [Gallup poll from last fall](#), nearly two-thirds of voters now back legalization” **Forbes**

“The Global Strategy Group poll, commissioned by Think Big Illinois, asked 802 Illinois registered voters between April 29 and May 1 whether they supported or opposed “legalizing recreational marijuana, taxing it, and regulating it just like alcohol.” Statewide, the poll found 60% supported that, while 35% opposed it. Support was higher in the Chicago area than downstate, but overall the results varied little when broken down by area. In Chicago, 60% were in support, while 33% were opposed. In the suburbs of Cook County, 68% supported it, while 26% were in opposition. In the collar counties 60% supported it and 37% were in opposition. And in downstate Illinois, 54% said they support it, while 40% were opposed to legalizing recreational marijuana.” **Chicago Sun Times**

“With all precincts reporting, "yes" votes were leading the non-binding referendum tally with 63 percent of the vote, compared to 37 percent "no" votes, according to unofficial election results from the Cook County clerk's office.” **Pioneer Press**



Jon Ridler
Executive Director
Arlington Heights Chamber of Commerce
3400 W. Stonegate Blvd. Suite 2133
Arlington Heights, IL 60005
jridler@arlingtonhcc.com
Phone: 847-253-1703
Fax: 847-253-9133
www.arlingtonhcc.com

Stay Connected



ADULT USE CANNABIS SUMMARY

The following summarizes the major elements HB 1438 – The Cannabis Regulation and Tax Act.

PERSONAL USE OF CANNABIS

Starting January 1, 2020, adults over 21 will be able to legally purchase cannabis for recreational use from licensed dispensaries across the state.

- Possession limit for Illinois residents:
 - 30 grams of cannabis flower;
 - 5 grams of cannabis concentrate; and
 - No more than 500 milligrams of THC contained in a cannabis-infused product; and
 - Registered patients in the medical cannabis pilot program may possess more than 30 grams of cannabis if it is grown and secured in their residence under certain conditions.
- Possession limit for non-Illinois residents:
 - 15 grams of cannabis flower;
 - 2.5 grams of cannabis; and
 - No more than 250 milligrams of THC contained in a cannabis-infused product.
- The possession limits are to be considered cumulative.

COMPASSIONATE USE OF MEDICAL CANNABIS PILOT PROGRAM

- The legalization of adult use cannabis does not alter the state’s medical cannabis pilot program.
- Cultivators and dispensaries will be required to reserve sufficient supply to ensure patient access to product is not interrupted.

PROMOTING EQUITY

- Creation of a \$30 million low-interest loan program
 - DCEO will administer a low-interest loan program to qualified “social equity applicants” to help defray the start-up costs associated with entering the licensed cannabis industry.
- Establishment of a “social equity applicant” status for licensing
 - A social equity applicant is an Illinois resident that meets one of the following criteria:
 - Applicant with at least 51 percent ownership and control by one or more individuals who have resided for at least 5 of the preceding 10 years in a disproportionately impacted area.

- Applicant with at least 51 percent ownership and control by one or more individuals who have been arrested for, convicted of, or adjudged to be a ward of the juvenile court for any offense that is eligible for expungement under this Act or member of an impacted family;
 - For applicants with a minimum of 10 full-time employees, an applicant with at least 51% of current employees who:
 - Currently reside in a disproportionately impacted area; or
 - Have been arrested for, convicted of, or adjudged to be a ward of the juvenile court for any offense that is eligible for expungement under this Act or member of an impacted family.
- Application for new entrants to the market
 - The Act contains the scoring criteria that the Illinois Department of Financial and Professional Regulation will utilize to score applications for new dispensing organizations.
 - 50 out of 250 points, or 20 percent of the total points available, are designated for applicants that qualify as “social equity applicants.”
 - The remainder of the points are designated for the following:
 - 65 points – security and record keeping
 - 65 points – business plan, financials, operating and floor plan
 - 30 points – knowledge and experience
 - 15 points – suitability of employee training plan
 - 5 points – labor and employment practices
 - 5 points – environmental plan
 - 5 points – Illinois owner (51 percent or more of ownership)
 - 5 points – status as a veteran (51 percent or more of ownership)
 - 5 points – diversity plan
 - IDFPD may award up to 2 bonus points for a plan to engage with the community the applicant will be located in.
 - The Department of Agriculture will develop a similar application scoring system through the rulemaking process for cultivation centers, infusers, craft growers and transporting organizations.
 - The application for each license type will designate 20 percent of the total points for applicants that qualify as “social equity applicants.”
- Fee waivers
 - The Department of Financial and Professional Regulation and the Department of Agriculture will waive 50 percent of any non-refundable license application fees and any non-refundable fees associated with purchasing a license to operate a cannabis business establishment if social equity applicants meet certain conditions.

- Reducing up-front costs
 - Applicants who receive a conditional dispensing organization license will have 180 days from the date of the award to identify a physical location for the dispensing organization retail storefront when new entrants are allowed in the market. This will reduce the costs associated with entering the industry.
- Limitations on ownership
 - No person or entity shall hold any legal, equitable, or beneficial interest, directly or indirectly, of more than 3 cultivation centers.
 - No person or entity shall hold any legal, equitable, or beneficial interest, directly or indirectly, of more than 10 dispensing organizations.
 - No craft grower license shall be issued to a person who is licensed by any licensing authority as a cultivation center.
 - No person or entity shall hold any legal, equitable, ownership, or beneficial interest, directly or indirectly, of more than three craft grower licenses under this article.
- Identification of “disproportionately impacted areas”
 - DCEO will designate “disproportionately impacted areas” for social equity applicants
 - “Disproportionately impacted area” is defined as a geographic area that is economically disadvantaged and has been impacted by high rates of arrest, conviction, and incarceration for violations of the Cannabis Control Act.

ACHIEVING EQUITY THROUGH OWNERSHIP AND LICENSURE

The following process is designed to ensure the most equitable marketplace in the country.

- Early approval adult use license for current medical cannabis license holders
 - Timeline for licensing
 - Cultivation organizations:
 - Medical cannabis cultivators may apply for a license within 60 days of the effective date of the Act.
 - Licenses will be distributed to eligible applicants within 14 days if certain conditions are met.
 - Dispensing organizations:
 - Medical cannabis dispensaries may apply for a license within 60 days of the effective date of the Act.
 - Licenses will be distributed to eligible applicants within 14 days if certain conditions are met.
 - These entities may apply for a second license at a new location under the same parameters.

- Licensing costs for early approval adult use licenses
 - Cultivation organizations:
 - Non-refundable application fee: \$100,000
 - Cannabis business development fund fee: 5% of total sales between June 1, 2018 to June 1, 2019 or \$750,000, whichever is less, but not less than \$250,000.
 - Dispensing organizations:
 - License 1
 - Non-refundable application fee: \$30,000
 - Cannabis business development fund fee: 3% of total sales between June 1, 2018 to June 1, 2019 or \$100,000, whichever is less.
 - License 2
 - Non-refundable application fee: \$30,000
 - Cannabis business development fund fee: \$200,000
- New entrants to the adult use cannabis market
 - License types
 - Cultivation centers
 - Craft growers
 - Infusers
 - Transporting organizations
 - Dispensing organizations
 - Timeline
 - WAVE 1
 - Department of Financial and Professional Regulation
 - May 1, 2020: The agency awards licenses for up to 75 new dispensing organizations
 - Department of Agriculture
 - July 1, 2020: The agency awards up to 40 licenses for infusers, up to 40 licenses for craft growers, and licenses for transporting organizations.
 - WAVE 2
 - Department of Financial and Professional Regulation
 - December 21, 2021: The agency awards up to 110 licenses for new dispensing organizations
 - Department of Agriculture

- December 21, 2021: The agency awards up to 60 additional licenses for craft growers, up to 60 licenses for infusers, and licenses for transporting organizations.
- Licensing costs for new entrants to the market
 - Craft growers
 - Non-refundable application fee \$5,000
 - License fee \$40,000
 - Infusers
 - Non-refundable application fee \$5,000
 - License fee \$5,000
 - Transporting organizations
 - Non-refundable application fee \$5,000
 - License fee \$10,000
 - Dispensing organizations
 - Non-refundable application fee \$5,000
 - License fee \$60,000

INVESTING IN COMMUNITIES THAT SUFFERED THROUGH THE WAR ON DRUGS

- The proposal would establish a new grant program, the Restore, Reinvest, and Renew (R3) program, to address the impact of economic disinvestment, violence, and the historical overuse of the criminal justice system.
- R3 program overview
 - The Illinois Criminal Justice Information Authority (ICJIA), in coordination with the Justice, Equity, and Opportunity Initiative of the Lieutenant Governor's Office, will identify designate "R3 Areas."
 - The R3 Program Board will consist of over 22 members and be chaired by the Lieutenant Governor, or her designee.
 - The R3 Program Board will solicit applications from eligible R3 Areas, review applications and approve the distribution of resources, and monitor and evaluate R3 programs.
 - Grant funds will be awarded by ICJIA, in coordination with the R3 Program Board.
 - Grants shall be used to address economic development, violence prevention services, re-entry services, youth development, and civil legal aid.
 - The ROC Board will deliver an annual report to the Governor's Office about its progress.

PROVIDING RELIEF FOR MINOR VIOLATIONS OF THE CANNABIS CONTROL ACT

- Category 1: Local law enforcement and ISP will automatically expunge arrests not leading to a conviction for possession and manufacture or possession with intent to deliver for up to 30 grams.

- Eligible records = arrests for section 4 and section 5 of the Cannabis Control Act for amounts less than 30 grams. Must not be associated with a violent crime or a penalty enhancement for selling to a person under the age of 18 if the individual was over 18.
- Local law enforcement will identify all eligible records and automatically expunge records that did not result in a conviction by the following deadlines:
 - Arrest records between January 1, 2013 and effective date must be expunged by January 1, 2021
 - Arrest records between January 1, 2000, and January 1, 2013, must be expunged by January 1, 2023
 - Arrest records prior to January 1, 2000, must be expunged prior to January 1, 2025.
- Records will be expunged if one year or more has elapsed since the date of the arrest with no criminal charges filed or charges were subsequently dismissed, vacated, or the individual was acquitted.
- Category 2: Governor will grant pardons authorizing expungement for convictions for possession and manufacture or possession with intent to deliver for up to 30 grams.
 - Eligible records = convictions for Section 4 and Section 5 of the Cannabis Control Act for amounts less than 30 grams. Must not be associated with a violent crime or a penalty enhancement for selling to a person under the age of 18 if the individual was over 18.
 - ISP will identify all eligible convictions based on criminal history records and provide data to Prisoner Review Board (PRB) within 180 days of effective date.
 - PRB will review records for eligibility to ensure that they are the proper convictions and that conviction is not associated with excluded violent crime. PRB will provide notice to State's Attorney of any felony conviction eligible for clemency and provide State's Attorney 60 days to file a written objection on the basis that record is ineligible.
 - Governor will issue pardons authorizing expungement.
 - Attorney General, on behalf of Prisoner Review Board, will file a petition with circuit court to expunge records of convictions that were granted clemency. Courts have 90 days to enter an order that directs ISP, local arresting authority, and court to expunge relevant records.
- Category 3: Individuals and State's Attorneys may file motions with courts to vacate convictions for possession up to 500 grams.
 - Eligible records = convictions for possession and manufacture/delivery/possession with intent to deliver under Section 4 and Section 5 of the Cannabis Control Act, including possession up to 500 grams. No limitations on associated with violent crime.
 - Individual or State's Attorneys may file motions with the circuit court where the conviction was entered asking the court to vacate the conviction and expunge court, law enforcement and ISP records.

- State's Attorneys may file an objection.
 - Court will consider reasons to retain the records (if provided by law enforcement), the petitioner's current age and age at the time of conviction, time elapsed since conviction, and any adverse consequences to individual if denied.
 - Motions must be filed after completion of any sentence or condition imposed by the conviction.
 - State's Attorneys and civil legal aid organizations (on behalf of clients) may file motions to vacate that includes more than one individual at a time.
- Exclusions: Violent Crimes
 - If the cannabis offense was connected to a violent crime it is ineligible for the automatic expungement processes, but the individual (or State's Attorney) can still file motion with the court to vacate conviction. This list of violent crimes comes from the Rights of Crime Victims and Witnesses Act.
 - any felony in which force or threat of force was used against the victim;
 - any offense involving sexual exploitation, sexual conduct, or sexual penetration;
 - crimes related to child pornography, posting of pornographic material of a person under 17 years of age or non-consensual dissemination of private sexual images;
 - domestic battery or stalking;
 - violation of an order of protection, a civil no contact order, or a stalking no contact order;
 - any misdemeanor which results in death or great bodily harm to the victim; or
 - involuntary manslaughter and reckless homicide.

Below is a table of the current law and the category of expungement that each falls under; please note that the possession amounts were different pre-2016.

Section 4 (Possession)			
Unlawful for any person knowingly to possess cannabis in the following amounts			
(a) <10g	Civil law violation	Fees; May be given probation and charges dismissed §10(a)	Governor's Clemency Authority/Automatic Law Enforcement Expungement
(b) 10-30g	Class B Misdemeanor	<6 months; May be given probation and charges dismissed §10(a)	Governor's Clemency Authority/Automatic Law Enforcement Expungement

(c) 30-100g	Class A Misdemeanor	<1 year; May be given probation and charges dismissed §10(a)	Individual/State's Attorney Motions to Vacate
(d) 100- 500g	Class 4 Felony	1-3 years	Individual/State's Attorney Motions to Vacate
Section 5 (Manufacture, deliver or intent to deliver) Unlawful for any person knowingly to manufacture, deliver, or possess with intent to deliver or manufacture cannabis in the following amounts			
(a) <2.5g	Class B Misdemeanor	<6 months; May be given probation and charges dismissed §10(a)	Governor's Clemency Authority/Automatic Law Enforcement Expungement
(b) 2.5-10g	Class A Misdemeanor	<1 year; May be given probation and charges dismissed §10(a)	Governor's Clemency Authority/Automatic Law Enforcement Expungement
(c) 10-30g	Class 4 Felony	1-3 years; May be given probation and charges dismissed §10(a)	Governor's Clemency Authority/Automatic Law Enforcement Expungement

EMPLOYMENT

- Nothing in the Act prohibits employers from adopting reasonable zero tolerance or drug free workplace policies, or employment policies concerning drug testing, smoking, consumption, storage, or use of cannabis in the workplace or while on call provided that the policy is applied in a nondiscriminatory manner.
- Nothing in the Act limits or prevents an employer from disciplining an employee or terminating employment of an employee for violating an employer's employment policies or workplace drug policy.

ILLINOIS COMMUNITY COLLEGE CANNABIS VOCATIONAL PILOT PROGRAM

- The Department of Agriculture, in coordination with the Illinois Community College Board, will oversee the program.
- Up to 8 community colleges will be awarded a program license by September 1, 2020.
- Community colleges awarded the program license may initiate programs starting in the 2021-2022 academic year.
- Students must be at least 18 years old to enroll in this course of study.
- Students who complete the coursework will receive a 'career in cannabis certificate.'

TAXATION

- All tax revenue is deposited in the new Cannabis Regulation Fund

- Cultivation privilege tax
 - 7% of the gross receipts from the sale of cannabis by a cultivator or a craft grower to a dispensing organization
- Cannabis purchaser excise tax:
 - 10% of the purchase price – Cannabis with a THC level at or below 35%
 - 20% of the purchase price – All cannabis infused products
 - 25% of the purchase price – Cannabis with a THC level above 35%
 - This tax is not imposed on cannabis that is subject to tax under the Compassionate Use of Medical Cannabis Pilot Program Act
 - This tax shall be in addition to all other occupation, privilege, or excise taxes imposed by the State of Illinois or by any municipal corporation or political subdivision thereof.
- Municipal Cannabis Retailers' Occupation Tax
 - On and after January 1, 2020, the corporate authorities of a municipality may, by ordinance, impose a tax on all persons engaged in the business of selling cannabis at retail locations in the municipality on the gross receipts from these sales.
 - If imposed, the tax shall be imposed in 0.25% increments
 - The tax may not exceed 3% of the gross receipts from these sales
- Cannabis County Retailers' Occupation Tax
 - On and after January 1, 2020, the corporate authorities of a county may, by ordinance, impose a tax on all persons engaged in the business of selling cannabis at retail locations in the county on the gross receipts from these sales.
 - If imposed, the tax shall be imposed in 0.25% increments
 - The tax rate may not exceed:
 - 3.75% of the gross receipts of sales made in unincorporated areas of the county
 - 0.75% of the gross receipts of sales made in a municipality located in a non-home rule county
 - 3% of the gross sales receipts made in a municipality located in a home rule county.

ALLOCATION OF STATE REVENUE

- Tax revenue will be deposited in the new Cannabis Regulation Fund
- State agencies responsible for administering the adult use cannabis program will receive resources to cover administrative costs from the taxes collected by the program.
- All remaining revenue will be allocated as follows:
 - 35% will be transferred to the General Revenue Fund,
 - 25% will be transferred to the Criminal Justice Information Projects Fund to support the R3 program,
 - 20% will be transferred to the Department of Human Services Community Services Fund to address substance abuse and prevention and mental health concerns,

- 10% will be transferred to the Budget Stabilization Fund to pay the backlog of unpaid bills,
- 8% will be transferred to the Local Government Distributive Fund to support crime prevention programs, training, and interdiction efforts, including detection, enforcement, and prevention efforts, relating to the illegal cannabis market and driving under the influence of cannabis, and
- 2% will be transferred to the Drug Treatment Fund to fund public education campaign and to support data collection and analysis of the public health impacts of legalizing the recreational use of cannabis.

GOVERNANCE

- Governor's Office
 - The Governor will appoint a Cannabis Regulation Oversight Officer who will be stationed in IDFPR. This person, and his or her team, will have the authority to make statutory and regulatory recommendations concerning the adult use program. This person will also coordinate efforts between state agencies involved in regulating and taxing the sale of cannabis in Illinois.
- Department of Revenue
 - Responsible for enforcing and collecting taxes associated with the sale of cannabis.
- Department of Agriculture
 - Responsible for licensure and oversight of cultivation centers, craft growers, infusers, and transporting organizations.
 - Responsible for authorizing laboratories that test cannabis
 - Responsible for establishing, in coordination with the Illinois Community College Board, the Community College Cannabis Vocational Training Pilot Program
- Department of Financial and Professional Regulation
 - Responsible for licensure and oversight of dispensing organizations.
- Illinois State Police
 - Responsible for conducting background checks on everyone involved in the licensed cannabis sector.
 - Responsible for reviewing security plans for all licensed entities.
 - Responsible for reviewing all criminal history record information and identifying all individuals with minor violations of the Cannabis Control Act that are eligible for expungement.
- Department of Public Health
 - Responsible for developing recommendations surrounding health warnings and facilitating the Adult Use Cannabis Public Health Advisory Committee.
- Department of Commerce and Economic Opportunity
 - Responsible for administering a low-interest loan program, a grant program, and technical assistance for social equity applicants.
 - Responsible for identifying 'disproportionately impacted areas'
- Department of Human Services

- Responsible for administering programs that address substance abuse and prevention and mental health
- Responsible for making recommendations to the Adult Use Cannabis Public Health Advisory Committee regarding drug treatment and prevention.
- Responsible administering a public education campaign and collecting data and conducting analysis of the public health impacts of legalizing the recreational use of cannabis.
- Illinois Criminal Justice Information Authority
 - Responsible for designating R3 areas across the state that may apply for funding from the R3 Program Board for community reinvestment.
- Illinois Community College Board
 - Responsible for establishing, in coordination with the Department of Agriculture, the Community College Cannabis Vocational Training Pilot Program

PUBLIC HEALTH AND SAFETY

- Twenty percent of the revenue generated by the sale of adult use cannabis will support efforts to address substance abuse and prevention and mental health.
- DUI Cannabis Task Force
 - The Task Force will be chaired by the director of the State Police, or his or her designee.
 - The Task Force will examine best practices in the area of driving under the influence of cannabis enforcement, including examining emerging technology in roadside testing.
 - The Task Force will present its report and recommendations on improvements to enforcement of driving under the influence of cannabis to the Governor and the General Assembly by July 1, 2020.
- Advertising
 - No cannabis business establishment nor any other person or entity shall engage in advertising that contains any statement or illustration that:
 - Is false or misleading;
 - Promotes overconsumption or cannabis or cannabis products;
 - Depicts the actual consumption of cannabis or cannabis products;
 - Depicts a person under 21 years of age consuming cannabis;
 - Makes any health, medicinal, or therapeutic claims about cannabis or cannabis products;
 - Includes the image of a cannabis leaf or bud; or
 - Includes any image designed or likely to appeal to minors, including cartoons, toys, animals, or children, or any other likeness to images, characters, or phrases that is designed in any manner to be appealing to or encourage consumption of persons under 21 years of age.

- No cannabis business establishment nor any other person or entity shall place or maintain, or cause to be placed or maintained, an advertisement of cannabis or a cannabis infused product in any form through any medium:
 - Within 1,000 feet of the perimeter of a school grounds, a playground, a recreation center or facility, a child care center, a public park or public library, or a game arcade to which admission is not restricted to persons 21 years of age or older;
 - On or in a public transit vehicle or public transit shelter;
 - On or in a publicly owned or public operated property; or
 - That contains information that:
 - Is false or misleading;
 - Promotes excessive consumption;
 - Depicts a person under 21 years of age consuming cannabis;
 - Includes the image of a cannabis leaf; or
 - Includes any image designed or likely to appeal to minors, including cartoons, toys, animals, or children, or any other likeness to images, characters, or phrases that are popularly used to advertise to children, or any imitation of candy packaging or labeling, or that promotes the consumption of cannabis.
 - These restrictions do not apply to an educational message
 - No cannabis business establishment nor any other person or entity may encourage the sale of cannabis or cannabis products by giving away cannabis or cannabis products, by conducting games or competitions related to the consumption of cannabis or cannabis products, or by providing promotional materials or activities of a manner or type that would be appealing to children.
- Packaging requirements
 - The following warnings shall apply to all cannabis products: “This product contains cannabis and is intended for use by adults 21 and over. Its use can impair cognition and may be habit forming. This product should not be used by pregnant or breastfeeding women. It is unlawful to sell or provide this item to any individual, and it may not be transported outside the state of Illinois. It is illegal to operate a motor vehicle while under the influence of cannabis. Possession or use of this product may carry significant legal penalties in some jurisdictions and under federal law.”
 - All harvested cannabis intended for distribution to a cannabis enterprise must be packaged in a sealed, labeled container.
 - Packaging of any product containing cannabis shall be child-resistant and light-resistant consistent with current standards, including the Consumer Product Safety Commission standards referenced by the Poison Prevention Act.

- The label of each cannabis product shall contain, among other things, a “use by” date on the label, the quantity of cannabis contained in the product, and a content list.
- All cannabis products must contain warning statements established for consumers, of a size to be legible and readily visible to a consumer inspecting a package, which may not be covered or obscured in any way.
- Packaging must not contain information that:
 - Is false or misleading;
 - Promotes excessive consumption;
 - Depicts a person under 21 years of age consuming cannabis;
 - Includes the image of a cannabis leaf;
 - Includes any image designed or likely to appeal to minors, including cartoons, toys, animals, or children, or any other likeness to images, characters, or phrases that are popularly used to advertise to children, or any packaging or labeling that bears resemblance to any product available for consumption as a commercially available candy, or that promotes consumption of cannabis;
 - Contains any seal, flag, crest, coat of arms, or other insignia likely to mislead the consumer to believe that the product has been endorsed, made or used by the State of Illinois.

LOCAL ORDINANCES

- A unit of government, including a home rule unit or any non-home rule county within the unincorporated territory of the county, may enact ordinances to prohibit or significantly limit a cannabis business establishment's location.
- Voters in any precinct within a municipality that has a population greater than 500,000 residents may petition their alderman seeking an ordinance to establish the precinct as a ‘restricted cannabis zone.’ The ordinance may prohibit home cultivation, cannabis business establishments, or both.
- Municipalities may enact reasonable zoning restrictions pertaining to licensed cultivation centers, craft growers, processing organizations, and dispensaries.
- A unit of local government, including a home rule unit, or any non-home rule county the unincorporated territory of the county may regulate the on-premises consumption of cannabis at or in a cannabis business establishment within its jurisdiction in a manner consistent with this Act. A cannabis business establishment or other entity authorized or permitted by a unit of local government to allow on-site consumption shall not be deemed a public place within the meaning of the Smoke Free Illinois Act.

HOME GROW

- Illinois residents who are 21 years or older and registered participants in the Compassionate Use of Medical Cannabis Pilot Program may cultivate cannabis plants.
 - The grower must live in a household that owns the residence or has permission from the owner.

- The grower is limited to growing no more than 5 plants that are five inches or taller.
- The grower shall take reasonable precautions to ensure that plants are secure from unauthorized access.
- If the grower violates the terms of the Act, that person is liable for penalties as provided by law as well as the loss of home cultivation privileges as established by rule.

PROJECTED REVENUE

- The Department of Revenue projects that this industry will generate over \$57 million in tax revenue and licensing fees in FY20.
 - This figure represents the combined revenue projections that Governor's Office received from the Department of Revenue concerning the taxation of cannabis as well as the application and licensing fees estimated by the Department of Agriculture and the Department of Financial and Professional Regulation.
 - Breakdown
 - DOR tax revenue: \$34 million (midpoint of the range projected by DOR: 10-58 million)
 - DOA estimate: \$12.7 million
 - IDFPR estimate: \$10.78 million
- The Department of Revenue estimates that the state will generate \$140.5 million in tax revenue in FY21.
 - This excludes agencies' application and licensing fees as the program continues to expand.
- The Department of Revenue projects significant revenue growth as the cannabis market matures in Illinois. The state could generate \$253.5 million in FY22, \$323.5 million in FY23, and \$375.5 million in FY24.

Web Links provided by Nathaniel Groh (office of State Rep. Mark Walker)

<http://senatorsteans.com/adult-use-cannabis/417-municipal-toolkit>

<http://senatorsteans.com/adult-use-cannabis/416-adult-use-cannabis-resources>

**MINUTES
COMMITTEE-OF-THE-WHOLE
PRESIDENT AND BOARD OF TRUSTEES
VILLAGE OF ARLINGTON HEIGHTS
BOARD ROOM
TUESDAY, AUGUST 13, 2019 7:30 P.M.**

BOARD MEMBERS PRESENT: President Hayes; Trustees: Baldino, Canty, LaBedz, Padovani, Rosenberg, Schwingbeck, Scaletta and Tinaglia

BOARD MEMBERS ABSENT: None

STAFF MEMBERS PRESENT: Randy Recklaus, Village Manager; Robin Ward, In-House Council and Kim Peterson, Recording Secretary

SUBJECTS:

- A. Discussion of Renewable Energy Municipal Aggregation
- B. Discussion of Adult-Use Cannabis

Other Business

Adjournment

President Hayes called the meeting to order at 7:30 PM. The Pledge of Allegiance was recited.

A. Discussion of Renewable Energy Municipal Aggregation

Mr. Recklaus explained how back in 2012, the Village implemented a municipal aggregation program that allowed residents to benefit from savings derived from bulk purchased electricity at a lower cost than what ComEd could offer. The program allowed residents to save a fair amount of money over several years. The electric market has evolved and since then ComEd's rates are more competitive and the financial benefits of municipal aggregation have diminished. The Village no longer participates in municipal aggregation, yet Staff still monitors the rates to determine if another aggregation opportunity should be pursued.

Earlier this year, the Village's Aggregation Consultant, NIMEC, made Staff aware of a new program called Renewable Energy Municipal Aggregation. This program would allow rates to remain the same, but the residents would be purchasing Renewable Energy Credits (RECs) for green or renewable power. There would also be financial benefits to the community as well with this program. The Arlington Heights Environmental Commission discussed this issue during their meetings on May 5th and June 6th and recommended that the Village pursue it.

Ms. Sharon Durling, representative from the Northern Illinois Municipal Electric Collaborative (NIMEC), discussed how the initial electric aggregation program was established, following the passage of a referendum in 2012. The program lasted five years and saved the average resident \$239, with a cumulative savings Village-wide of \$6.3 million, with no change in electric service. During this program, there was also a 100% renewable energy program, which required the purchase of renewable energy credits. This program significantly reduced the amount of carbon emissions. In 2017, the Village went out to bid again and could not find any savings; therefore, the program was suspended.

Ms. Durling explained how there is a new program available and the Village could re-start the 100% renewable energy aggregation program. Residents would still pay the same rate they are paying today with ComEd, if the Village were to establish an electric aggregation program. The estimated carbon reduction would be quite significant; therefore, the Village would earn the designation of an EPA Green Power Partner Community and receive some signage to post at Village limits, indicating this.

NIMEC started the first of these programs in 2018, and have since renewed the program for some of the participating communities. The EPA ranks every community across the United States as to the Green Power consumed as a percentage of total power consumed and there are six communities in Illinois that participate in this program and are ranked at the top of this list. Currently 16 communities have set up an aggregation program.

Ms. Durling explained the various options the Board has to choose from if they are interested in establishing an aggregation program, with MC Squared as the supplier, including a 100% renewable energy program, a 75% renewable energy program that includes a civic contribution of \$37,500, or a 50% renewable energy program that includes a civic contribution of \$75,000. This contribution is paid annually and the Environmental Commission already has some ideas about how this money can be used, including the installation of electric car public charging stations. Ms. Durling went on to explain how NIMEC recently learned of a new supplier, Eligo Energy, who would offer the same type of program, but with civic contributions of \$159,000 to \$213,000.

Trustee Rosenberg asked Ms. Durling if the positive environmental impact she discussed is a result of communities choosing 100% renewable energy, which she stated that it is. Trustee Rosenberg asked if Arlington Heights would immediately benefit from this environmental impact, which Ms. Durling said most likely not. Trustee Rosenberg also asked Ms. Durling if the cost to the resident changes based upon what option the Board chooses, which Ms. Durling said it would be the same regardless. Lastly, Trustee Rosenberg asked if the Board has the option to change the percentage of renewable energy from year to year, which Ms. Durling said they do.

Trustee Padovani asked Ms. Durling if the civic contribution would remain the same from year one to year two, which Ms. Durling replied that the offer presented by MC Squared would remain the same. Trustee Padovani also asked if the Village would

be penalized if they switched from one percentage to another, which Ms. Durling replied no.

Trustee Rosenberg asked Ms. Durling if there was any reason she could think of why the Village would not want to go with Eligo Energy, as they offer a higher civic contribution. Ms. Durling did say that NIMEC has more experience with MC Squared, however NIMEC has worked with Eligo and they do offer some good programs, as well as being licensed by the ITC. Ms. Durling believes the reason why the civic contributions are so different, is because MC Squared developed this propriety product and now there is a competitor. Mr. Recklaus is in favor of the Village vetting any renewable energy provider they are considering.

Trustee LaBedz asked what it means to have a renewable energy credit and how does it guarantee that the energy that is received comes from renewable sources, such as wind and solar. Ms. Durling explained how Renewable Energy Credits (RECs) are issued when one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable energy resource. Mr. Recklaus stated that residents would not know if their energy is coming from a renewable source or a non-renewable source, such as coal. All of the energy generated, green or not, ends up on power grid for everyone to use. Mr. Recklaus explained how communities are essentially making an investment in these technologies, when they agree to purchase the RECs.

Trustee Padovani asked what an Arlington Heights resident would need to do to participate in this program. Ms. Durling stated that every resident would receive a letter explaining the program and how he or she does not need to do anything to enroll with the supplier- it would happen automatically. Residents would however have the opportunity to opt out of the program if they chose too.

Trustee Tinaglia asked why a community would choose one option over another. Ms. Durling explained how the decision is really up to the Board and if they want to say they have 100% renewable energy and support more wind generating farms.

Trustee Tinaglia asked why a community would get less money for having more renewable energy. Ms. Durling explained that RECs are expensive, and when a community chooses to have more renewable energy, there is an extra cost that goes into purchasing these credits. The result is less money available to give back to the community. Trustee Tinaglia is in favor of going all in on this program, or at least 50%.

Trustee Scaletta asked Mr. Recklaus what option Staff is recommending, which Mr. Recklaus stated that the Environmental Commission, not having the benefit of this new proposal by Eligo Energy, recommended 75%, with the monies received from the civic contribution being used to possibly fund electric public charging stations. The cost for two charging stations, with signage and painting, is \$30,000 to install, with annual fees of \$2,000. Trustee Scaletta asked what the fee would be to those using the charging station, which Mr. Recklaus stated that has not been decided yet.

Trustee Scaletta asked Ms. Durling what would happen if the Village signed a contract today with one of the two proposed suppliers and another supplier came along tomorrow with a better offer. Ms. Durling stated that she was surprised when Eligo Energy offered their proposed program, and does not anticipate any other suppliers coming forward at this point. Mr. Recklaus stated that this is a risk we would be taking, but it would only be for the 12-month term, therefore if another supplier came along, the Village could switch at that point. Trustee Scaletta is unsure if today is the day the Village chooses a supplier, but would love to see the Village go 100% green, as this concept fits in with the goals and objectives of the Board.

Trustee Canty agrees that the Village should go 100% green and would like Staff to vet Eligo Energy, or any other supplier that might come forward, to ensure that their proposal is legitimate.

Trustee Schwingbeck asked Mr. Recklaus if there is any downside to the Village offering an electric aggregation program and Mr. Recklaus said the only issue he could anticipate is residents being confused by the process.

Trustee Baldino supports the 100% green program proposed by Eligo Energy, as long as they are properly vetted.

Trustee Rosenberg asked Ms. Durling if there is any advantage to the Village if they were to sign a multi-year contract. Ms. Durling stated that the civic contribution would remain the same from year to year if the Village entered into a multi-year contract.

President Hayes is in favor of the 100% green program, with a 12-month term.

Trustee Canty moved, seconded by Trustee Scaletta, that the Committee-of-the-Whole recommend that Staff be directed to begin the RFP process as discussed, looking at multiple vendors and potentially multiple year contracts.

Upon a voice vote, the motion passed unanimously.

B. Discussion of Adult Use Cannabis

President Hayes explained how the State of Illinois recently passed legislation legalizing adult-use cannabis. This law becomes effective January 1, 2020. President Hayes stated that despite what people's opinions are regarding adult-use cannabis, the law was passed and now all municipalities in Illinois are forced to deal with this issue. President Hayes advised that the Village must now do their due diligence in determining what is best for the residents and businesses in town; therefore, he would like the Board to spend some time discussing this issue, as well as get input from residents, businesses and interest groups. President Hayes explained how Ms. Ward would begin this discussion with a short presentation as well as provide an overview of what the Village's options are moving forward. Following Ms. Ward's presentation, the Board will have the opportunity to ask

questions for clarification and then the public will have their chance to provide input. Once the public is finished making their comments, the Board will then have the opportunity to discuss this topic.

Mr. Recklaus explained how the State has already passed this law, so regardless of what people's opinions are, and regardless of what the Board decides to do, there will be people in Arlington Heights using marijuana. The objective of this discussion is to determine if the Village should allow businesses to sell cannabis, and if so, should these businesses allow consumption on their premises, should there be zoning regulations and to what extent should they be taxed. Village Staff has no recommendation on this issue as it is a policy decision for the Village Board.

Ms. Ward explained the Village's role with regard to adult-use cannabis related to businesses, and whether or not they are permitted to sell cannabis. The State handles everything else, including licensing. The Village can require a business license and impose zoning regulations, which would limit the number of businesses and where the businesses could be located. Municipalities can also impose a local excise tax up to 3%. Home cannabis growers have to be medical cannabis program users and they can only grow up to five plants.

Ms. Ward stated the Village has the option to adopt an ordinance completely prohibiting all adult-use cannabis businesses. The Village also has the option to adopt an ordinance permitting one cannabis business in the Village and limit it to being located with a medical cannabis dispensary. In addition, the Village also has the option to adopt an ordinance permitting any number of cannabis businesses. This would require the Board to determine what sorts of restrictions – number of businesses, locations of such businesses, whether to require special uses, minimum distances between cannabis businesses, whether to permit on-premises consumption, or any other regulations the Board wants to put in place.

President Hayes asked Ms. Ward to clarify if the Village could limit the number of adult-use cannabis businesses to an exact number, which Ms. Ward said they could. President Hayes asked for clarification about the existing medical marijuana dispensary and if this law pertains to them. Ms. Ward stated that this law does not include medical marijuana dispensaries; however, the law does allow existing medical dispensaries to have the first opportunity to add adult-use dispensary licenses, as they have already been vetted and have medical marijuana licenses.

Trustee Canty asked Ms. Ward if the law legalizing adult-use cannabis included zoning regulations, such as the distance between businesses, which Ms. Ward stated that it does not include these regulations. Ms. Ward stated that the law does contain advertising restrictions; so for example, a cannabis dispensary cannot advertise within 1000 feet of a school, therefore the business cannot be located within 1000 feet of a school.

Trustee Canty asked Ms. Ward if there are any cultivation centers in the Village, which Ms. Ward stated we do not. There is only one medical dispensary in town.

Trustee LaBedz asked Ms. Ward to clarify her statement about adult-use cannabis

businesses not being able to advertise within 1000 feet of a school and if the law is written this way because if a business were to put a sign identifying their business, this would be a form of advertisement, which is not allowed. Ms. Ward reiterated that a cannabis dispensary cannot advertise within 1,000 feet of a school and explained how the law actually states what you can and cannot put in the advertisement.

Trustee Tinaglia asked Ms. Ward to explain what would happen if the Village did nothing and someone decided to smoke marijuana out in the open. Ms. Ward explained that you will not be able to use cannabis publicly.

Dr. David Brottman, pediatrician in Arlington Heights for over 30 years, discussed the potential damage that can occur to a child's brain from marijuana use and the addictive nature of the substance. Dr. Brottman does not think the Village of Arlington Heights should allow the sale of recreational marijuana just because the State of Illinois passed a law legalizing it. Dr. Brottman is in favor of the Board choosing Option 1, which is to adopt an ordinance that prohibits all adult-use cannabis businesses.

Carson Ezell, resident of Buffalo Grove and a student at Stevenson High School, who also is a member of the Catalyst, a youth drug prevention group at Stevenson High School, has spent the past two years advocating against legalizing recreational marijuana in the State of Illinois. With the recent law that was passed legalizing recreational marijuana, Mr. Ezell believes the best course of action for all of the Villages to take is Option 1, and opt out of all marijuana dispensaries. Mr. Ezell believes that even though the marijuana sales would be limited to those 21 and over, he is certain the schools will be impacted in one way or another. Mr. Ezell provided some statistics to support his theory from State's that allow adult-use cannabis and believes with the rising THC levels, marijuana is only becoming a more dangerous product, particularly for the youth. Mr. Ezell believes marijuana dispensaries can work as hard as they want to normalize marijuana use, but he does not think they should be allowed to operate in our communities.

Victor Shi, student at Stevenson High School and member of Catalyst, a youth drug prevention group at Stevenson High School, discussed the impact marijuana use has on youth, adults and his peers. Mr. Shi also discussed the addictive nature of marijuana and how it is the objective of businesses to get as many individuals addicted to increase sales. Mr. Shi urges the Board to choose Option 1, and opt out of recreational marijuana sales, as the negative implications on the youth, minorities and Illinois residents is too high.

Trustee Rosenberg asked Mr. Shi if he believes many of the cities and villages in Illinois will ban the sale of recreational marijuana, similar to how over half of the counties in the State of Colorado did. Mr. Shi does believe this will happen, however he thinks the Board should choose Option 1 so marijuana does not fall into the hands of the youth. Trustee Rosenberg suggested that even if Arlington Heights were to ban the sale of marijuana, residents might travel to a nearby town to make their purchases. Mr. Shi said this might happen, however, if Arlington Heights chooses to ban the sale of recreational marijuana, this sends a strong message to

the youth in the community.

Dr. Aaron Weiner, Licensed Clinical Psychologist and Director of Addiction Services at Linden Oaks Behavioral Health, first stated that he believes there is benefit one can get through exercising one's ability through local control. Dr. Weiner went on to say that more access means more use and less access means less use. This is where local control can come in and the Village can send a message to their residents and determine how easily they can obtain marijuana, despite the legalization by the State. Dr. Weiner provided some statistics regarding marijuana use, from states that have already legalized the sale of recreational marijuana. Dr. Weiner pointed out how the Village of Arlington Heights voted to prohibit the sale of tobacco products to those under the age of 21, which limits the access, and in turn use. The same concept applies for recreational marijuana sales. If businesses are allowed to sell recreational marijuana, access to this addictive product is much easier; therefore, the marijuana use will rise. Dr. Weiner discussed the rise in THC levels in these products and the harm this can do to one's body and mind. Dr. Weiner believes the Board has an opportunity to determine how easily the residents of Arlington Heights can obtain marijuana to use recreationally. In addition, the Board has the opportunity to send a message about whether they promote or endorse getting high as recreation. The more people that are high, the worse off the community is. Dr. Weiner is recommending the Village opt out.

Trustee Canty asked if Dr. Weiner is also suggesting that the Village ban alcohol sales. Dr. Weiner believes this all comes down to a change in policy, and if the Village decides to allow cannabis sales, and essentially invite this element in, you are sending a message about what is valued here in Arlington Heights.

Jeremy Unruh, Director of Regulatory Affairs for PharmaCann, which is the medical cannabis dispensary in Arlington Heights, stated that there are many statistics being presented at tonight's meeting, however the only fact that is indisputable is how in the more than 3,000 years that cannabis has been used, there has not been one single reported fatality from the overdose of cannabis. Mr. Unruh stated that he would like to invite the Board to allow adult-use cannabis sales in Arlington Heights. In addition, he would like to invite all of the Board members to visit PharmaCann, if they had not already done so, to see what their process is, what their security and consumer protections are like, before they make their decision tonight. Mr. Unruh informed the Board that there has not been one single first responder call since the dispensary opened and it is not their intention to allow onsite consumption. Mr. Unruh explained how based upon their dispensary in Wareham, Massachusetts, who just began selling adult-use cannabis in December of 2018, and generated over \$300,000 in tax revenue for the city with a 3% sales tax, he anticipates being able to give Arlington Heights approximately \$600,000 in tax revenue.

President Hayes asked Mr. Unruh what the maximum amount of THC per dose, which Mr. Unruh stated it is 10 milligrams per dose. President Hayes then asked what the maximum percentage of THC per dose is. Mr. Unruh explained that the limit per dose is 10 milligrams of active ingredient. President Hayes asked how this limit compares to what would be sold in a recreational facility, which Mr. Unruh stated the products would be the same as what they are selling now. The difference

will be is that now, a patient will walk in with their medical card, and an adult-use consumer will show their Driver's License or State ID to prove they are 21.

President Hayes asked Ms. Ward if there is anything in the State legislation that limits the amount of THC in recreational marijuana. Ms. Ward could not immediately find any verbiage in the law that limits the amount of THC; however, she did state that any restrictions that are in place for the sale of medical marijuana would be in place for adult-use sales as well. President Hayes would like to ensure the level of potency would be limited if the Board was to go ahead and allow adult-use cannabis sales in town.

Trustee Rosenberg asked if there would be a limit to how much recreational marijuana someone could buy. Mr. Unruh explained that there is a possession limit. Trustee Rosenberg asked how often someone could purchase recreational marijuana. Mr. Unruh explained how PharmaCann would not be over-dispensing to consumers, as their license costs too much and the potential to be shutdown exists. Trustee Rosenberg asked Mr. Unruh if they would be tracking their customer sales, which Mr. Unruh stated they would not. Mr. Unruh explained how they would have procedures in place to ask someone not to return to their dispensary if they believe someone is abusing the possession restriction.

Trustee LaBedz asked Mr. Unruh if they would be carding everyone entering their facility. Mr. Unruh advised they would actually be carding consumers twice, to confirm they are 21.

Trustee Padovani asked Mr. Unruh what amount of foot traffic does PharmaCann anticipate. Trustee Scaletta is concerned with the amount of questions and time spent discussing what PharmaCann would do if allowed to sell adult-use cannabis, as they are not going to be automatically chosen as a distributor if the Board chooses to allow adult-use sales. President Hayes explained how PharmaCann is currently the only medical marijuana dispensary in town, thereby, giving them the first opportunity to sell recreational marijuana under the new law.

Frank Adams, District 214 student and member of the Linked Together Coalition, discussed the various social media applications that companies use to promote the use of cannabis and normalize its' use. Mr. Adams presented some unique forms of marketing cannabis companies use to capture the attention of youth without outwardly advertising the fact that they sell marijuana. Mr. Adams does not believe Arlington Heights wants to support an industry that markets to local teens.

Jorie Ouimet, representative of the Linked Together Coalition and resident of Buffalo Grove, encouraged everyone to visit PharmaCann's website to see how much THC is in some of the products they sell. Ms. Ouimet referenced the Physician Statement from Linked Together regarding Recreational Use of Marijuana in Teens that she distributed to the Board and highlighted some of the key points. Ms. Ouimet encourages the Board to research some of the other communities that have legalized recreational marijuana and reach out to some of those community members, police officers or school officials to see what kind of impact they have seen from having a recreational marijuana dispensary in their town.

Kevin Corcoran, Arlington Heights resident and medical marijuana user, spoke about the benefits of medical marijuana and how it has improved the quality of his life. Mr. Corcoran obtains his medical marijuana from PharmaCann and thinks very highly of the establishment and their staff. Mr. Corcoran believes the benefits are far greater than any negative issues and PharmaCann should be allowed to continue to operate. President Hayes clarified that PharmaCann's viability as a medical marijuana dispensary is not an issue. The question the Board is discussing is whether the Village should allow businesses to sell adult-use cannabis.

Dan Militello, Director of Retail Operations, PharmaCann, explained how PharmaCann is not interested in on-site use, they would just like to expand their business and offer adult-use cannabis. Mr. Militello advised that PharmaCann currently operates with approximately 10 – 12 employees and if they are allowed to sell adult-use cannabis, they will need to employ 40 – 50 individuals, preferably from the community.

Mike Alexander, employee of PharmaCann and former police officer, reiterated the fact that there has not been one call for service at PharmaCann and how their average patient is a middle class female, 45 – 62 years of age. Mr. Alexander explained how cannabis is an exit drug, as it helps those who have addictions get themselves off sometimes fatal drugs.

Christine Bernard, medical cannabis patient and PharmaCann customer, does believe individuals will travel to other towns to purchase marijuana, if Arlington Heights decides to not allow businesses to sell recreational marijuana. Ms. Bernard also believes it is important that jobs will be created if businesses are allowed to sell recreational marijuana.

Mike Richards, Outreach and Development Manager, PharmaCann, explained how the most rewarding work he has done in his life has been at PharmaCann and the most important aspect is community involvement. Mr. Richards advised that education is paramount to PharmaCann; therefore, they make it a point to go out into the community to educate physicians and hold workshops, and most importantly teach the youth that cannabis is for those 21 and over.

Lisa Slankard, pharmacist and resident of Arlington Heights, supported the cannabis bill when it was first written and still supports it, as she believes a lot of work went into trying to avoid the issues that occurred in the states that have already legalized recreational marijuana. Ms. Slankard is in favor of Option 3, as the purpose of the law is to make marijuana safer for people who do use it. Ms. Slankard likes the idea of having multiple businesses selling cannabis, as it promotes competition.

Joel Stein, medical marijuana patient and PharmaCann customer, spoke about the pain relief he experiences when using marijuana and how he is in favor of businesses in Arlington Heights selling recreational marijuana. Mr. Stein addressed the problems some individuals experience when trying to obtain their medical marijuana card from the State of Illinois and believes these issues can be alleviated

if consumers can just purchase their marijuana at local retailers.

Dina Rollman, Senior Vice President for Government and Regulatory Affairs, Green Thumb Industries, which is a Chicago-based operator of medical cannabis and adult-use dispensaries throughout the country. Ms. Rollman advised that Green Thumb Industries is very interested in operating an adult-use dispensary in Arlington Heights. Ms. Rollman explained how Green Thumb Industries already operates dispensaries in Massachusetts and Nevada. Ms. Rollman discussed the probability of neighboring towns opting to allow recreational marijuana dispensaries, which may or may not be regulated. Ms. Rollman believes it would make sense for Arlington Heights to allow dispensaries, as they can regulate them, and in addition, generate revenue for the community. Ms. Rollman welcomed the Board to address any of their concerns with her and encouraged them to choose Option 3. Trustee Rosenberg asked Ms. Rollman if her company is allowed to sell adult-use cannabis here in Arlington Heights, would they also sell to those who hold medical marijuana cards, which Ms. Rollman said they would, but it would be at the regular rate, as opposed to the reduced rate medical marijuana card holders receive. In addition, Trustee Rosenberg asked if Ms. Rollman if her dispensaries have a medically trained employee to assist patients who use marijuana for medical purposes. Ms. Rollman stated most of her dispensaries have a licensed pharmacist on-site and many of the employees undergo weeks of in-house training.

Nancy Duel, resident of Arlington Heights, read excerpts from several news articles and brochures that discussed the negative effects of marijuana, mainly when it comes to children, and informed the Board there is currently no roadside sobriety test for marijuana. Ms. Duel explained how she was confused by the options available to the Board, as she associates medical marijuana users with adult-use cannabis. Mr. Recklaus explained how "adult-use cannabis" is the terminology that is used to refer to those that are non-medical or recreational users of cannabis. In response to Mr. Recklaus' explanation, Ms. Duel is in favor of Option 1.

President Hayes once again reiterated the fact that the issue being discussed tonight has nothing to do with medical marijuana and the dispensary located in Arlington Heights. President Hayes believes PharmaCann has done a great job helping people in the community and understands the difficulties some face when trying to obtain their medical marijuana card from the State, however he does not feel it is the Village's responsibility to correct the situation. President Hayes believes his primary job is to provide for the health, safety and welfare of the residents and all of those who live and work in the Village. President Hayes also strives to preserve and protect the image and reputation of this community. President Hayes is very proud of the reputation Arlington Heights has as being a family oriented community, therefore he strongly favors Option 1, which would prohibit the sale of recreational marijuana.

Trustee Scaletta thanked everyone who came out and spoke on this issue, as he feels it is important to hear from the residents and those that will be impacted by their decision. Trustee Scaletta is fairly confident one or more of the surrounding communities will decide to sell adult-use cannabis, therefore he believes the Board needs to find a way to permit it, with some restrictions. Trustee Scaletta does not

believe adult-use cannabis sales should be in the same environment as the medical dispensary. In addition, Trustee Scaletta is not in favor of one business having the monopoly on adult-use cannabis sales. Trustee Scaletta is unsure if he would have voted for legalizing cannabis in the State of Illinois, but the law was passed and he cannot do anything about that, but what he can do is regulate what goes on in the Village of Arlington Heights. Trustee Scaletta discussed the difficulty most residents experience in defining the borders of Arlington Heights and knowing what businesses are located in what towns. Trustee Scaletta is in favor of allowing adult-use cannabis businesses in Arlington Heights and accepting the 3% local tax to better the tax base, as long as they are required to have a special use permit and business license, and the Village imposes limits on the number of businesses, with no business being located in the central business district or near schools.

Trustee Tinaglia asked Ms. Ward which towns or counties could opt out, which Ms. Ward stated anyone could opt out. Trustee Tinaglia agrees with Trustee Scaletta that the Village's borders are hard to define and would hate to think that a neighboring community would benefit from sales from our residents.

Trustee Tinaglia referenced some of the public comments that talked about potential tax revenue for the Village and asked why there is such a huge disparity in these numbers. Mr. Jeremy Unruh, Director of Regulatory Affairs for PharmaCann, advised that the proposed tax revenue of \$30,000 was given by an individual who is not a proponent of businesses in Arlington Heights selling adult-use cannabis, whereby, the higher amount of \$600,000 was provided by Mr. Unruh himself, and based on the amount of tax revenue generated by one of PharmaCann's adult-use cannabis dispensary in Massachusetts. Trustee Tinaglia asked Mr. Recklaus what other business establishments in the Village generate \$600,000 in tax revenue, which Mr. Recklaus stated "big box" retailers, car dealerships and larger appliance stores. Mr. Recklaus went on to explain how Staff has not done any kind of analysis to validate the \$600,000 in revenue, which he expects the Board to request moving forward.

Trustee Tinaglia has spoken with numerous doctors and has been told by all of them that smoking marijuana is so much safer than taking opioids. Trustee Tinaglia feels that if the Village zones these establishments properly and regulates them, he believes it makes sense to keep the local sales tax here in town. Trustee Tinaglia is in favor of using some of these tax dollars to equip the Police with the necessary tools they need to ensure everyone's safety.

Trustee Canty is in favor of the sale of recreational use marijuana in the Village, as she does not believe the Village should try to undo what the State has done by banning the sale of marijuana, to try to present a moral stand, as the Village currently allows the sale of alcohol and cigarettes, and gambling at the racetrack. Trustee Canty does agree that the Board would need to determine how these establishments should be zoned, how many there should be and how much revenue can actually be generated. Trustee Canty believes it is the duty of the Board to look for additional tax revenue.

Trustee Padovani spent the last three weeks talking to people in the community

about this issue and received varying responses, but for the most part, Trustee Padovani could lump the responses into three different groups. The first group is adamantly opposed to the idea, as this is a family oriented community. The next group is interested in the sale of adult-use cannabis, mainly because of the tax revenue these sales can generate. The last group would like to see businesses sell adult-use cannabis here, but would also be okay if they were banned. This final group is also interested in the tax revenue if indeed it is substantial. Trustee Padovani believes the \$600,000 in potential revenue PharmaCann suggested is a number that cannot be ignored. Trustee Padovani would like Staff to verify that this number is real and check with other communities to see what their actual revenue numbers look like. Trustee Padovani is not prepared to make a decision yet, as to which option he is in favor of supporting.

Trustee LaBedz has always been opposed to the legalization of marijuana; therefore, she is really struggling with the idea of Arlington Heights allowing the sale of adult-use cannabis. Trustee LaBedz has also spoken with residents in the community about this topic and heard stories about individuals who lost their lives to drug addiction and marijuana was the entry drug, not the exit drug as discussed earlier. Most of the residents Trustee LaBedz had the opportunity to speak with oppose the sale of recreational marijuana.

In addition, Trustee LaBedz learned that many of the communities that decided to allow for the sale of adult-use cannabis did not end up making anywhere close to the amount of money they thought they would in tax revenue. Trustee LaBedz also read various articles that suggested the cost of purchasing marijuana at an adult-use cannabis dispensary far exceeded the cost of purchasing marijuana from a street dealer. Trustee LaBedz is leaning towards Option 1, but would like some additional information from Staff, before she makes her final decision. Trustee LaBedz plans to visit PharmaCann to see how their dispensary operates.

Trustee Rosenberg is in favor of Option 3, as some of the surrounding communities will most likely vote to allow for the sale of adult-use cannabis, and therefore benefit from any revenue generated by Arlington Heights residents. Trustee Rosenberg believes these businesses should be heavily regulated, and there should be no more than a half dozen spread around the Village. Special use permits and business licenses should be required and the dispensaries should be located a certain distance from schools. Trustee Rosenberg stated that he is concerned about the youth aspect, but feels they will always find a way around it.

Trustee Schwingbeck shares the same philosophy as President Hayes, although he did spend a good deal of time educating himself on the topics of recreational marijuana and medical marijuana use, even so far as visiting PharmaCann to observe their operation, to make an informed decision. Trustee Schwingbeck is in favor of opposing the sale of adult-use cannabis.

Trustee Baldino is sensitive to the issue of marijuana use by youth, however the proposed tax revenue is substantial and this money can go a long way to benefiting the entire Village; therefore, he is in favor of Option 3. Trustee Baldino is not in favor of on-site consumption and feels Trustee Rosenberg's suggestion of a half

dozen dispensaries is too high.

President Hayes understands how the revenue aspect can be an enticing factor, but the Board took a stand on several occasions to forgo the potential revenue because what was being proposed was not in the best interest of the community. The Board does not have to accept this. President Hayes believes the consensus of the Board is to gather some additional information and discuss the issue again before a final vote is taken.

Mr. Recklaus advised that the direction he has received from the Board is to revisit this issue sometime in mid to late Fall, with the appropriate prepared ordinances. Mr. Recklaus stated that from the information he has gathered from this meeting, there is sufficient interest for the exploration of permitting adult-use cannabis businesses. There is not a lot of interest for on-site consumption, although there is interest in establishing some sort of special use process, as well as zoning, and limits on the number of dispensaries. Mr. Recklaus believes the critical piece of information that everyone seems to be interested in is the amount of revenue that could potentially be generated by the 3% local tax. Mr. Recklaus advised Staff will do the best they can to get a revenue estimate. President Hayes believes the Board needs to meet again before the Fall to discuss this issue further, and any ordinances that may be drawn up, should be done following that meeting.

Trustee Tinaglia is interested in knowing what kinds of rules and restrictions will the Board be required to follow when drafting an ordinance.

Other Business

None

Adjournment

Trustee Scaletta moved, seconded by Trustee Tinaglia, to adjourn the meeting at 10:28 p.m. Upon a voice vote, the motion passed unanimously.

VILLAGE OF ARLINGTON HEIGHTS
Board of Health Meeting
September 9, 2019

DR. MERSERVY MADE A MOTION TO MAKE A RECOMMENDATION TO THE VILLAGE BOARD THAT WE SHOULD NOT PERMIT THE SALE OF RECREATIONAL ADULT-USE CANNABIS DUE TO THE FOLLOWING REASONS. SECONDED BY DR. BARNETT AND APPROVED BY UNANIMOUS CONSENT.

The Board of Health in partnership with the Village Board puts the health of the community first. Therefore, the Board of Health recommends the Village not permit the sale of recreational cannabis for numerous reasons, including the following:

1. The negative health impact of increased access for recreational cannabis on adults, and the subsequent negative impact on youth as a result of greater access in the community.
2. The health and social cost burden may outweigh the economic benefits, taking into account increases in emergency room visits, motor vehicle accidents, and disease associated illnesses including both psychiatric and physical impairment.
3. Increased burden on public safety, health and social services.
4. Lack of safeguards and regulations regarding concentrations of THC. In addition, there is a lack of long term, quality, peer-reviewed scientific data regarding cannabis effects.
5. The sale of recreational cannabis does not align with our commitment to the health and well-being of the residents of Arlington Heights.