

Roll Call

The Kalamazoo City Commission met as a Committee of the Whole on Tuesday, July 5, 2022 at 5:00 p.m. in the City Commission Chambers at City Hall.

COMMISSIONERS PRESENT:

Mayor David Anderson
Vice Mayor Don Cooney
Qianna Decker
Jeanne Hess
Stephanie Hoffman
Chris Praedel

COMMISSIONERS ABSENT:

Esteven Juarez*

Also present were Deputy City Manager Jeff Chamberlain, City Attorney Clyde Robinson, and City Clerk Scott Borling.

Commissioner Excused

Commissioner Hess, seconded by Vice Mayor Cooney, moved to excuse the absence of Commissioner Juarez. With a voice vote the motion passed.

Public Comments

Next, an opportunity was given for general public comments. But no comments were offered.

*Commissioner Juarez arrived at 5:16 p.m.

2022-00

Presentation: Cannabis
Equity Initiative

City Attorney Robinson, Community Planning and Economic Development (CPED) Deputy Director Antonio Mitchell, and Management Services Director/CFO Steve Vicenzi delivered a presentation entitled *Marihuana: Ordinance and Policy Amendments, Kalamazoo City Commission Committee of the Whole Meeting, July 5, 2022*. A copy of the slides from this presentation was filed with the papers for this meeting.

In response to questions from Commissioners, City Attorney Robinson, Deputy Director Mitchell, and Director Vicenzi provided the following information:

- there were two testing labs in the City.
- the restriction that only Michigan businesses could get state licenses expired at the end of 2021 or beginning of 2022.
- the City was not using a cost allocation plan for the marihuana permit fees, but staff were able to document and defend the \$5,000 fee amount. The annual fee revenue was only 2% of General Fund salaries.
- there were no restrictions on how the City could spend the excise tax revenue.
- the City was already doing, or was now recommending, many of the social equity program recommendations that were in a 2021 committee report from the Michigan Cannabis Regulatory Agency (CRA).
- the Cannabis Opportunities Act had been introduced at the federal level, which would impose a 25% tax on marihuana.
- staff had prepared a job description for the new cannabis-focused position.

- marihuana businesses currently permitted by the City would need to qualify for the Silver Level of the state's Social Equity All-Star Program when they renewed their permits.
- the market would determine the number of marihuana businesses the City could support. There were a limited number of locations where these businesses were allowed to operate, but there were still areas where grower and testing facilities could be located. Almost no facilities were locating in the core neighborhoods.
- all marihuana business applicants were required to submit Social Equity Plans; there was a question as to what businesses were doing with their plans. The City needed to give businesses clear requirements and resources for them to "do" social equity. Currently there was no enforcement mechanism for businesses that did not follow or implement their Social Equity Plans.
- there were at least three marihuana businesses owned by people of color. Staff would do research to find out more information.
- CPED staff were spending 40 hours per week on marihuana businesses.
- the City could always do more to help social equity businesses, but the question was, what is that "more"? The City needed to invest in staff that could focus on cannabis all the time.
- the City would need to find out from marihuana businesses the benefits that would draw them to want to join the proposed Cannabis Chamber.
- the City asks for demographic information on marihuana business owners, but business ownership was limited. There were more opportunities in the area of workforce development. The Shared Prosperity Kalamazoo (SPK) zip codes would be used to focus resources for employees who lived in those areas.
- the Cannabis Chamber members would be the advisory board for the Chamber.

City Attorney Robinson provided the following descriptions of the gold, silver, and bronze levels of the state's Social Equity All-Star Program:

Bronze: To qualify for the bronze level of the All-Star Program, licensees must publish their social equity plan on the CRA website.

Licensees' social equity plans should consider the following when developing and implementing their social equity plans – determine if the municipality where the licensee plans to operate has enacted any requirements related to social equity, use the social equity plan to complement the licensee's business strategic goals and objectives, and lastly, identify the primary component(s) of the social equity plan – employment, educational or mentorship programs, monetary assistance, or training.

Silver: To qualify for the silver level of the All-Star Program, licensees must meet the bronze level requirements and also publish their corporate spend plan on the CRA website.

2022-00

Presentation: Cannabis Equity Initiative (cont'd)

2022-00Presentation: Cannabis
Equity Initiative (cont'd)

Licensees' corporate spend plans should include a dedicated percentage of the business' annual spending to diverse supplier(s). There are many ways in which licensees can spend money with diverse suppliers within the cannabis supply chain, including, but not limited to, legal, accounting, real estate, architect, interior designer, security, insurance, marketing, packaging, and printing. Payroll is not considered to be part of a corporate spend plan.

Gold: To qualify for the gold level of the All-Star Program, licensees must meet the silver level requirements and publish their community reinvestment plan on the CRA website.

Licensees' community reinvestment plans should detail the licensee's volunteer time or donation percentages of their revenue to organizations, non-profits, and/or charities which positively impact any of the groups in these identified categories:

Category one: Organizations within communities the CRA has identified as disproportionately impacted. A list of those communities can be found here.

Category two: Individuals or groups in any of the following categories: Racial/Ethnic Minorities, Women, Veterans, Native American tribes, LGBTQ, People with Disabilities, and returning citizens

Commissioner Praedel requested demographic information on marihuana business owners and stated he would want to see specific information on what businesses were doing to reach the gold, silver, or bronze levels of the Social Equity All-Star Program. Commissioner Praedel requested that the Request for Proposal (RFP) for the Cannabis Chamber include controls that would limit the influence of large marihuana businesses.

Mayor Anderson suggested that Commissioners direct any additional questions or comments to staff.

City Attorney Robinson provided state-level demographic information on marihuana business ownership.

Commissioner
Comments

An opportunity was given for comments from City Commissioners, but no comments were offered.

Adjournment

The meeting adjourned at 6:44 p.m.

Scott A. Borling
City Clerk

Approved by the City Commission on: _____

This page was left blank intentionally.