

**Council Work Session Minutes
September 9, 2024**

PRESENT: Council President Rounds, Councilmen Haase, Kolezynski, Councilwomen Palmisano, Maruschak, DeSouza, and Clerk of Council Allen.

ADMINISTRATION PRESENT: Mayor Gallo, Directors Schneider, Iaconis, Sepik, Scharschmidt and Bacci

The meeting of September 9, 2024 was called to order by Council President Rounds at 5:45 p.m.

Clerk Allen: Roll Call: Haase, Palmisano, DeSouza, Kolezynski, Maruschak, Rounds.

Council President Rounds explained that there was an interest amongst councilmembers to be heard or ask some questions. We will begin with item number 2 on the agenda, it is an open discussion about ordinance 2024-57, 58 and 60. These are the library ordinances that we are looking at if you are not already familiar with them. Questions, comments, ideas, concerns please feel free to share your thoughts regarding any of these items. Just as an update this has gone from us to the Planning Commission, and they have sent it back to us and it is on this evening's agenda. With no comments at this time, let's continue on to agenda item 3. Open discussion of ordinances 2024-47, 50 and 51. These three ordinances are regarding the medical marijuana dispensaries and changing that to read marijuana dispensaries. I don't have any concerns or questions but I open the floor for any questions, comments, ideas or concerns that anyone would like to make.

Councilwoman Palmisano commented that she had a lot of questions trying to understand things that I thought the verbiage used could be more appropriate, all of those concerns have been addressed. I have nothing further for discussion this evening.

Council President Rounds responded that I know the first time we all saw this legislation, we were all a bit overwhelmed and could have spent an entire night asking questions to the Law Department. We took a moment to regroup and sent those questions on ahead to administration and you now are good?

Councilwoman Palmisano stated yes, I'm good.

Councilwoman DeSouza stated that all of her questions have also been addressed. I'm good.

Councilman Kolezynski stated that he has been talking with members of the community and getting split opinions on the idea of having the dispensary here. My main concern is the lack of community input. I'd like to hear more from the residents. I know we are doing three readings, hopefully that will provide for an opportunity to get some public comment. I was also concerned about the location requirements, and practically speaking there's not that many buildings that have 25,000 square feet and will also be available for another dispensary to move into in the other two districts. I think we could be limiting our tax base. We have maybe 5 or 6 free stand-alone buildings in the other two districts that the dispensary could locate in as per the current location requirements. This would eliminate one coming into the other two districts and only allowing one to come into the neighborhood which could damage our future tax base.

Mayor Gallo responded Director Schneider would you please speak regarding the public input and explain the hearings we've had and the amount of people that have shown up.

Director Schneider added that we have three pieces that were first introduced before City Council, and then were referred to the Planning Commission. Two of them affect changes to the zoning code. We have Chapter 1185 which up to now we have had no amendments entertained by the Planning Commission or City Council. This is our table explaining the different uses in a mixed-use district. Chapter 1190 the amendments regarding zoning of dispensary locations to accommodate adult use dispensaries. Chapter 752 that governs the regulations of these items in our licensing. The Charter states this can affect the regulation of land use, those require a mandatory referral. Public notice is then served, hold a meeting no shorter than 15 days from then, we had no public attendance. As a conservative measure, once this item is received back from the Planning Commission there would be another public posting and a 30-day notice of a Council Public Hearing which will held on October 7th, 2024. This will allow three readings and a public hearing. From the Law Departments perspective, I don't see any great concern since we have chosen the most conservative fashion to handle this. I can tell you the greatest limiting factor is going to be the 1-mile factor, that is dictated by State Law. There is a 1-mile set back between any two facilities. We do have the potential for having one at either end of town, the space requirement of 25,000 square feet does limit that as well. I have learned that we estimate 20 parcels that would meet such requirements. Over the years I have learned that a free-standing building is more attractive to these types of businesses. Just from the security standpoint, you don't want to have an adjoining neighbor. They want to make sure folks can get in and out of easily, neighbors such as a teen clothing store, that might want to open next to them could be a deterrent because of the traffic. These are the items that were reviewed and ultimately adopted by the Planning Commission.

Councilwoman Maruschak stated that after attending both of the Special Planning Commission meetings and hearing what other councilmembers questions were, it was very informative and made me more comfortable about having a dispensary. I also like the idea of the 25,000 sq. ft. and being a stand-alone building. Again, no public did show up besides councilmembers to the Special Planning Commission meetings, but they will have that opportunity during the upcoming meetings.

Council President Rounds added that Director Schneider has an amazing way of explaining this. I've now heard him 3, maybe 4 times and I'm still taking it in and listening, learning and understanding better and more.

Councilwoman Palmisano added that the percentages of yes votes in the State, County and Parma Heights locally are what really helped me get more comfortable with the idea. 57% yes for the State (Issue 2), 66.8% yes for the County, and then 61% yes at the Parma Heights level.

Councilman Kolezynski responded so people voted yes for the legalization, not necessarily the idea of a dispensary. Have we reached out to any community partners directly like St. John Bosco, or the Senior Center or anyone else who might be interested in having this in the community?

Council President Rounds responded that I'm not sure why we would do that? They are made aware of the same legislative opportunities, they could come to a Planning Commission Public Hearing, they are welcome to come here. I think the state, when they looked at regulating how close to churches, schools, parks, they were taken into account what might be concerns there from property owners.

Councilwoman Durichko has joined the meeting and asked when we have the 3.6% of gross sales in community impact fee and that's contingent on the host community cannabis being and making up that difference if it happens to go down, is that in lieu of the previous \$25,000 license fee?

Director Schneider explained that that was a significant change brought forward by the Chief Building Official and adopted by the Planning Commission which reflected the latest and best information we had before us. Previously you had your application and renewal fee, there was a \$25,000 annual fee, and a 1.5% of gross revenues for medical operations. A state law passed preempting any city from engaging in any kind of fee resembling a tax, and prohibited any city from performing any fee that duplicated the fee already assessed at the state level. Our chapter of licensing, ours was crafted closely with the City of Lakewood, who until recently had 2/5 of the dispensaries in all of Cuyahoga County. Parma has a number of facilities that have been granted licensing and ultimately already opened up use permitting. Under the state law for adult use marijuana facilities and there are three types of licensures, adult, medical and dual use, because insurance companies do not reimburse for medical marijuana prescriptions and there may come a day when medical use will be discontinued. Adult use due to the ease of obtaining is probably the direction the state is going. When the regulations were put into place during the early part of the summer, it created a percentage of the gross revenue due to local community who hosted the adult use dispensary. The percentage of 3.6 % goes to those communities paid to the state and ultimately to the community. The second part of the list describes the offset that occurs. Under current law, should a dispensary open up, it would call for no additional fee to come to Parma Heights, should the state ever eliminate that local amount that's when the offset would occur and that would be due to the local community. We also added an addition. We included a section giving our service and building departments the opportunity to conduct an independent audit and make an independent determination in the event that they have a dual use facility so that you're not relying on someone else's numbers, you can actually look at how much came from adult use, how much came from medical. That's the community impact fee and it serves as an offset.

Councilwoman Durichko asked if the Director of Public Service can ask for those state mandated forms to distinguish what the revenue in was and where it was?

Director Schneider stated that yes, we are unique in that extra measure.

Councilwoman Durichko stated that's great.

Council President Rounds added that it's back in front of us now for a first reading, we'll have an opportunity to potentially address an amendment if needed but we have three readings planned, we are not rushing. Before the final vote, we do have a public hearing scheduled on October 7th, 2024. Any public that would like to come and share their comments or opinions are always welcome to do that. As Councilwoman Palmisano said with a 61% yes vote in the community, I don't think the intention is that yes, I want it, but I don't want it on my street.

Mayor Gallo added that there was a lot of due diligence put into this. This city was designed back in the day, to keep industry out. Times are changing and with change comes zoning changes and this will drive economic development. I understand there were some questions regarding safety, Director Scharschmidt would you like to speak to that...

Director Scharschmidt stated that he's had several conversations with Chief Czack and Chief Bernard about this matter. Reminds me of other businesses coming into the city that we first showed concern about, but we've had very little issues come from them. I have no concerns about this, I'm more concerned about Get-Go being robbed down the street. The number of cameras, off duty officers. I expect a good working relationship with them. I've spoken to plenty other Chiefs as well and there's not a concern. No issues on my end.

Mayor Gallo added I believe Director Scharschmidt will agree, that we have more issues with some of the bars and restaurants in the city than we ever will with these dispensaries

Councilwoman Durichko asked if we are going to allow them to utilize an already present drive-thru?

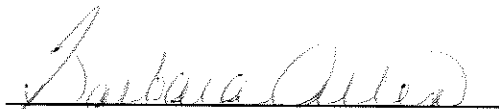
Director Schneider stated that you sound like to your speaking of a specific location, I would just point out that we are not considering any applicant at this time. We have a moratorium on, you have the repeal of the moratorium on for the first reading tonight, our zoning does permit drive-thru. You may have read that South Euclid is about to start the first drive-thru dispensary in the region. There are others I know of in Pittsburgh and elsewhere. This current legislation does permit drive-thru dispensaries. We are not at the applicant stage. We are at the zoning stage, what this licensure and zoning creates a conditional use, as you will see any conditional use is a mandatory referral to Planning and comes back after a public hearing and recommendations and then it's council's turn to take a look at the conditional use applications. If you look at the library's conditional use, to build a government building in a residential district that's a conditional use. That went through the mandatory referral from City Council to Planning, a public hearing, consideration, recommendation, now it's back to council to allow you to collectively make any further recommendations on that use. If there is any applicant, you'll have first-hand involvement with that conditional use application.

Councilwoman Palmisano asked Councilwoman Durichko if she has concerns about having a drive-thru?

Councilwoman Durichko said no, I just saw the listing in 1185 and it shows no with regards to drive-thru.

Council President Rounds closed the Council Work Session on Monday, September 9, 2024 at 6:16 p.m.

Meeting adjourned at 6:16 p.m.



Barbara Allen
Clerk of Council



Tom Rounds
Council President