



Dunellen Cannabis Task Force Recommendations

DECEMBER 18, 2023 – DUNELLEN BOROUGH COUNCIL MEETING

Isaias Noel Gendrano III, PhD, MPH on behalf of the Dunellen Cannabis Task Force

Dunellen Cannabis Task Force Members

- Teresa Albertson – Council Member
- Mara Carlin – Civic Leader Member
- Roger Dornbierer – Planning Board Member
- Tara Duggan – Resident Member
- Isaias Noel Gendrano III – Resident/ Board of Education Member
- Detective Nick Goldman – Police Member
- Melanie Tirpak – Business Member
- Harold VanDermark – Council Member
- Shrona Wise-Schimpf – Resident/ Board of Education Member
- Jason Cilento – Mayor Ex-Officio member

Background

- ▶ On February 22, 2021, Governor Phil Murphy signed into law a bill establishing the legal status of “regulated cannabis” in New Jersey for individuals 21 years of age and older.
- ▶ The state has empowered local municipalities to determine their own regulations and zoning ordinances governing the number, type, and operations of cannabis businesses within their borders.
- ▶ The state Cannabis Regulatory Commission (CRC) will not issue a license to any cannabis-related business that would be in violation of a local ordinance or regulation.
- ▶ Dunellen has taken the initial step of “opting out” and not allowing any cannabis-related businesses until a full assessment can be done of public opinion and potential regulations.

Background Mayor's Cannabis Taskforce

- ▶ Mayor Cilento created the Mayor's Cannabis Task Force:
 - ▶ community members ranging from:
 - ▶ municipal and school officials,
 - ▶ business owners,
 - ▶ residents,
 - ▶ civic organization leaders and
 - ▶ law enforcement
- ▶ Purpose: To assist in the reviewing of available information regarding having a cannabis business in-town; evaluating the potential impact a cannabis business may have on the Borough of Dunellen.
- ▶ The following slides summarize what the task force has come to understand and culminates in a recommendation to council.

What Efforts Have the Task Force Taken to Evaluate?

- Tracked state regulations
- Reviewed other municipalities' ordinances
- Spoken with folks involved in cannabis-related businesses
- Gathered data from available sources
- Collected public comments

Examples of Efforts

- Sat in on state Cannabis Regulatory Commission meetings
- Reviewed ordinances from other municipalities who have opted-in
- Monitored cannabis businesses that have opened
- Spoke with/ interviewed people who work in the cannabis industry
- Mayor and Councilmembers attended cannabis sessions at the League of Municipalities event
- Followed litigation related to cannabis businesses both in state and out of state
- Engaged the community on the topic of having a cannabis business in Dunellen via:
 - Community Survey (Summer of 2022)
 - Town Hall Meetings 12OCT2022 and 29NOV2023
 - Booth Hosted at Dunellen HarvestFest OCT2023
 - Periodic/ recurring Council Reports

Dunellen Town-Wide Survey Recap

- ▶ Dunellen residents' response to NJ State referendum on cannabis-related businesses was about 2:1 **in favor of** cannabis-related businesses
- ▶ Dunellen residents' response to this current town survey on cannabis-related businesses in the town of Dunellen was about 1:1, **neither for, nor against**
- ▶ Of the Dunellen residents who indicated support for cannabis-related businesses in town, support was based on:
 - ▶ anticipated revenue 93%
 - ▶ economic development 79%
 - ▶ health 58%
- ▶ For Dunellen residents who favor cannabis-related businesses in town, support appears to be heavily dependent on revenue to Dunellen; an economic advantageous stance.
- ▶ But, that should NOT come at the expense of quality of life as there was a strong community response to maintain the family-oriented atmosphere that currently exists in Dunellen.

Risks vs Benefits of Cannabis Business in Town

Risks

Safety

Traffic

Quality of
Life

Litigation

Parking

Mandatory
5 Years

Market
Saturation

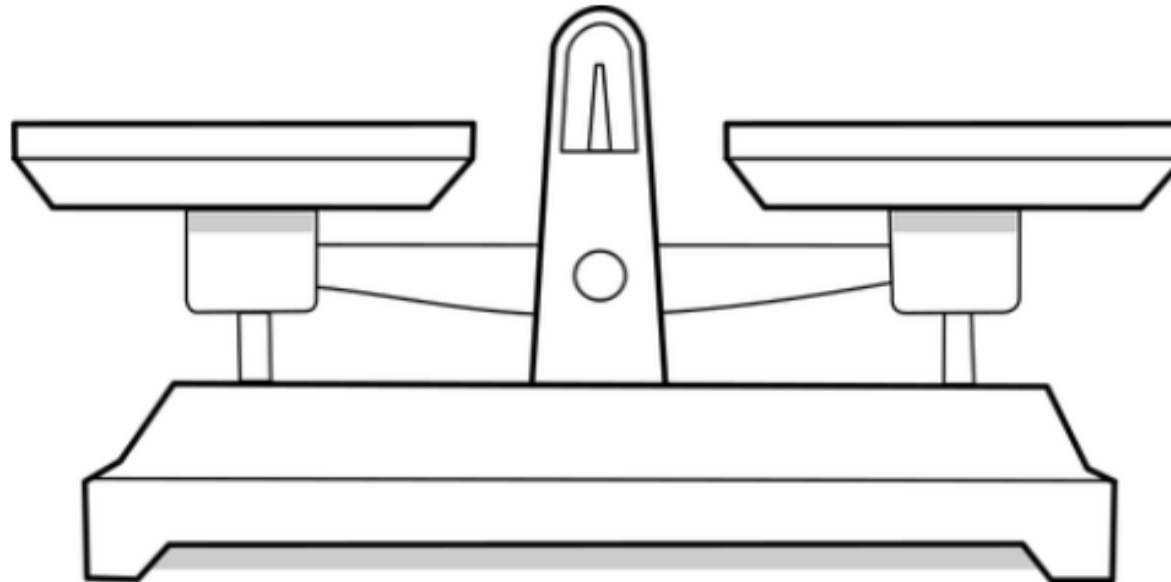
Benefits

2% Tax on
Sales

Convenience

Health Equity

Social Justice



Benefits

- ▶ Two percent (2%) **revenue** on sales from a cannabis business and **economic development**
 - ▶ Example: \$20k from \$1M in cannabis business revenue
- ▶ **Health Equity | Social Justice**
- ▶ **Convenience** of having a cannabis related business in town



Risks

▶ **Mandatory 5 years**

- ▶ Can “Opt-in” at any time, but once opted-in, committed for 5 years

▶ **Saturation**

- ▶ Increasing number of businesses statewide and more importantly locally, eg. Greenbrook, Middlesex, and Plainfield.
- ▶ But, demand is not increasing proportionally → diminishing revenue per business

▶ **Litigation**

- ▶ Metuchen, Keyport, and Flemington are currently engaged in litigation with business owners over how licenses are being issued, as well as other issues.
- ▶ A small town like Dunellen cannot afford to make expensive mistakes

▶ **Safety, Traffic/Parking, Quality of Life** voiced in the town-wide survey

▶ **Costs to Borough** to setup infrastructure

- ▶ Hiring of new employees to support, eg. Police officer(s), tax assessors, etc.

Recommendation to Council

- ▶ **Continue to “Opt-out” of having a cannabis business in Dunellen, at this time.**
- ▶ The perceived risks based on the information gathered outweigh the anticipated benefits a cannabis business might provide.
- ▶ If new data become available at a later date, perhaps a new effort to evaluate could take place.



Questions?



Thank
You!!!



Back Up



Dunellen Cannabis Task Force Survey Results

OCTOBER 12, 2022 – DHS AUDITORIUM

Isaias Noel Gendrano III, PhD, MPH on behalf of the Dunellen Cannabis Task Force

The Survey



- ▶ The survey was a 15-item tool used to gather information from the Dunellen Community on perspectives regarding having a Cannabis business in town.
- ▶ The survey was opened in July 2022 and responses were collected through August 2022.
- ▶ The survey was available online and was also available via paper completion.
- ▶ Invitations to complete the survey were made via social media outlets as well as direct e-mails to those subscribed to Dunellen community distribution lists.
- ▶ A total of 281 participants completed the survey.

Survey Participants

| Q1: Who are we? | % | Ct |
|---------------------------|-------|-----|
| Dunellen Resident | 88.6% | 249 |
| Visitor Shopper | 5.7% | 16 |
| Other | 2.5% | 7 |
| Commuter To/From Dunellen | 1.8% | 5 |
| Dunellen Business Owner | 1.4% | 4 |
| Total | | 281 |

Note: The response rate of 281, represents about 4.4% of the approximately 6,400 Dunellen residents/community who could have participated.

Note: Margin of error was calculated with 95% confidence

| Q2 How old are we? | % | Ct |
|--------------------|-------|-----|
| 36 to 50 | 45.2% | 127 |
| 51 to 65 | 22.0% | 62 |
| 26 to 35 | 15.0% | 42 |
| Over 65 | 11.7% | 33 |
| 21 to 25 | 4.6% | 13 |
| 18 to 20 | 1.4% | 4 |
| Total | | 281 |

Support of Cannabis Related Business

| Survey Question | Yes | No | Did Not Vote | Count (Ct) |
|--|----------------|----------------|--------------|------------|
| Q3: Did you vote to support the New Jersey State Cannabis law? | 60.9% (171) | 32.7% (92) | 6.4% (18) | 281 |
| Q7: Do you support Dunellen allowing any cannabis-related business within its borders? | 55.9% (157) | 44.1% (124) | ----- | 281 |

Margin of Error: ~ +/- 5.5

Note: In the state-wide referendum on legalizing cannabis, Dunellen voted: **YES** → 2151 (67.9%) | **NO** → 1017 (32.1%)

Q4: If you voted in support of cannabis industry was it because:

(Select all that apply)

| Response | % | Margin of Error | Count (Ct) |
|--|-------|-----------------|------------|
| You support the use of cannabis | 75.1% | +/- 6.2 | 136 |
| You anticipated tax revenue income | 61.3% | +/- 7.0 | 111 |
| You wanted convenience for consumers | 49.7% | +/- 7.2 | 90 |
| Other | 13.3% | +/- 4.9 | 24 |
| You voted to support it state-wide, but do not want it locally | 7.7% | +/- 3.8 | 14 |
| Total Respondents | | | 181 |

Q5: Do you believe cannabis-related businesses in Dunellen would have a positive or negative impact on the downtown (businesses, activity, safety, vibrancy, etc.)? (n=279)

| Positive | Negative | No Impact |
|----------|----------|-----------|
| 44.4% | 45.9% | 9.7% |
| (124) | (128) | (27) |

Margin of error: ~ +/- 5.7

Q6 If you are a business owner in Dunellen, do you believe a cannabis- related business would have a positive or negative impact on your business? (n=238)

| Positive | Negative | No Impact | N/A* |
|----------|----------|-----------|-------|
| 7.6% | 4.2% | 1.3% | 87% |
| (18) | (10) | (3) | (207) |

*Not Applicable/ Not a business owner

Note: Count of non-N/A is too small to reliably estimate margin of error; margin of error is wider than the calculated percentages

Q8: If you supported cannabis related businesses within Dunellen borders, what benefits do you believe allowing these businesses will bring?

(Select all that apply).

| Responses | % | Margin of Error | Count |
|----------------------------------|-------|-----------------|-------|
| Revenue | 93.2% | +/- 3.8 | 150 |
| Economic Development | 78.9% | +/- 6.2 | 127 |
| Health and Health Equity | 58.4% | +/- 7.5 | 94 |
| Social Justice/ Criminal Justice | 41.6% | +/- 7.5 | 67 |
| Other | 8.7% | +/- 4.3 | 14 |
| Total number of respondents | | | 161 |

Q9: If you did not support cannabis related business within Dunellen borders, why do you think cannabis related businesses should be prohibited in Dunellen?

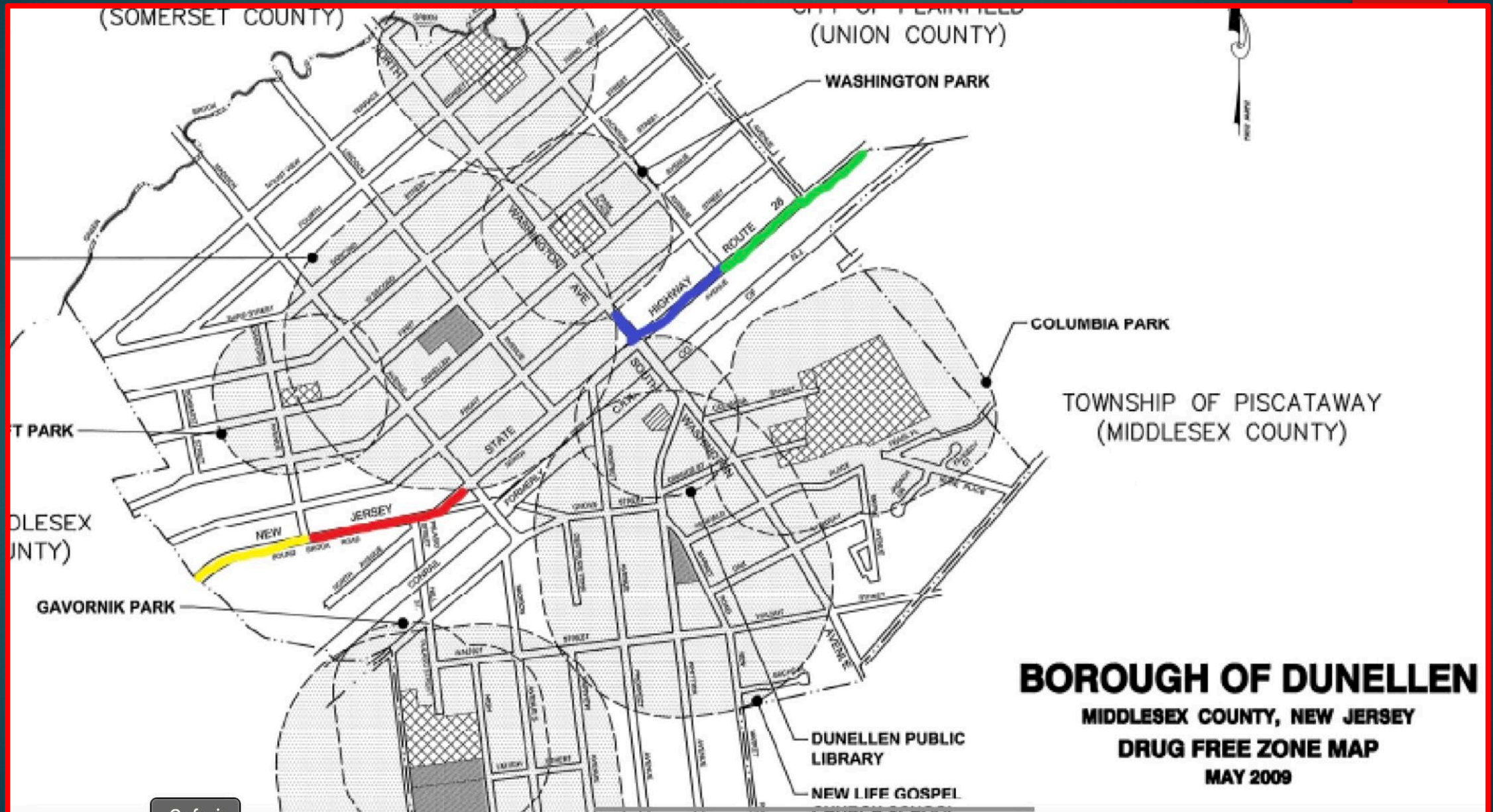
(Select all that apply).

| Responses | % | Margin of Error | Count |
|---|-------|-----------------|-------|
| Increase in crime/public safety issues (eg. theft, impaired driving) | 71.5% | +/- 7.1 | 108 |
| Youth consumption (eg. impact of child development, social/emotional impact, new drivers) | 66.9% | +/- 7.4 | 101 |
| Public health & welfare (eg. public odors, traffic congestion, cleanness of streets) | 57.0% | +/- 7.8 | 86 |
| Other | 27.8% | +/- 7.1 | 42 |
| Total number of respondents | | | 151 |

Q10: Which of these recreational cannabis businesses would you support operating in Dunellen? If you answered no in question 7, please answer what you would feel most comfortable with? (Select all that apply).

| Responses | % | Margin of Error | Count |
|-----------------------------|-------|-----------------|-------|
| Retailer | 70.0% | +/- 5.9 | 156 |
| Delivery | 64.1% | +/- 6.2 | 143 |
| Cultivator/ Grower | 52.5% | +/- 6.4 | 117 |
| Distributor | 48.0% | +/- 6.4 | 107 |
| Wholesaler | 46.6% | +/- 6.4 | 104 |
| Manufacturer | 42.6% | +/- 6.4 | 96 |
| Total number of Respondents | | | 223 |

Drug Free School Zones Dunellen



Q11 [From the map of Drug Free School Zones] The highlighted areas are the only locations available for a cannabis-related business.

Which area(s) would you prefer a cannabis-related business operate? If you answered no in question 7, please answer what you would feel most comfortable with.

(Select all that apply.) (n=227)

| | |
|--|--|
| Green Zone 70.9% (161) [\pm 5.8] <i>(Rt 28, Jackson Ave to Plainfield border)</i> | Yellow Zone 63.0% (143) [\pm 6.2] <i>(Rt. 28, Sanford Ave. to Middlesex border)</i> |
| Red Zone 50.7% (115) [\pm 6.4] <i>(Rt 28, Madison Ave to Sanford Ave)</i> | Blue Zone 50.7% (115) [\pm 6.4] <i>(Rt. 28, Washington Ave to Jackson; Washington Ave, from Rt. 28, almost to Front Street)</i> |

Q12 Should a cannabis retailer business be limited to purchase only (i.e. take out) or purchase and use on-site (i.e. take out and/or on-site consumption)? n=241

| Purchase Only | Both | On-site Consumption Only |
|---------------|-------|--------------------------|
| 55.2% | 41.5% | 3.3% |
| (133) | (27) | (8) |

Margin of error ~ +/- 6.2

Q13 The State of New Jersey allows for a maximum of a two percent (2%) sales tax to be collected by the municipality on each cannabis transaction. For example, one million dollars in sales would generate \$20,000 for the Borough, from which salaries for additional personnel (tax collection and public safety) would be required. Does such a sales tax impact your support of cannabis business in Dunellen? (n=273)

| No, it would not impact my support for or against | Yes, I would be more in favor | No opinion either way |
|---|-------------------------------|-----------------------|
| 51.3% | 30.4% | 18.3% |
| (140) | (83) | (50) |

Margin of error ~ +/- 5.8

Margin of error ~ +/- 5.3

Margin of error ~ +/- 4.5

Putting it All Together

- ▶ Dunellen residents' response to NJ State referendum on cannabis-related businesses was about 2:1 **in favor of** cannabis-related businesses
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The background of the slide is a dark teal color with a pattern of 3D question marks. The question marks are rendered in a lighter teal shade, creating a sense of depth. In the top right corner, there is a solid red vertical rectangle.

Questions?

Back-Up

Types of cannabis related businesses

- ❖ **Class 1 – Cannabis Cultivator/ Grower**
 - ❖ means any licensed person or entity that grows, cultivates, or produces cannabis in this State, and sells, and may transport, this cannabis to other cannabis cultivators, or usable cannabis to cannabis manufacturers, cannabis wholesalers, or cannabis retailers, but not to consumers.
- ❖ **Class 2 – Cannabis Manufacturer –**
 - ❖ means any licensed person or entity that processes cannabis items in the State by purchasing or otherwise obtaining usable cannabis, manufacturing, preparing, and packaging cannabis items, and selling and optionally transporting, these items to other cannabis manufacturers, cannabis wholesalers, or cannabis retailers, but not to consumers.
- ❖ **Class 3 – Cannabis Wholesaler –**
 - ❖ means any licensed person or entity that purchases or otherwise obtains, stores, sells or otherwise transfers, and may transport, cannabis items for the purpose of resale or other transfer to another cannabis wholesaler or to a cannabis retailer, but not to consumers.
- ❖ **Class 4 – Cannabis Distributor –**
 - ❖ means any licensed person or entity that transports cannabis in bulk intrastate from one licensed cannabis cultivator to another licensed cannabis cultivator, or transports cannabis items in bulk intrastate from any of class of licensed cannabis establishment to another class of licensed cannabis establishment and may engage in the temporary storage of cannabis or cannabis items as necessary to carry out transportation activities.
- ❖ **Class 5 – Cannabis Retailer –**
 - ❖ means any licensed person or entity that purchases or otherwise obtains usable cannabis from cultivators and cannabis items from cannabis manufacturers or cannabis wholesalers, and sells these to consumers from a retail store, and may use a cannabis delivery service or certified cannabis handler for the off-premise delivery of cannabis items and related supplies to consumers. A cannabis retailer shall also accept consumer purchases to be fulfilled from its retail store that are presented by a cannabis delivery service which will be delivered by the cannabis delivery service to that consumer.
- ❖ **Class 6 – Cannabis Delivery –**
 - ❖ means any licensed person or entity that provides courier services for consumer purchases of cannabis items and related supplies fulfilled by a cannabis retailer in order to make deliveries of the cannabis items and related supplies to that consumer, and which services include the ability of a consumer to purchase the cannabis items directly through the cannabis delivery service, which after presenting the purchase order to the cannabis retailer for fulfillment, is delivered to that consumer.