



Cannabis Conversations: Doing Business In Norwich

November 19, 2021



**Norwich
Public Utilities**

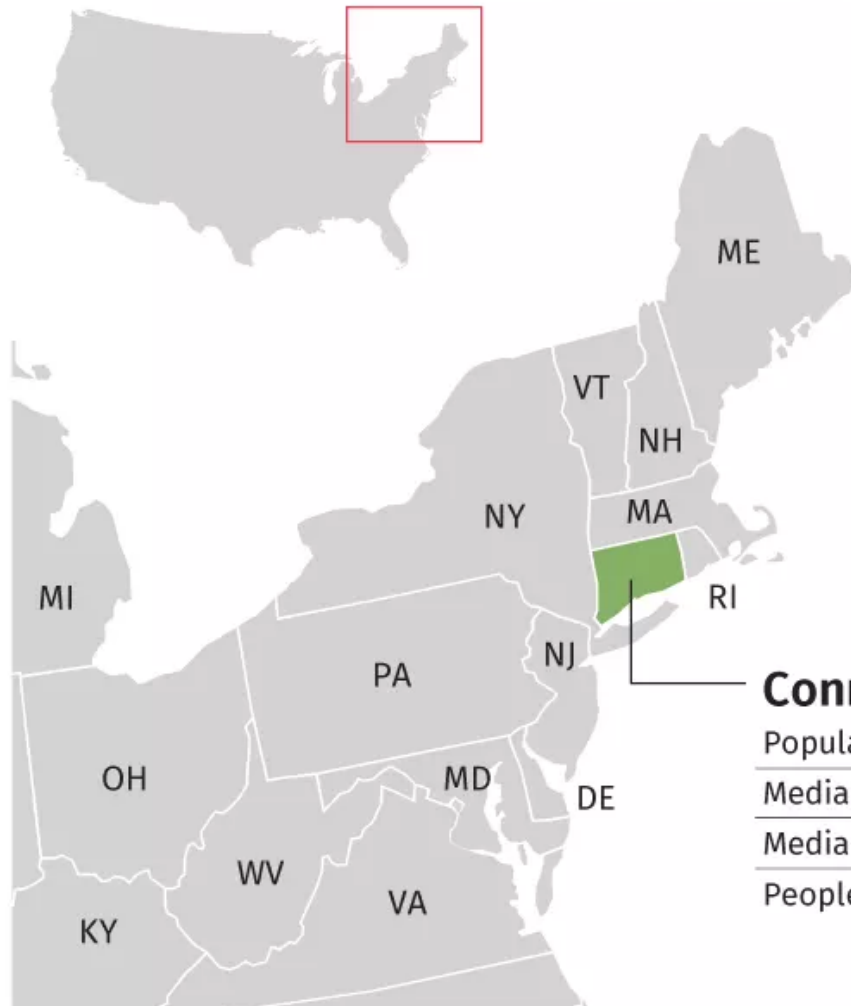
Agenda

- **Norwich is open for business!** Mayor Peter Nystrom, [Norwich, CT - Official Website | Official Website \(norwichct.org\)](#)
- **Current state of play.** Ginne-Rae Clay, Executive Director, CT Social Equity Council
 - Social equity eligibility requirements [Social Equity Council \(ct.gov\)](#)
 - Licensing “process” and timelines
- **Joint Venturing - Social Equity applicants and partnering experienced operators.** Bryan Wilson, Government Relations at Acreage Holdings [About Acreage Holdings | Marijuana & Cannabis Investment Firm & Startup](#)
- **Utility benefits and Rebate Programs.** Chris LaRose, Director of Norwich Public Utilities
[Home - Welcome to Norwich Public Utilities](#)
- **Educational opportunities.** Bryan Connolly, Eastern Connecticut State University
- [Eastern to launch hemp cultivation program in fall 2021 - Eastern \(easternct.edu\)](#)
- **Q&A (20-30 min).** Moderator Kevin Brown, President, NCDC. [www.askncdc.com](#)

5pm to 6pm Networking hour. Catered by our Franklin Street neighbors, These Guys Brewing Company.

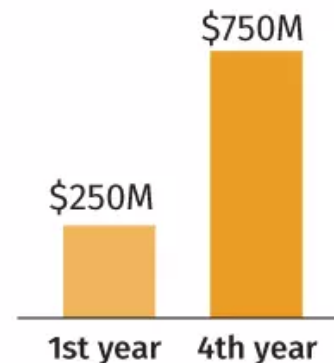
Connecticut Readies for Adult-Use Market

Connecticut is poised to launch recreational marijuana sales around the spring of 2022. Here's a look at the projections for the market and the size of the existing medical cannabis program.



Projected marijuana sales

Adult use



Connecticut facts

Population:	3.6M
Median household income:	\$78,833
Median home value:	\$280,700
People below poverty line:	10%

Estimated Tax Revenue

(CT Office of Fiscal Analysis, SB 2021, 6/15/2021)

Total revenue gain to state and municipalities

- \$4.1 million in FY 22
- \$26.3 million in FY 23
- \$44.6 million in FY24
- Expected to grow to \$73.4 million by FY 26

Fiscal Impact by Tax Component

Tax Type	FY 22	FY 23	FY 24	FY 25	FY 26
6.35% Sales Tax	2.1	12.5	23.8	36.8	37.7
State Cannabis Tax	1.0	7.9	9.6	17.0	17.5
Municipal Cannabis Tax	1.0	5.9	11.2	17.4	18.2
Total	4.1	26.3	44.6	71.2	73.4

Note: Projections at high end of range.

Tax Revenue Uses (Public Act 21-1, Page 211 of 303)

“The tax collected pursuant to this section shall be used by such municipality to:

(A) make improvements to the streetscapes and other neighborhood developments in and around each community in which a cannabis retailer, hybrid retailer or micro-cultivator is located

(B) fund education programs or youth employment and training programs in such municipality,

(C) fund services for individuals released from the custody of the Commissioner of Correction, probation or parole and residing in such municipality,

(D) fund mental health or addiction services,

(E) fund youth service bureaus established pursuant to section 10-19m of the general statutes and to municipal juvenile review boards, or

(F) fund efforts to promote civic engagement in communities in such municipality.”

The entire 303-page Public Act is at

[AN ACT CONCERNING RESPONSIBLE AND EQUITABLE REGULATION OF ADULT-USE CANNABIS.](#)

Benefits of doing business in Norwich

- A local government that is business- oriented
- Norwich Community Development Corporation (“NCDC”), an economic development group to advocate for businesses
- An inventory of affordable locations available
- Competitive electric and gas utility rates
- An able and willing workforce

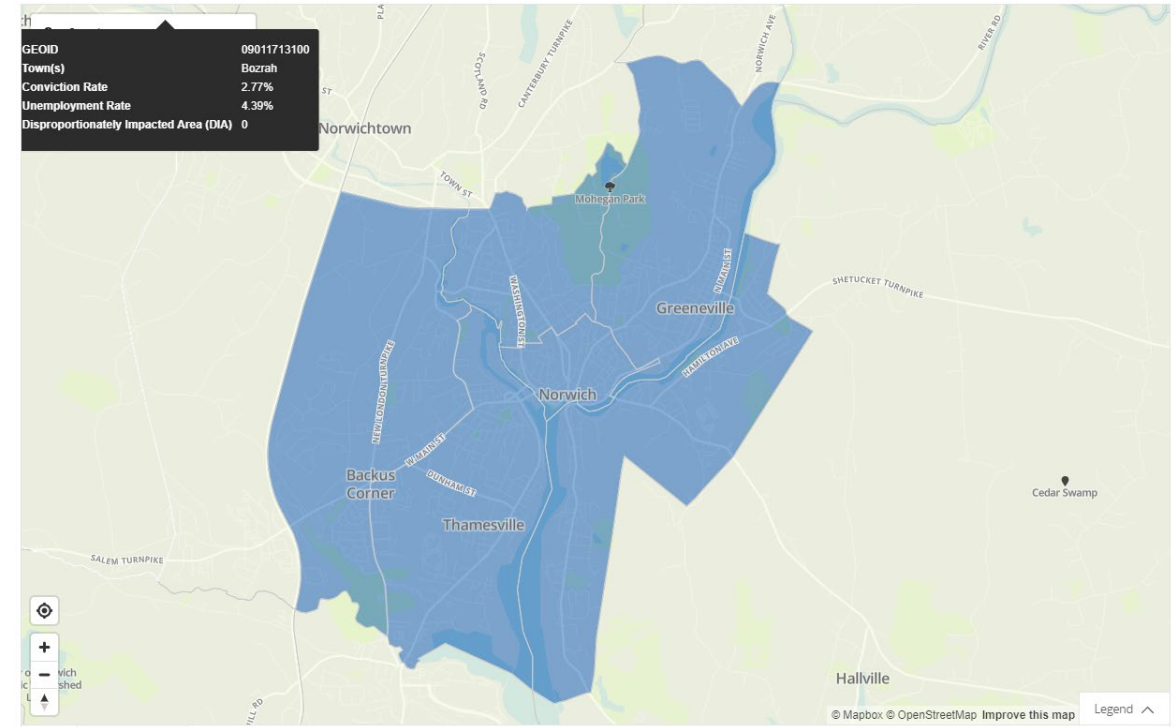


Do you qualify for social equity?

Requirements:

- Had an average household income of less than 300% of the state median household income over the 3 tax years immediately preceding the date of the application (this means **less than approx. \$235,000/yr**), and
- Was a **resident** of a disproportionately impacted area for **at least 5 of the 10 years immediately preceding the date of the application** or was a resident of a disproportionately impacted area for **not less than 9 years prior to attaining the age of 18**.

Disproportionately Impacted Areas



Source: <https://data.ct.gov/stories/s/Disproportionately-Impacted-Areas-Identified-for-P/8nin-pkqb/>

You may qualify for priority access to cannabis licenses if you meet these requirements.

BASIC OVERVIEW - CALIFORNIA SUPPLY CHAIN

CULTIVATION
GREENHOUSE
INDOOR
OUTDOOR
◦ FLOWER
◦ BIOMASS

MANUFACTURING
TYPE 6 (NON-VOLATILE)
TYPE 7 (VOLATILE)
EDIBLE KITCHEN

DISTRIBUTION
◦ POST PROCESSING
◦ PACKAGING

TESTING
◦ PRODUCTS MUST PASS LAB TEST TO ENTER
◦ FAILED PRODUCTS MUST BE DESTROYED OR REMEDIATED BY DISTRIBUTION/MANUFACTURING

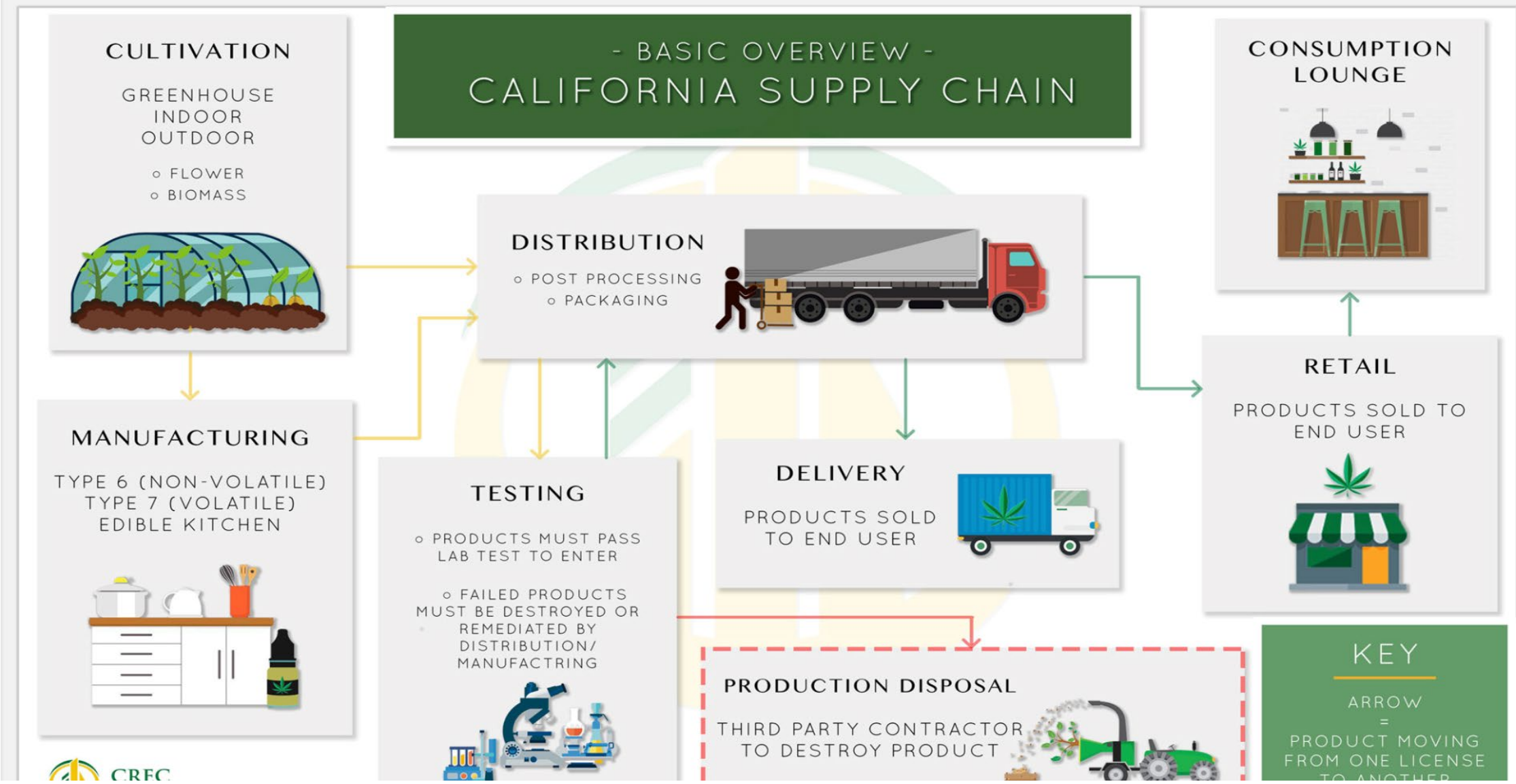
DELIVERY
PRODUCTS SOLD TO END USER

RETAIL
PRODUCTS SOLD TO END USER

CONSUMPTION LOUNGE

PRODUCTION DISPOSAL
THIRD PARTY CONTRACTOR TO DESTROY PRODUCT

KEY
ARROW = PRODUCT MOVING FROM ONE LICENSE TO ANOTHER



Licenses available and fees

	Non-Social Equity Fees			Social Equity Fees		
Name	Lottery	Provisional	License	Lottery	Provisional	License
Cultivator	\$ 1,000	\$ 25,000	\$ 75,000	\$ 500	\$ 12,500	\$ 37,500
Micro-cultivator	\$ 250	\$ 500	\$ 1,000	\$ 125	\$ 250	\$ 500
Retailer	\$ 500	\$ 5,000	\$ 25,000	\$ 250	\$ 2,500	\$ 12,500
Product Manufacturer	\$ 750	\$ 5,000	\$ 25,000	\$ 375	\$ 2,500	\$ 12,500
Food and Beverage	\$ 250	\$ 1,000	\$ 5,000	\$ 125	\$ 500	\$ 2,500
Delivery/Transport	\$ 250	\$ 1,000	\$ 5,000	\$ 125	\$ 500	\$ 2,500
Product Packager	\$ 500	\$ 5,000	\$ 25,000	\$ 500	\$ 2,500	\$ 12,500
Hybrid	\$ 500	\$ 5,000	\$ 25,000	\$ 500	\$ 2,500	\$ 12,500

For each license type, 2 stages of a lottery will be held:

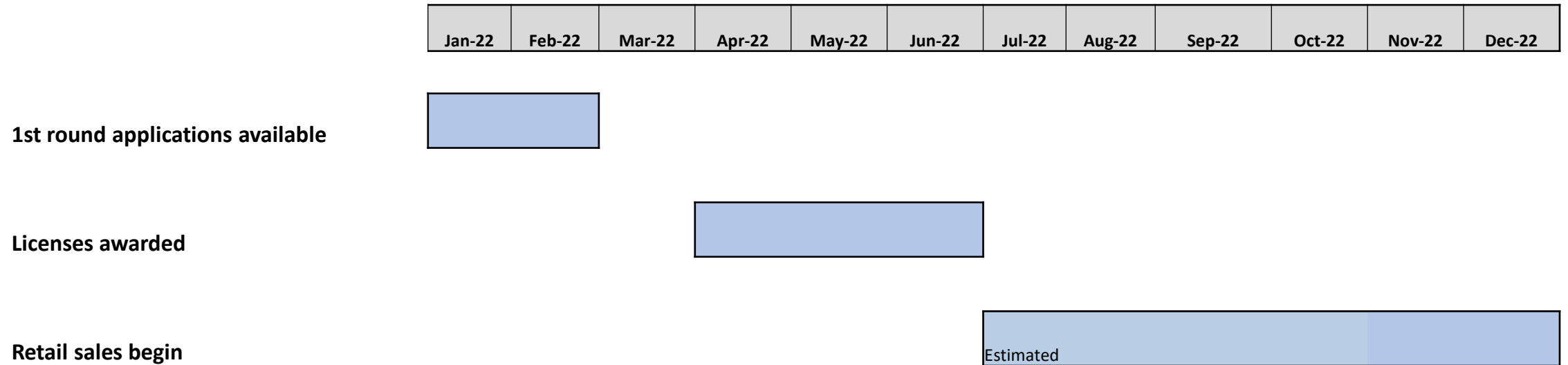
1. Social equity lottery – receiving at least ½ of each license type
2. General lottery

Applicants who enter social equity lottery can, if not drawn/deemed unqualified, pay the difference for re-entry to the general lottery.

NOTE: Lottery can be bypassed under Section 149 of the Legislation:

- (1) verification by the Social Equity Council that the applicant meets the criteria for a social equity applicant;
- (2) the applicant submitting to and passing a criminal background check; and
- (3) payment of a three million-dollar fee deposited in the Social Equity and Innovation Fund

Estimated timeline for recreational cannabis in CT

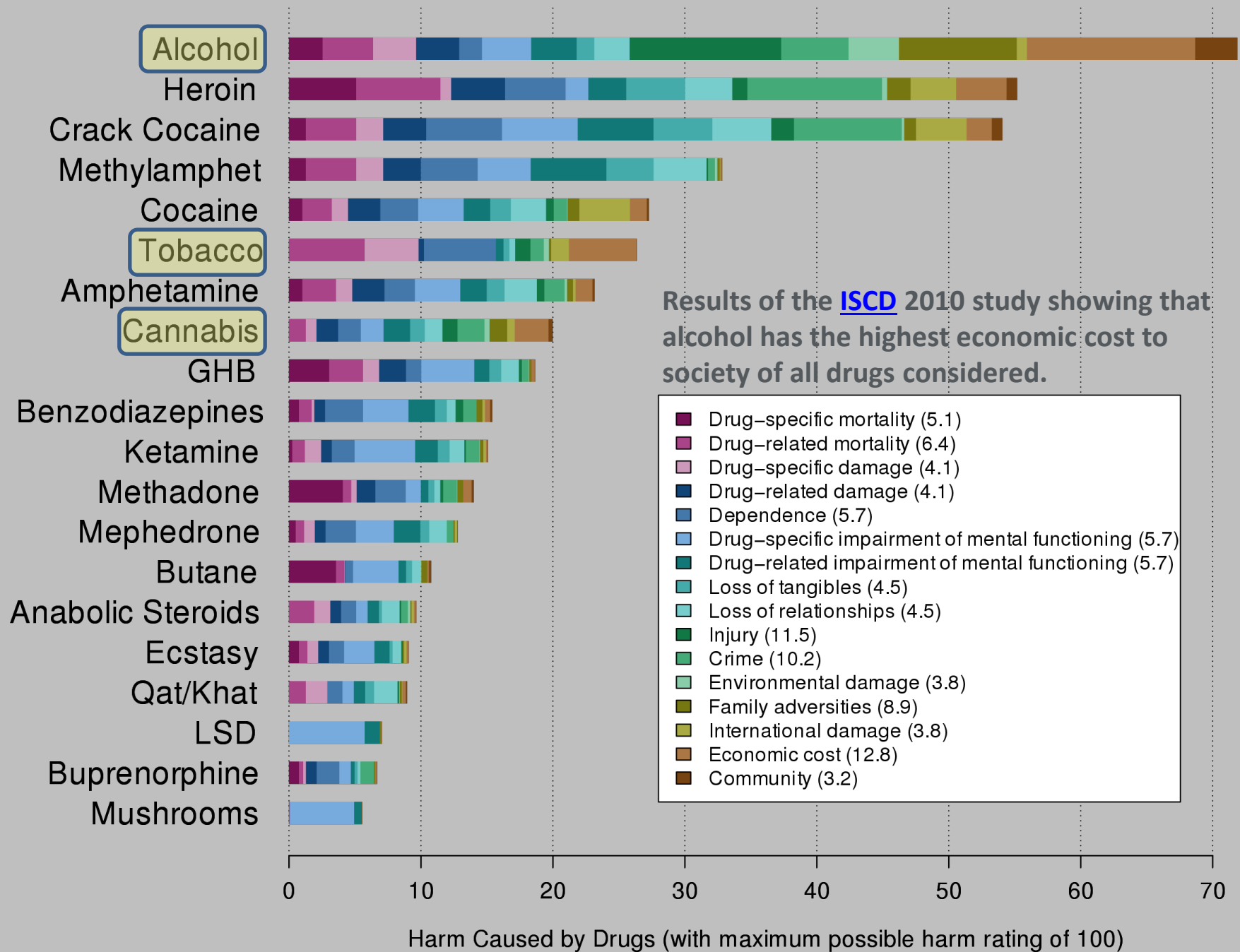


THANK YOU!

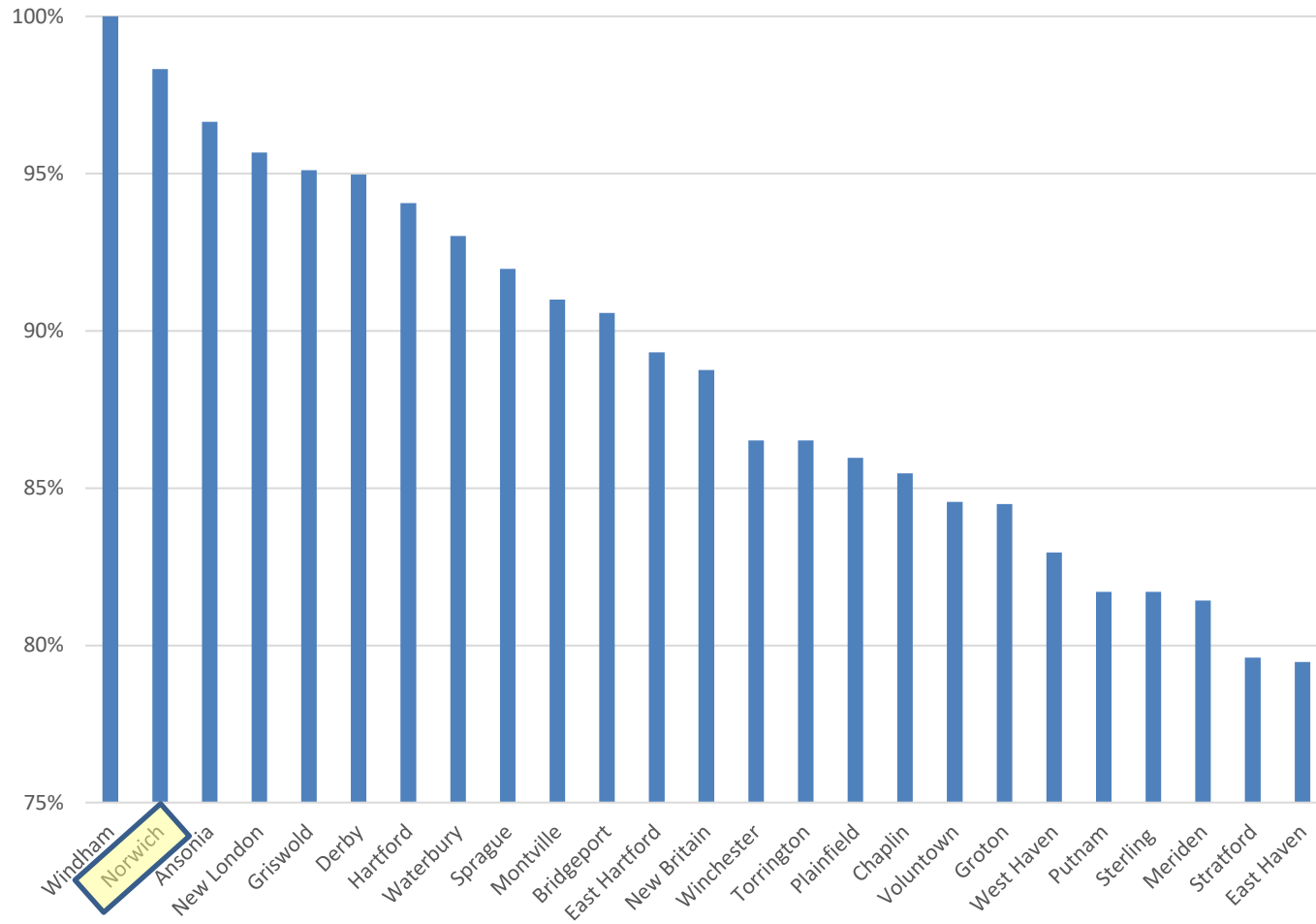
For more information on getting your business started in Norwich, visit askncdc.com or contact Kevin Brown at Kbrown@askncdc.com or (860) 887-6964.



Backup Slides



Top 25 Distressed Municipalities in Connecticut



Distressed Municipalities

(Indexed off Windham, the #1 most distressed municipality)

Most fiscally and economically distressed towns and cities which state agencies target funds for:

- Housing
- Insurance
- open space
- brownfield remediation
- economic development programs

The lists develop statistical indicators measuring the fiscal capacity of each municipality based on:

- tax base
- personal income of residents
- the residents' need for public services

Significant dates

•**On July 1, 2021:** Adults 21 and older will be able to possess cannabis and cannabis products legally

- Adults may not have more than 1.5 oz of cannabis on them
- Adults may not have more than 5 oz of cannabis in their homes or locked in their car trunk or glove box

•**By July 31, 2021:** All appointments shall be made to the Social Equity Council

•**On or before September 1, 2021:** The Social Equity Council will post the necessary documentation requirements to inform applicants of the ownership, residency, and income requirements to qualify as a social equity applicant.

•**On October 1, 2021:** Medical patients can cultivate marijuana at home

•**No later than 30 days** after the Social Equity Council identifies ownership, residency, and income criteria for social equity applicants: DCP and the Social Equity Council will begin accepting applications for all classes of licenses

•**Sometime in 2022:** Retail sales of cannabis will begin

•**On July 1, 2023:** Adults 21+ can cultivate marijuana at home

Social Equity “Fast Pass”

Sec. 149. (NEW) (Effective July 1, 2021)

- *(a) Thirty days after the Social Equity Council posts the criteria for social equity applicants on its Internet web site, the department shall open up a three-month application period for cultivators during which a social equity applicant may apply to the department for a provisional cultivator license and final license for a cultivation facility located in a disproportionately impacted area without participating in a lottery or request for proposals. Such application for a provisional license shall be granted upon:*

- *(b) To obtain a final cultivator license under this section, the social equity applicant shall provide evidence of:*
 - *(1) a contract with an entity providing an approved electronic tracking system as described in section 56 of this act;*
 - *(2) a right to exclusively occupy a location in a disproportionately impacted area at which the cultivation facility will be located;*
 - *(3) any necessary local zoning approval and permits for the cultivation facility;*
 - *(4) a business plan;*
 - *(5) a social equity plan approved by the Social Equity Council;*
 - *(6) written policies for preventing diversion and misuse of cannabis and sales of cannabis to underage persons; and*
 - *(7) blueprints of the facility and all other security requirements of the department.*