

# Proposal to amend Cannabis Businesses Ord. No. 3566-21



Sample rendering of  
Retail Store Interior

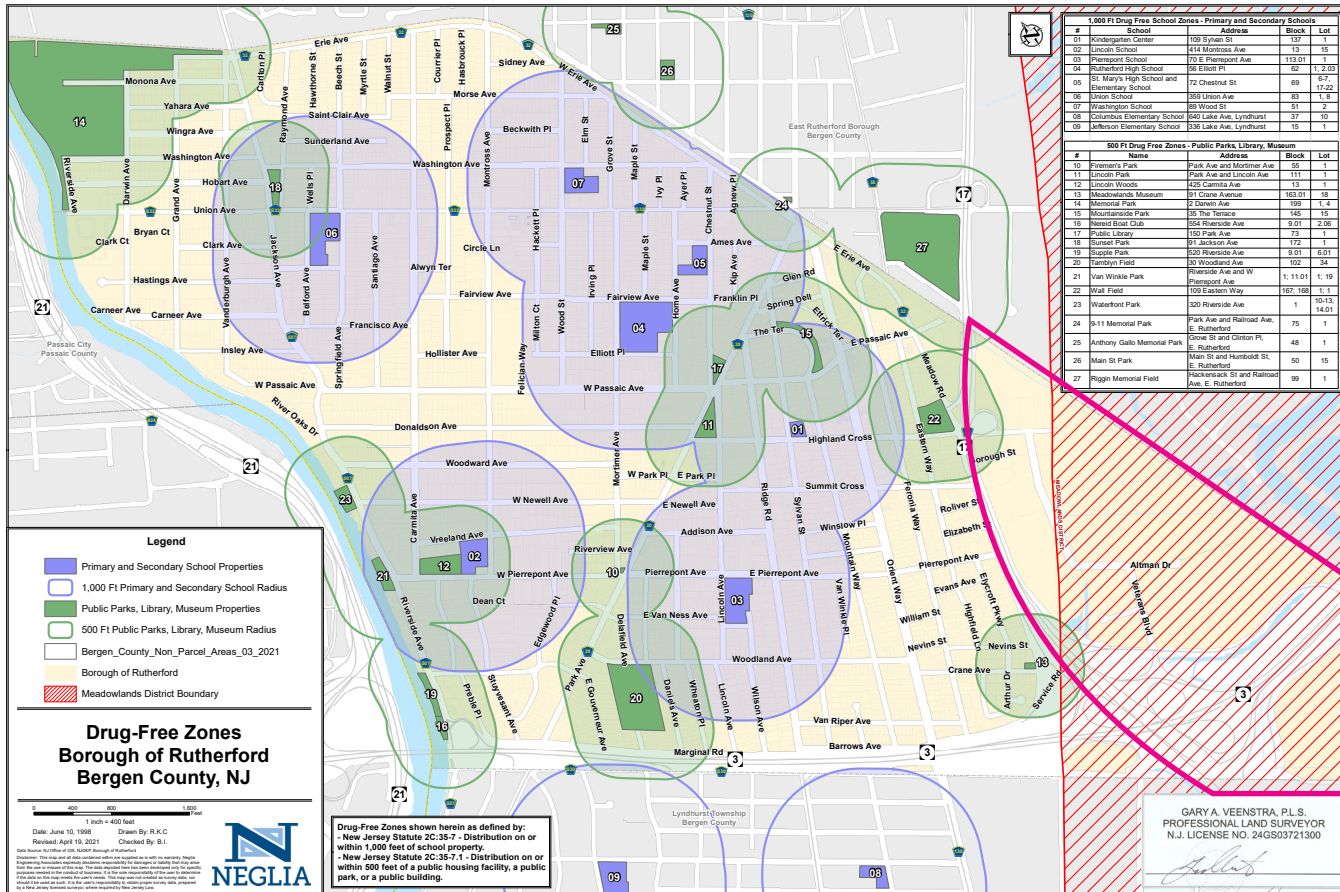
Councilman Matthew R. Cokeley  
2.28.23

Re: Cannabis Businesses Adopted 7-26-2021 by Ord. No. 3566-21  
(<https://ecode360.com/38426869?highlight=cannabis&searchId=34748848094384993>)

# Cannabis Business: Current Zoning

Currently Class 1-4 licenses are permitted within a specific zone East of Rte 17.

This ordinance seeks to amend the current restriction and allow for Class 5 (Retail) and 6 (Delivery) within the same zone ONLY. This map illustrates why none of the current state designated classes could operate within what is termed as "Rutherford Proper" due to the state restricted ban of cannabis operations within a 600ft. radius from parks, schools, etc.



Current Cannabis Business Zone with outline of NJSEA jurisdiction overlaid in red stripes.

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# Cannabis Business: General Statistics

## Cannabis Retail (Class 5) Statistics based on National Averages

### Borough of Rutherford: Cannabis Supply & Demand Analysis

- Average Cannabis Facility is approximately 3,000 sq. ft.
- A 3,000 sq. ft. store will typically have 6 – 8 Retail Stations for Checkout
- Average visit is 20 minutes per customer
- Average Cannabis Stores are open 8-12 hours a day
- Rutherford Population: 18,400
- Average percentage of cannabis customers per location = 10% of the local/surrounding population
- A Rutherford dispensary could service approximately 3,500-4,000 customers per month

**Conclusion:** If an average store is open 8 hours a day and has 6 retail stations for checkout, the store can service around 144 customers a day or 4,032 per month.

Further, an average cannabis retail store front could generate **\$403,200 per month or \$4,838,400 in revenue per year.\***

\* Revenue projection is based on Rutherford's local population ALONE. This is important to note because as an example, Rochelle Park's population is 5,600 residents and currently collects \$1million in cannabis-based municipal tax revenue.

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# Cannabis Business: Municipal Benefits

New Jersey state law allows for up to a 2% municipal level tax on revenue for each Class License:

- A Class 5 licensed dispensary would generate \$96,768 in annual tax revenue based on average national statistics.\*

**“\$96,768 in annual tax revenue”\***

\* Baseline minimum revenue projection

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<https://www.nj.gov/cannabis/resources/faqs/municipalities/>

# Cannabis Business: Municipal Benefits II

New Jersey state law allows for up to a 2% municipal level tax on revenue for *each* Class License:

- Should a Class 5 licensed dispensary decide to add or build on a “micro-farm”, that decision would require a Class 1 and a Class 2 license.
- Sales of any product produced (Class 1), manufactured, prepared and packaged (Class 2) by the same Licensee would beget an additonal 2% of tax revenue for each tier.

**“6% (accumulated) municipal tax on total revenue”**

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<https://www.nj.gov/cannabis/resources/faqs/municipalities/>

# Cannabis Business: Municipal Benefits III

## Additional Revenue: Application & License Fees

- Application fee
- License fee per class
- Tiered licensing fee for manufacturing and cultivator facilities based on the square footage of the building if applicable

**“The annual license fee for all cannabis establishments shall be \$15,000. In the initial year of licensing, the fee for any license issued on or after July 1 of that year shall be \$7,500.”**

-Hackensack Municipal Ordinance: Cannabis

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# Cannabis Business Concerns: Crime

“With the current research, it is suggested that legalization of marijuana and subsequent opening of dispensaries have little to no adverse effects on crime rates...”\*

\* Colorado and Washington legalized retail sales in 2012. 10+ years worth of data and analytics available.

(See more regarding NJ state level regulations on safety, security & product mangement in link found on last page.)

-Kylie E. McCarthy,  
*Effects of Legalization in Colorado and Washington*  
University of New Haven 2.22.2022

<https://www.ebpsociety.org/blog/education/525-the-effect-of-marijuana-legalization-on-crime-rates#:~:text=With%20the%20current%20research%2C%20it,specifically%20in%20the%20long%2Dterm.>

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# Cannabis Business Concerns: Traffic

Rutherford's designated cannabis zone primarily consists of industrial lots with ample "off-street" parking. Further, the physical barrier of Rte. 17 will designate entrance and exit areas far from the residential streets of "Rutherford Proper".

(See more regarding NJ state level regulations on safety, security & product management in link found on last page.)

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# Cannabis Business: Case Study

**“A lot of communities are just not seeing (the benefits),” he said. ‘They’re concerned about stigma...’”**

-Frank Filipek, Mayor, Bellmawr, NJ, 10.7.2018

[https://www.nj.com/marijuana/2018/10/as\\_nj\\_towns\\_keep\\_banning\\_weed\\_one\\_town\\_with\\_experi.html](https://www.nj.com/marijuana/2018/10/as_nj_towns_keep_banning_weed_one_town_with_experi.html)

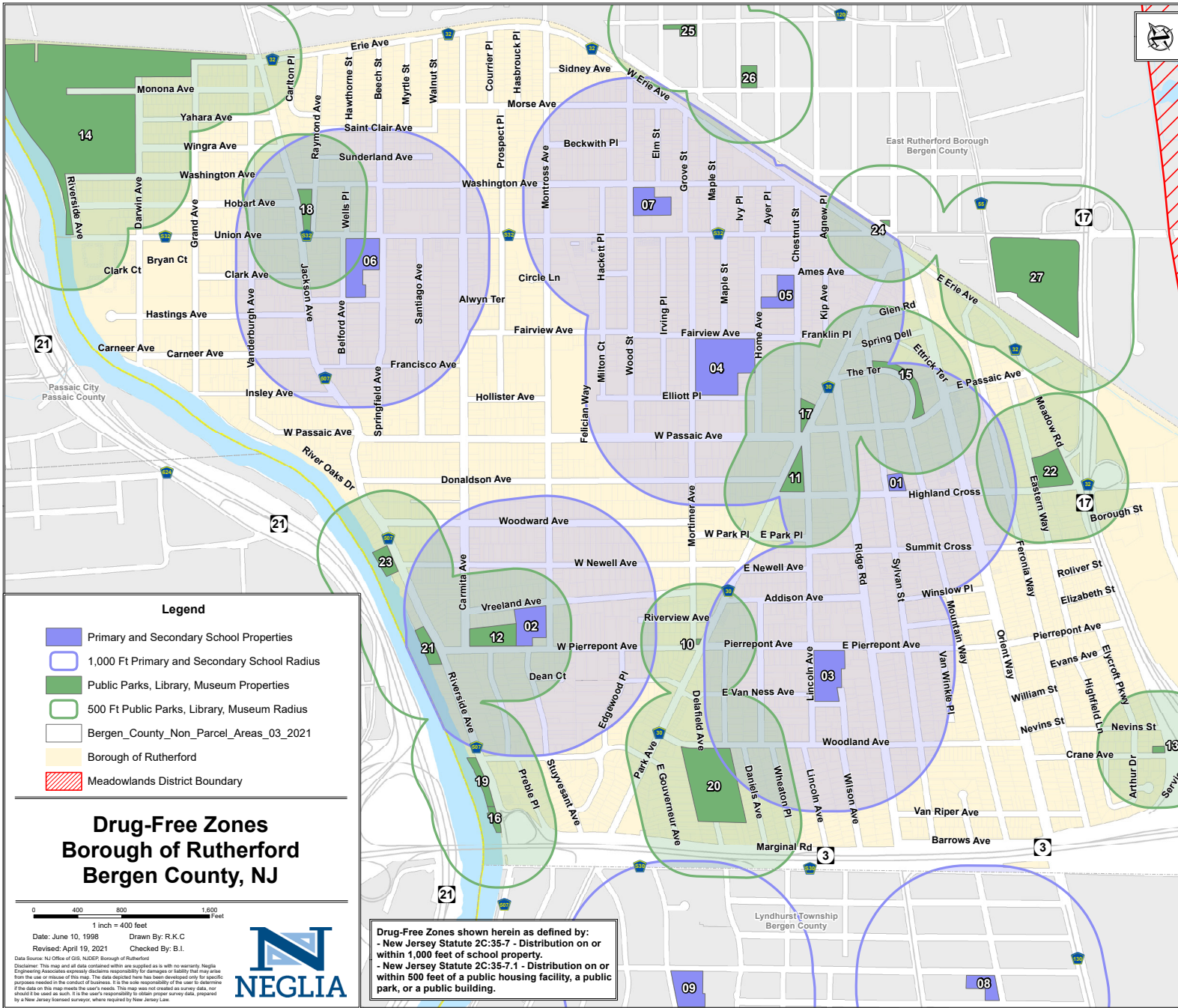
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# Cannabis Business: The Vote

**“68% of Rutherford residents  
voted in favor of legalizing  
recreational cannabis...”**

-USA TODAY, November 3rd, 2020

Councilman Matthew R. Cokeley  
02.28.23



1,000 Ft Drug Free School Zones - Primary and Secondary Schools				
#	School	Address	Block	Lot
01	Kindergarten Center	109 Sylhan St	137	1
02	Lincoln School	414 Montross Ave	13	15
03	Pierrepont School	70 E Pierrepont Ave	113.01	1
04	Rutherford High School	56 Elliott Pl	62	1, 2, 03
05	St. Mary's High School and Elementary School	72 Chestnut St	69	17-22
06	Union School	359 Union Ave	83	1, 8
07	Washington School	89 Wood St	51	2
08	Columbus Elementary School	640 Lake Ave, Lyndhurst	37	10
09	Jefferson Elementary School	336 Lake Ave, Lyndhurst	15	1

500 Ft Drug Free Zones - Public Parks, Library, Museum				
#	Name	Address	Block	Lot
10	Firemen's Park	Park Ave and Mortimer Ave	35	1
11	Lincoln Park	Park Ave and Lincoln Ave	111	1
12	Lincoln Woods	425 Carmita Ave	13	1
13	Meadowlands Museum	91 Crane Avenue	163.01	18
14	Memorial Park	2 Darwin Ave	199	1, 4
15	Mountainside Park	35 The Terrace	145	15
16	Nereid Boat Club	554 Riverside Ave	9.01	2, 06
17	Public Library	150 Park Ave	73	1
18	Sunset Park	91 Jackson Ave	172	1
19	Supple Park	520 Riverside Ave	9.01	6, 01
20	Tamblyn Field	30 Woodland Ave	102	34
21	Van Winkle Park	Riverside Ave and W Pierpont Ave	1, 11.01	1, 19
22	Wall Field	109 Eastern Way	167, 168	1, 1
23	Waterfront Park	320 Riverside Ave	1	10-13, 14.01
24	9-11 Memorial Park	Park Ave and Railroad Ave, E. Rutherford	75	1
25	Anthony Gallo Memorial Park	Grove St and Clinton Pl, E. Rutherford	48	1
26	Main St Park	Main St and Humboldt St, E. Rutherford	50	15
27	Riggin Memorial Field	Hackensack St and Railroad Ave, E. Rutherford	99	1

**Legend**

- Primary and Secondary School Properties
- 1,000 Ft Primary and Secondary School Radius
- Public Parks, Library, Museum Properties
- 500 Ft Public Parks, Library, Museum Radius
- Bergen County Non-Parcel Areas 03\_2021
- Borough of Rutherford
- Meadowlands District Boundary

**Drug-Free Zones  
Borough of Rutherford  
Bergen County, NJ**

0 400 800 1,600 Feet  
1 inch = 400 feet

Date: June 10, 1998 Drawn By: R.K.C  
Revised: April 19, 2021 Checked By: B.I.



Drug-Free Zones shown herein as defined by:  
 - New Jersey Statute 2C:35-7 - Distribution on or within 1,000 feet of school property.  
 - New Jersey Statute 2C:35-7.1 - Distribution on or within 500 feet of a public housing facility, a public park, or a public building.

GARY A. VEENSTRA, P.L.S.  
PROFESSIONAL LAND SURVEYOR  
N.J. LICENSE NO. 24GS03721300

# The Effort:

I am asking for your support to allow for the continued evolution of Rutherford.

This is a clear and present opportunity to benefit our tax-payers.

If there are any questions or a need for more information, please do not hesitate to reach out.

I thank each of you for your time and consideration.

Sincerely,

Matthew R. Cokeley  
Councilman  
07070

## IMPORTANT LINK

NJ State Cannabis Regulations (SecurityRequirements): [https://casetext.com/regulation/new-jersey-administrative-code/title-17-treasury-general/chapter-30-personal-use-cannabis-rules/subchapter-9-cannabis-business-license-holder-material-conditions-and-requirements/section-1730-910-security#:~:text=Section%2017%3A30%2D9.10%20%2D%20Security%20\(a\)%20Each,theft%2C%20and%20diversion%20of%20cannabis.](https://casetext.com/regulation/new-jersey-administrative-code/title-17-treasury-general/chapter-30-personal-use-cannabis-rules/subchapter-9-cannabis-business-license-holder-material-conditions-and-requirements/section-1730-910-security#:~:text=Section%2017%3A30%2D9.10%20%2D%20Security%20(a)%20Each,theft%2C%20and%20diversion%20of%20cannabis.)