

Medical Marijuana's Eco Boomtown

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By Mary Spicuzza

Source: [ABC News](#)

Arcata, Calif. -- When Stephen Gasparas arrived in Humboldt County in late 2004, he was driving a VW Westfalia pop-top camper on the verge of breaking down and had only \$100 in his pocket.



Gasparas, who ran a flooring business in Chicago before heading west, seems to have found far greener pastures in Humboldt County's medical marijuana industry.

Less than four years later, the owner of the Arcata iCenter, a collective marijuana dispensary, is now driving a new hybrid Toyota Highlander and bringing in about \$100,000 a year. (And judging by the foot traffic in and out of the iCenter, that figure is a modest estimate.)

But Gasparas, 38, is just one of many in Humboldt County and throughout California benefiting from the booming medical marijuana industry.

Exactly how much the Golden State has made in pot profits is a hazy figure, mostly because California doesn't keep exact numbers on medical marijuana sales taxes.

It's estimated that \$143 million in medical marijuana sales have netted \$11.4 million in state and local taxes annually, based on registered businesses, California State Board of Equalization spokesperson Anita Gore said. And those estimates are small compared to a 2006 report co-authored by California NORML state coordinator Dale Gieringer, which said that Californians consumed between \$870 million and \$2 billion worth of medical marijuana per year.

Of course, marijuana is nothing new to Humboldt County.

Humboldt, part of Northern California's Emerald Triangle, has long been known for its high-grade marijuana crop, which has been immortalized on merchandise including "Got Humboldt?" T-shirts, skateboards that feature weed and the words "Humboldt Gold," and an upcoming movie named -- what else? -- "Humboldt County." One recent study by Steven Hackett, an economics professor at Humboldt State University, estimated marijuana brings in as much as a half-billion dollars to the county's economy.

Those who think Hackett's number is much too high probably have not wandered through the streets of cities like Arcata, enjoying the sights -- and scents -- of Humboldt.

At the recent I-Block Party, a fundraiser for Arcata's sister city (Camoapa, Nicaragua), the heavy scent of pot hung in the warm air as the crowd grooved to a reggae band.

Humboldt Glassblowers, a local shop featuring work by local artists, offers a seemingly endless supply of gorgeous swirled glass pipes -- not to mention hookahs, Frisbees and magazines like "High Times" and "420 Magazine." There, it seemed hard to go anywhere

without smelling ganja, or at least spotting some reference to it.

For years, Humboldt County has enjoyed the benefits of a booming underground economy. But changes to state laws -- such as the passage of Proposition 215 in 1996, when voters approved the medical use of marijuana -- mean that many engaged in cultivation and sales are trying to follow state medical marijuana laws. Or, at least some of them are making an effort, and in doing so are pouring money into local and state tax coffers.

The City of Arcata declined to disclose specific taxes paid on medical marijuana sales by local businesses, calling that "proprietary information." But the city's finance director, Janet Luzzi, said one dispensary in town is among Arcata's top 25 producers of sales tax, and has been for several quarters.

"It's not always there," Luzzi said. "But it's often there."

Other medical marijuana dispensaries, however, recently received written reminders from Luzzi.

"Not all of them were paying taxes," she said.

And taxes aside, most here acknowledge marijuana sales have for years contributed to county finances.

Vocal medical marijuana advocate Martha Devine was sitting on a park bench in the flower-lined Arcata Plaza, near a large circle of people kicking around a hacky sack and dozens of dancers. A steel drum band was playing for an enthusiastic crowd, and shoppers were wandering in and out of stores.

"The economy of Humboldt County would have ceased to exist a long time ago without it," said Devine, glancing around the plaza. "This county was built on marijuana."

Devine, who's known to some here as "Granny Green Genes," said this place was a ghost town when she arrived in Humboldt 32 years ago. She's witnessed the decline of the county's other traditional industries, like timber and fisheries, and believes marijuana is largely responsible for Humboldt's progressive culture and thriving businesses.

"I think it's really kept our economy going," Devine said.

While Devine acknowledged that Humboldt's cannabis cash crop has brought in the bad with the good -- things like harder drugs and guns -- she said she hopes medical marijuana will help the industry fight the negative aspects associated with black (or even gray) market economies.

She said she does not have a medical marijuana I.D. card "at the present time," but believes many ill members of the community have benefited tremendously from their "medicine."

Despite widespread support for medical marijuana, tensions seem especially high in towns like Arcata, where people are struggling to agree on the details of medical marijuana, such as rules for growing and limits for medical marijuana possession.

It's a debate that's playing out in counties around California, from historically pot-friendly places like Mendocino County to Los Angeles.

The City of Arcata recently was reviewing the standards of its own marijuana guidelines when the new guidelines by the California Attorney General's Office were issued late last month.

City staff members are currently reviewing the new statewide guidelines, which set clearer policies on medical marijuana identification cards, plant limits and mandate that dispensaries operate as collectives or cooperatives. Arcata hopes to soon send guidelines to the City Council for its approval.

But whether the new state and local guidelines can help bring peace to Humboldt remains to be seen. In the meantime, many local residents seem uncomfortable in their current position, caught between conflicting and confusing state and federal laws, where medical marijuana dispensaries that pay their state and local taxes may be raided at any time by the Drug Enforcement Administration or other federal agencies.

Some residents complain that a few grow houses have grown out of control, causing problems ranging from skunk-like odors to house fires.

So, even as California's attorney general seems comfortable delving into the medical marijuana debate, stores like Humboldt Hydroponics refuse to even discuss the topic.

When asked about the issue of medical marijuana and the economy, a man behind the counter of Humboldt Hydroponics shop in Arcata seemed on edge as he immediately insisted he had nothing to say because his shop had "no affiliation" with medical marijuana.

But while standing outside his Arcata iCenter dispensary, Stephen Gasparas seemed to be making a sincere effort to bring medical marijuana out of the shadows and celebrate its contributions to California's economy. He warmly greeted many of the patients -- many of them 20- or 30-something guys -- who stopped in the business.

Gasparas, who had battled over permit issues at previous business he ran a few doors down from his medical marijuana dispensary, talked about his efforts to pay sales taxes and give back to the community. He talked about his new fire relief fund. And when an employee came outside to ask him about a patient's form, Gasparas insisted that personal contact must be made with each doctor who's suggested a patient try medical marijuana.

"I'm here seven days a week," he said. "I wouldn't screw around."

Note: Humboldt Country's High: How One Community Thrives on Legal Pot.

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