

First Legal Cannabis License in Syracuse Awarded to Health Care Agency, No Plans for Implementation

Early last year, an affiliate of Central New York's largest nursing home operator, Loretto, was granted the region's first conditional license for selling legal recreational marijuana. However, Loretto has recently confirmed that it allowed the license to expire without intending to utilize it, citing uncertainties in the market as the primary reason.

Market Uncertainties Drive Decision

Julie Sheedy, Loretto's chief marketing and engagement officer, stated in an email to syracuse.com, "The original conditional license did expire and we will not be pursuing a renewal. We do not have further interest in pursuing this opportunity." She emphasized that uncertainties in the market played a significant role in their decision to withdraw from the cannabis business.

State Cannabis Rollout Criticized

The news of Loretto's withdrawal coincides with ongoing criticisms of the state's slow and mismanaged rollout of the cannabis industry. A recent state audit highlighted inefficiencies within the Office of Cannabis Management, prompting Governor Kathy Hochul to order a complete overhaul, including the replacement of its director.

Initial Plans and Goals

When Loretto obtained the license in January 2023 through its affiliate, Advanced Institutional Support Services LLC, the intent was to explore new revenue streams to offset losses incurred through the state Medicaid program. The organization aimed to diversify revenue sources, but it never specified a location for the potential dispensary.

Nonprofit Qualification Under CAURD Program

Under the Conditional Adult-Use Retail Dispensary (CAURD) program, nonprofits like Loretto were eligible for conditional licenses if their mission included serving individuals affected by past marijuana offenses. However, the conditional licenses did not grant immediate dispensary openings but provided a starting point for operators to establish locations and business plans.

Limited Success for Nonprofits in Cannabis Industry

While some nonprofit organizations have successfully navigated the complexities of the cannabis industry, Loretto's decision highlights the challenges faced by entities entering this market. Despite opportunities for

diversification and revenue generation, uncertainties and regulatory hurdles present significant barriers to entry.

Central New York Cannabis Landscape

In Central New York, the cannabis industry has seen a mix of nonprofit and for-profit operators. While some for-profit CAURD licensees have opened dispensaries, nonprofits like Loretto have opted out, indicating the diverse responses within the region's evolving cannabis landscape.

As Loretto steps back from the cannabis business, the future of marijuana regulation and market dynamics in Central New York remains uncertain amidst ongoing state-level reforms and industry developments.

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