



**State of Delaware
Office of the Marijuana Commissioner
1128 South Bradford Street
Dover, Delaware 19901**

Joshua Sanderlin
Commissioner

Paul R. Hyland
Deputy Commissioner

Shangri-La Farms Delaware Inc.
593 Gravesend Road
Smyrna, Delaware 19977
License No. K01074

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DECISION AND ORDER
Protested Application

This matter concerns the application of Shangri-La Farms Delaware Inc. (“Applicant”), license number K01074, for approval of a premises located at 593 Gravesend Road, Smyrna, Delaware 19977 (“the Property”), for the operation of an open marijuana cultivation facility.

SUMMARY OF EVIDENCE

1. On July 10, 2026, Applicant was granted a conditional license to operate an open marijuana cultivation.

2. On June 9, 2026, Applicant submitted documents to the Office of the Marijuana Commissioner (“OMC”) sufficient to show site control of the Property as well as compliance with the applicable Kent County Zoning ordinance(s). *See* Exhibit 1, Zoning Verification Letter.

3. On June 12, 2026, OMC posted public notice of the intended use of the property and the email address for members of the public to send their objections.

4. Prior to the expiration of the 30-day posting window, OMC received a total of 14 objections to the use of the property as a marijuana cultivation facility. Written objections were received via email and can be categorized as follows:

- a. General opposition to marijuana.
- b. The proximity of the facility to residences.
- c. Possible odors and uncertain health consequences from odors.
- d. Increased traffic and already-congested roads.
- e. Possible crime or attraction of an undesirable “crowd.”
- f. Possible effects on residential property values, zoning, rural character, and community character.
- g. Water consumption, the shared aquifer, and chemicals used in cultivation.

5. Of those 14 objections received, only eight were members of the public residing within 1 mile of the Property and six objections were duplicates from the same unique members of the public.

6. Additionally, the objections included allegations that the Commissioner had a conflict of interest due to a prior relationship with one of the principals of the licensee. While the Commissioner disputes any actual conflict, in the interest of avoiding even the appearance of a conflict and ensuring a fair and impartial process, the Commissioner recused himself from participating in any subsequent proceedings and appointed the Deputy Commissioner as the hearing officer.

7. While falling short of the statutory minimum required by 4 Del. C. § 1352(b)(1) of 10 objections from members of the public residing within 1 mile of the Property, because this program and its processes are brand new, the Deputy Commissioner elected to schedule a hearing for August 19, 2026 (“the Protest Hearing”), pursuant to 4 Del. C. § 1352(b)(2).

8. Public notice of the Protest Hearing was given by posting the notice on the Property on July 27, 2026, as well as advertisement in the Daily State News on August 5, 2026, and August 12, 2026. OMC also provided direct notice of the hearing via email to individuals that submitted objections. The Commissioner did not restrict attendance or participation at the public hearing; any person wishing to attend or present evidence was permitted to do so.

9. At the Protest Hearing, the opponents were permitted to give oral testimony, and three members of the community spoke in opposition to the proposed use of the Property. The opponents’ testimony is summarized as follows:

- a. **Marlene Sommers**, who lives downwind from the proposed site, expressed concern that the odor of cannabis could cling to clothing and fabrics inside her home. Ms. Sommers also voiced apprehension regarding airborne chemical drift from the cultivation facility onto her property. Additionally, she questioned the business's long-term viability, asking how the soil might be impacted if the venture fails. Her environmental concerns extended to water usage and runoff, specifically regarding their potential impact on adjacent wetlands. Finally, Ms. Sommers raised public safety concerns, noting that crime is already an issue in the neighborhood due to past break-ins. She worried the facility would attract further criminal element, leading to the installation of Flock surveillance cameras that would inadvertently place her own family under constant monitoring.
- b. **Heather Maddage**, who lives two doors down from the proposed location, shared that both she and her child suffer from asthma. They are deeply concerned that the odor from the cannabis cultivation facility will trigger asthma attacks and negatively impact their health. While Ms. Maddage was informed about a potential fogging system to mitigate the smell, she found the idea troubling because it sounds like an airborne chemical application. She noted that their home is six years old and that the 7-acre property is intended to be their permanent retirement home.
- c. **Edward Sonson** is new to the area, having lived in his home for approximately 18 months, and having invested nearly \$800,000 in his property. According to Mr. Sonson, the street where this cultivation facility is located is troubled by existing problems, stating that the Delaware State Police have responded to the street at least 40 times in the past year for bonfires and underage drinking. Mr. Sonson, who has a background in laboratory testing in the oil refinery industry, is worried about the VOCs that will be produced by

marijuana cultivation. Although he had questions about the type of plants and water usage, he stated he has not discussed the issues with the business owner. He went on to say that water runoff from the cultivation could impact the water table and lead to nutrient pollution. In addition to his testimony, Mr. Sonson submitted into the record two photographs appearing to show several sets of red and blue lights along the street out front of his home, and a large poster-sized drone shot of the area around his home and the intended cultivation facility.

10. Testifying in support of the open cultivation business, were two people from the area surrounding the proposed location.

- a. **Jeri Sheats**, a real estate agent specializing in residential sales in the Smyrna area, testified in favor of the proposal. Mr. Sheats stated that he would prefer a cannabis cultivation facility at this location over another housing development or a solar farm. In his testimony, he argued that residential developments and solar farms permanently scar the land and destroy the natural environment, whereas utilizing the site for agricultural purposes preserves the land for the future.
- b. **Delaware State Senator Kyra Hoffner** (D-14th District) testified in support of the application, noting that this marks the fourth cannabis cultivation site in her district. Senator Hoffner highlighted that the state program's strict restrictions on pesticides and extensive compliance testing ensure a safer product for the community. She also stated that the planned installation of security cameras should enhance overall neighborhood safety. Endorsing the project as a legitimate farming venture, she noted that the property is appropriately zoned, surrounded by agricultural fields on all sides, and sufficiently set back from the road to prevent it from becoming a nuisance to neighbors.

11. On behalf of the licensee, cultivation manager Frank Alvarez-Gil and business owner Nevil Patel testified in support of issuing the cultivation license.

12. Mr. Alvarez-Gil discussed soil amendments and water usage, noting that the plants require significantly less water than the pivot irrigation wells used for neighboring crops. He clarified that the entire property would be supplied by two 4-inch well points and stated that water run-off would not be an issue due to the minimal amount of water used during cultivation. Additionally, Mr. Alvarez-Gil detailed their plant selection, stating that because the cultivation focuses on cannabis extracts, they will grow short, low-terpene plants known for producing minimal odor. Mr. Alvarez-Gil also advised that he lives on the property full-time and because there is only one main entrance anyone attempting to access the property must pass his home.

13. Mr. Patel reviewed the security requirements, explaining how the camera system will enhance neighborhood safety, and provided details on the business's operating hours and staffing levels. Mr. Patel referenced a Sonoma County, California Summary Report dated October 28, 2025, which utilized regional atmospheric dispersion data from Trinity Consultants. The report notes that a 1-acre outdoor cultivation site experiences a 48% odor reduction at 100 feet, an 83% reduction at 600 feet, and an 86% reduction at 1,000 feet. It explicitly clarifies that emissions of beta-myrcene (a dominant cannabis terpene) from live plants pose no health or toxicological risks to neighbors, as confirmed by county health officials. Mr. Patel added that if cultivation odors extend beyond the property boundary,

they can install an odor mitigation system. This fog-based system uses an ultra-fine water mist that binds to airborne particulate matter to prevent it from traveling.

FINDINGS OF FACT

1. Applicant submitted a complete application for purposes of obtaining a conditional license for an open marijuana cultivation facility.

2. After receiving 14 written objections from eight actual community members, OMC scheduled a hearing on the use of the property as an open marijuana cultivation facility; five members of the community appeared at the hearing and three offered testimony in opposition.

3. Deputy Marijuana Commissioner, Paul Hyland, presided over this hearing to alleviate concerns that Marijuana Commissioner Joshua Sanderlin knew one of the principals in the business from his time in another state.

4. Kent County Department of Land Use affirmed that the County's zoning regulations define marijuana cultivation as an agricultural use permitted by right on properties located in the Agricultural Conservation zone. The proximity of agricultural use to neighboring residences is addressed by the Kent County zoning regulations and is not prohibited. *See Exhibit 1.*

5. Testifying opponents maintain a general opposition to marijuana, as is their right; however, the General Assembly has authorized and directed the establishment of a regulated marijuana industry.

6. The record contains no evidence demonstrating or suggesting that odors associated with marijuana cultivation result in specific or general health consequences.¹ Additionally, the Department of Natural Resources and Environmental Control does not list the smell of marijuana growing as a hazardous air pollutant. *See* 7 Del. Admin. Code § 1121.

7. An open marijuana cultivation license is not open to the public, and the licensee will employ approximately 3 full-time individuals, and up to a dozen seasonal employees during harvest periods; the record contains no evidence to support concerns about traffic congestion.

8. Security requirements for OMC licensed facilities are outlined in OMC regulations, subsections 6.3 and 6.7.6. Under these provisions, access is significantly limited, premises are monitored by security alarm, and nearly every square foot of the inside and immediate outside are under 24/7 camera surveillance. Both the OMC and the Division of Alcohol and Tobacco Enforcement have unlimited access to those cameras. All owners and employees undergo thorough background checks and must be approved by OMC prior to ownership or employment. The record contains no evidence showing that cultivation facilities attract crime in Delaware. None of the opponents presented evidence of any studies or reports that show marijuana cultivation facilities generally cause a rise in crime in the immediately adjacent area.

9. Opponents testified to their concerns about police presence on the road in question, these police service calls predate the open marijuana cultivation license and have no bearing on the appropriateness of licensing the business.

¹ The odor of growing marijuana at issue here is distinct from the odor of smoke created from the combustion of marijuana. OMC regulations prohibit the consumption of marijuana at any marijuana facility in the state of Delaware. 4 Del. Admin. Code § 5001-6.7.2.3.

10. Opponents stated concerns about their home values. The record lacks any evidence to conclude that issuing an active license to Applicant would raise or lower the property values in this community. Moreover, the lowering of property values, even if established, is not an adverse impact on the quality of life.

11. The record contains no evidence indicating that concerns about water consumption, the shared aquifer, and chemicals used in cultivation would not be adequately addressed by the applicable OMC regulations. OMC takes these concerns seriously despite no evidence that there would be any such impact. These concerns are addressed in the OMC regulations that require all cultivation facilities to submit to OMC “an environmental and suitability plan that includes efforts the facility will take to minimize the environmental impact of its operations and plans to minimize water usage.” 4 Del. Admin. Code § 5001-6.7.4. Should that study show a sustainable impact on the area, OMC will require that the Applicant adjust plans before an active license is issued.

CONCLUSIONS OF LAW

1. The public notice of a pending marijuana establishment application posted on the premises, and the public notices of the subsequent protest hearing, complied with 4 Del. C. § 1352.

2. Pursuant to 4 Del. C. § 1334, open marijuana cultivation licensees are permitted to cultivate marijuana in an amount not to exceed 7.5 acres of cannabis plant grow canopy. The record reflects that the Applicant intends for its operations to comply with these requirements.

3. Marijuana cultivation is an agricultural trade. Although the final product is closely regulated, it is a plant: *Cannabis sativa* L. Kent County zoning regulations provide that marijuana cultivation is a permissible use of property.

4. After conducting the protest hearing and compiling the associated record in accordance with 4 Del. C. § 1352(b), the record does not contain substantial evidence reasonably supporting a belief that granting the license is not in the public interest. 4 Del. C. § 1354(b)(5).

- a. The Deputy Commissioner used discretionary authority under 4 Del. C. § 1352(b)(2) to hold a hearing despite the total number of unique local objectors falling short of the mandatory statutory threshold. While 14 total emails were received, they originated entirely from just eight unique members of the public within a one-mile radius of the premises, meaning zero unique objections were filed by residents living outside that radius. Furthermore, only three members of the community appeared at the hearing to testify in opposition. Therefore, the record does not support a conclusion that a majority of residents within five miles oppose approval. **4 Del. C. § 1354(b)(5)a.**
- b. Likewise, the record does not support a conclusion that the proposed premises will adversely affect community quality of life. 4 Del. C. § 1354(b)(5)b. General opposition to the legalization of marijuana is not sufficient. The General Assembly has authorized and directed the establishment of a regulated marijuana industry, and the Commissioner must have reasonable grounds to believe that a statutory basis to refuse the license exists. OMC has evaluated the site-specific health, safety, environmental, and quality-of-life concerns presented in the record and finds no evidence that approving the proposed premises will adversely affect quality of life in the community.

DECISION AND ORDER

IT IS THIS 28th day of August, 2026, the Decision and Order of this Office that the Applicant's use of the premises at 593 Gravesend Road, Smyrna, Delaware 19977 for its open marijuana cultivation establishment is APPROVED. This Order does not grant an active license and does not authorize Applicant to commence cultivation or other licensed operations. Applicant may commence operations only after satisfying 4 Del. C. § 1346 and all applicable provisions of 4 Del. Admin. Code § 5001 and receiving an active license from the Commissioner.

IT IS SO ORDERED.


Paul Hyland,
Deputy Marijuana Commissioner

Right of Appeal, per 4 Del. C. § 1352(c):

(c) The Commissioner's decision on an application must be in writing and is final and conclusive unless a party to such hearing files an appeal within 30 days from the date of the postmark on the Commissioner's decision by mailing notice of the appeal to the Commissioner's office. Upon receipt of the appeal, the Commissioner shall notify the chair of the Appeals Commission of the pending appeal, and the chair shall convene the Appeals Commission with at least 20 days' notice to all parties. The Appeals Commission shall hear the appeal and shall review the matter on the record; act in accordance with the Administrative Procedures Act, Chapter 101 of Title 29; and affirm, reverse, or modify the decision of the Commissioner. A decision of the Commissioner may only be reversed upon a finding of abuse of discretion.