

**Ad Hoc Marihuana Committee**

**August 18, 2020**

**6:00 pm.**

**Attendance: Mayor Wishart, Council member Witt, Council member Akin, Casey Buckleitner, Paul Gunderson, Mark Hansen, Dr. Steven Wisniewski, Tiffany Larson, City Attorney Paul Slough, Manager J. Duff.**

**Absent: Katie Kucharek**

**Presentation – Craig Aronoff, Aronoff Law, State of Marihuana Industry in Michigan**

Mr. Aronoff presented this information in a power point presentation for the Committee.

The Michigan Recreational Marihuana Act (MRTMA) allows for 5 equivalent licenses which are as follows: 1. Growers; Class A -100 plants, Class B – 500 plants, Class C – 2,000 or more. 2. Processors (Extractions). 3. Retailers. 4. Transport. Safety Compliance (Independent Testing Labs). There are five other licenses which are available from the State which are: 1. Marihuana Event Organizer. 2. Temporary Marihuana Event. 3. Designated Consumption Establishment. 4. Excess Grower License. 5. Microbusiness. Authority to authorize all the licenses are reserved to the municipalities in the State who enact ordinances to so allow the facilities permitted by law. The ordinances take two forms one being a police powers and the other through zoning. License fees are set at \$5,000 annually and these do not reflect the additional charges for Site Plan review fees, building and construction fees, and zoning fees. The Marihuana Excise Tax Fund is taken from sales through retail facilities and consist of 10% of gross sales. It is divided accordingly; 15% proportional shared between all retail center municipalities throughout the State; 15% proportional shared between all counties where retail centers are located throughout the State; 35% to all School Aid public K-12 Schools throughout the State; 35% shared with MDOT for State road improvements. The first \$20 million in excise revenues is designated to Clinical research for Veterans through the year 2022.

The potential revenue stream for facilities in municipalities would come from application fees, annual licenses fees, real property tax payments, personnel property tax payments, and community improvement license expenditures.

**Presentation – Brian Kandler, Tranquility Fields, Microbusiness**

Mr. Kandler introduced himself as a consultant of Honigman who is working with Tranquility Fields. Tranquility Fields is a microbusiness who is interested in coming to our community and their model is a prefab building which comes ready to assemble and placed in a retail district. The look of the building is an attractive, clean, air exchanged building that allows for grow and sale operations in one building location. Mr. Kandler indicated they do not have any stores yet operational, but have made applications and are awaiting notice in several communities throughout the State. Their model is like a franchise where they work with the community in allowance of such a building to come to a City for sales, processing, and grow operations. Mr. Kandler said he would follow up with information for the Committee at a later date.

## **License Discussion**

### **A. Retail Facilities**

The Committee members discussed the placement of retail centers in the City. Those expressing opinions felt that the retail centers should go in the M District where the grow operations could be located. They felt that those interested in purchasing products would be able to find them. Others felt that they should be treated like any other retail business and be located in the C-2 District of the City. With limitations on proximity to schools, churches, medical facilities, and perhaps day cares. Attorney Slough suggested that provisions could also limit distance limitations so that we don't see one retail center in close proximity to others. Some felt no retail centers should be out on W-32 due to traffic concerns and they didn't like businesses mixed. Others felt this would not be a problem and was actually preferred. Some felt it was unfair to hide retail centers and that they should have the same rights afforded other retail businesses.

The Committee decided to continue the discussion at the next meeting. It was suggested that the Committee members review the Lansing Ordinance as distributed by Attorney Slough and come prepared to discuss what they liked and didn't like with the Ordinance. Also the Committee agreed to review their Zoning maps and continue the discussion at the next meeting.

### **Public Comments**

Some expressed that these retail centers should even be allowed in the Downtown District. Some felt that there should be no limitations on the licenses allowed.

Others felt that there should be limits on all types of licenses provided or else no one will apply for any licenses. This being that it would limit the ability of one of these businesses to make any profits due to a potential saturation of the market place. These facilities and the licenses at the State level are very expensive and the construction of the facilities are very expensive therefore businesses cannot afford to take such risks when making an investment in a new facility and a community. Therefore they felt a certain number on the number of growers allowed, retail centers allowed, microbusinesses allowed, and transport, processors was necessary in order to see a successful business climate take place.

There being no further business before the Committee the meeting was adjourned at 7:52 pm.

Joseph P. Duff  
City Manager