

Ad Hoc Marihuana Committee

September 1, 2020

6:00 pm.

Attendance: Mayor Wishart, Council member Witt, Casey Buckleitner, Paul Gunderson, Dr. Wisniewski, Tiffany Larson, Katie Kucharek, City Attorney Paul Slough, Manager J. Duff.

Absent: Council member Akin, Mark Hansen

License Discussion – Retail and Microbusiness Facilities

There was considerable discussion on the retail and microbusiness facilities. **The common areas of agreement were as follows:**

Retailers and Microbusiness – All Committee members agreed that retailers and microbusinesses should have a place and be allowed in a new ordinance. The Committee all agreed that the M-1 Zoning District should be allowed for retailers and microbusiness development. All agreed that certain restrictions should be placed on retail sales areas of all kinds in regards to distances away from churches, medical centers, addiction prevention centers, schools, and day cares. The Committee was also in agreement that some distancing should take place so as not to stack up retail sales areas in one particular location of the City. All agreed that the DDA should be allowed input as to marihuana facilities being either in the DDA district as a whole or in the traditional Downtown District, which is zoned as B-1. All agreed that perhaps a Special Use Permit may be the best way to limit and or place certain restrictions to insure that they are going into locations that are suitable to the planning commission and city council.

Areas of Disagreement and further discussion were as follows:

Number of retailers and microbusinesses allowed. Most felt that some number should be set on the number of the retail and microbusinesses should be set. The most common was 2 retailers and 2 microbusiness. Others felt that a 3 retailer and 2 microbusiness was more desirable and others felt that they should be unlimited and let the market determine the number.

The Committee was undecided about the retailers going into the C-2 Zoning District without some further determinations, such as a Special Use Permit requirement. Some felt that the M-1 District would provide enough of an area to accommodate the businesses. Others felt that a marihuana retail shop should have the same ability to locate in a C-2 Commercial District as any other retail businesses.

Sample Ordinance Discussion

Duff reviewed in some detail his thoughts on the Lansing Ordinance and the City of Niles Ordinance for Marihuana businesses. The summary presented in regards to the Lansing Ordinance was that it was very detailed oriented and had a great many inclusions that were required from those applying for a license. He felt that much of it was and could be redundant do to the requirements of the State certifications required for marihuana businesses.

Discussion the Niles Ordinance was that in some regards it read easier and was more understandable. The table setting out the number of licenses was good and references to the activities of the business

being in compliance with the Rules promulgated by the State for the licenses being sought. Duff felt that application process and local review sections were better in this ordinance. The criteria for determining the business which should be considered for licensing had a 10 step criteria basis. It also had and referred to the City only accepting applications for licensing from those which had an "Approved for Prequalification with the State of Michigan, Licensing, and Regulatory Affairs for recreational marihuana establishment". He also like the fact that submittal of the application also submit the complete copy of application to the State of Michigan with inclusions of Waste Plans, Air Quality Plans, Safety Plans, Security and Establishment Plans.

Other items discussed were decisions being made by City Council and having Provisional Approval permits issued until all requirements are met.

The Committee and City Attorney commented throughout the discussion.

Duff commented that a summary report on the Committee's recommendations would be submitted to the Committee at the next and final meeting of the Ad Hoc Committee to review and amend as needed.

Public Comments

There were several people in the audience on the evening of the meeting. One individual took a few minutes of the Committee time and presented poster boards showing elevations, site plan, and building layout of a proposed retail site on property already owned in the C-2 Zoning District. He then encouraged the Committee to allow for retail centers to be located in such zoning districts and felt that no harm would come from them.

Others representing microbusinesses also expressed similar concerns and indicated that the opening up of the C-2 Zoning District would allow these businesses to flourish. If they were tucked away in the M-1 District the City may find that a very limited number of businesses may not be willing to take such a chance due to the expensive build out of such facilities.

One individual indicated he had properties in the M-1 District and indicated that the Marihuana business was indeed risky and expensive to get into. That there are and will be some very trying times ahead as growers, manufacturers, and businesses as they begin to develop. Pricing on products and tax revenues will all change within the next 5 year cycle. Therefore volatility may well develop and the City should concentrate on being ready and able to change to allow the businesses to succeed.

Another gentlemen encouraged the Committee to allow the retail businesses to be located throughout the City in the commercial zoning districts. He felt this industry was indeed here to stay and the opportunities are many for the City.

Another introduced himself and his company as a marihuana real estate developer who has had great success in Kalkaska. He indicated that they have 13 grow sites in the Village and have licensed 7 retail centers and 5 microbusinesses. They are expecting great returns to the Village's Budget do to these investments. He offered to present any information to the Committee should they desire.

There being no further business before the Committee the meeting was adjourned at 7:49 pm.

Joseph P. Duff
City Manager