

## **Battle Creek City Planning Commission** Staff memo for the August 28, 2017 meeting

To: Planning Commissioners

From: Eric Feldt, AICP, CFM Planner

Subject: Draft Zoning Ordinance - Recreational Marihuana Facilities

### **Summary**

Review and adopt a new zoning ordinance to permit and regulate recreational marihuana facilities pursuant to the Michigan Recreational Taxation of Marihuana Act (MRTMA) of 2018, Adult-Use Marihuana Establishment Emergency Rules, and subsequent amendments. Although this memorandum primarily pertains to land use and zoning capacities, other informative items of the MRTMA or other rules may be provided for further understanding or clarity of this new recreational marihuana industry. A new City license for recreational marihuana will be created to address licensing processes, application requirements, fees, etc. The license would not exist in the land use code, and therefore, is not addressed in the subject memorandum. It would, however, be discussed for City Commission review and approval in tandem with the subject draft ordinance.

### **Background**

### Michigan Medical Marihuana Act (MMMA)

In 2008, the State of Michigan legalized medical marihuana for only state-approved caregivers and patients (Michigan Medical Marihuana Act (MMMA) of 2008). This allows caregivers and patients to grow medical marihuana at their residence. Patients could grow up to 12 plants for themselves only. Caregivers could grow 12 marihuana plants for each patient, up to five patients for a total of 60 plants. The caregiver could also be a patient. The maximum permitted plants to be grown by a caregiver, if also a patient, is 72 plants.

### Medical Marihuana Facilities Licensing Act (MMFLA)

In 2017, the State passed the Medical Marihuana Facilities Licensing Act (MMFLA) to allow new licensed businesses to 1) grow, 2) process, 3) test (safety compliance facility), 4) transport (secure transporter), and 5) sell (Provisioning Center) medical marihuana to only state-approved caregivers and patients. The MMMA legislation continued to remain active. Under the MMFLA,

the State would issue licenses to new marihuana-related businesses. Local municipalities were allowed to prohibit any or all MMFLA businesses. As of the date of this memorandum, approximately 120 municipalities (including City of Battle Creek) have allowed a certain number of MMFLA businesses. The City of Battle Creek determined to allow all five MMFLA businesses types after receiving support from the community and policymakers. As of the date of this memorandum, there are two licensed and open MMFLA Provisioning Centers, plus another +20 other MMFLA businesses (mix of growers and processers) holding City permits but not yet licensed or open. Several nearby communities have also permitted MMFLA businesses, such as Marshall, Emmett Township, Kalamazoo, and Portage.

### Michigan Recreational Taxation of Marihuana Act (MRTMA)

In November of 2018, the Michigan Recreational Taxation of Marihuana Act (MRTMA) was approved by a voter-initiated state-wide ballot under Proposal 18-1 that decriminalized recreational marihuana, provides for lawful growing and selling recreational marihuana and hemp by and for those 21 years of age and older, permit the taxation of revenue from recreational marihuana businesses, and provided regulations and penalties of this Act. Within the City of Battle Creek, the voting results were 10,227 support (60% total) and 6,653 against (40% total); and within Calhoun County were 27,991 (56% total) support 21,771 (44% total) against.

In early July of 2019, the State's Marihuana Regulatory Agency established new emergency rules to implement the MRTMA, safeguard the health, safety, and welfare of those 21 years of age and older. These emergency rules and new legislation are provided at this link: <a href="https://www.michigan.gov/lara/0,4601,7-154-89334\_79571\_90056---,00.html">https://www.michigan.gov/lara/0,4601,7-154-89334\_79571\_90056---,00.html</a>
Both Proposal 18-1 and the emergency rules provide the overall procedures, limitations, penalties, regulatory-capacity of recreational marihuana for businesses, local municipalities, individuals, law enforcement, and various administrative processes. The MMMA and MMFLA continue to remain in effect. Staff has provided a quick comparison document (see attached excel document). There are many similarities in regulations, terminology, etc. between MMFLA and MRTMA licenses.

The MRTMA legalizes two main aspects of adult use (recreational) marihuana: 1) personal use (adult use) of recreational marihuana, and 2) adult use (recreational) marihuana establishments to allow the growing, processing, testing, transporting, and selling of adult use marihuana to those 21 years of age and older.

### 1. Personal use (adult use) of recreational marihuana

Allows a person whom is 21 years of age and older to legally carry, grow, and consume recreational marihuana. This is similar brought more unrestricted as compared to the MMMA. Personal use recreational marihuana may be gifted (not for financial gain) between people whom are 21 years of age and older. Each resident meeting the age eligibility is allowed to grow up to 12 recreational marihuana plants at their residence. The grow area must be within an enclosed area (inside or outside), locked, and not readily visible from public places. The State has set maximum limits on weight/ size of marihuana that can be consumed, carried, transported, etc. Local municipalities cannot further restrict these State allowances.

# 2.Adult Use (Recreational) Establishments authorized by the MRTMA & Recommended zoning regulations

The following section summarizes the new businesses that can be conducted for recreational marihuana under the MRTMA and related Emergency Rules adopted July 3<sup>rd</sup>, 2019.

The MRTMA establishes the following new Adult Use (recreational) marihuana establishment licenses:

- 1) Grower
- 2) Processor
- 3) Safety Compliance Facility
- 4) Secure Transporter
- 5) Retailer
- 6) Microbusiness
- 7) Special Licenses:
  - o Designated Consumption Establishment;
  - o Excess Marihuana Grower;
  - o Marihuana Event Organizer; and
  - o Temporary Event License.

Each of these licenses are explained below by corresponding number.

## 1) Adult Use Marihuana Grower (See 'Grower & Processor Map' for proposed permitted locations.)

Pursuant to MRTMA, a Grower can cultivate, dry, trims, or cures and packages marihuana for sale to a Processor or Retailer. A Grow license may consist of one or more of the following grow size operations: Class A: growing up to 100 plants; Class B: growing up to 500 plants; and Class C: growing up to 2,000 plants. A grower may choose multiple class types.

The MRTMA locational restrictions indicate that all recreational marihuana businesses 1) must be located at least 1,000 feet away from a pre-existing public or private school providing education to any K-12 grade level, unless the local municipality reduces this distance; 2) shall not be located in a zoning district exclusively for residential use; and 3) grower licensed businesses may only operate on property zoned for Industrial or Agricultural uses.

Staff does not see any land use differences between growing recreational and medical marihuana. Therefore, staff recommends utilizing the same restrictions as medical marihuana grower: limiting to the I-1 & I-2 Industrial zoning districts; located at least 1,000 feet away from churches, residentially-zoned districts, and public parks; and be located entirely inside a building having a permanent foundation, walls, and roof. Further, the building area containing the grow operation must be enclosed by walls consisting of a structurally-supportive load bearing brick or masonry construction from grade up to eight feet in height. A transparent roof member (e.g. glass) may be allowed to provide sunlight in growing areas, but must be entirely covered at night.

There was discussion during the medical marihuana ordinance in 2017 about allowing Growers in the city's Agricultural district. The city chose not to because it would not meet the purpose of the Agriculture district which is to primarily dedicate land for open-air farming, livestock, and field crops. Also, their relatively remote agriculture properties do not have the city utilities that would likely be needed for intense growing of marihuana. And those remote locations may have slow public safety response times.

Table 1 below provides a quick comparison between the City's existing Medical Marihuana Grower regulations and staff's proposed Adult Use (recreational) Marihuana Grower restrictions.

TABLE 1.		Existing City Medical Grow Regulations	City Proposed Regulations
Zoning Code Chapters		Ch. 1299, Ch. 1272, & Ch. 1274	
Allowed Zoning Districts		I-1 & I-2	Same
Setback from sensitive uses		Yes	Same
	From Churches	Yes, 1,000 ft	Same
	From Residential Zones	Yes, 1,000 ft	Same
	From Libraries	Yes, 1,000 ft	Same
	From Residential Uses	No	Same
	From Parks	Yes, 1,000 ft	Same
	From Schools	Yes, 1,000 ft	Same
Building design regulations		Yes	Same
	Must be inside buildings w/ permanent walls, roof, & foundation	Yes	Same
	Must have masonry walls	Yes	Same
	Green houses prohibited	Yes	Same

2) Adult Use Marihuana Processors (See 'Grower & Processor Map' for proposed permitted locations.)

According to the MRTMA, a processor purchases marihuana from a grower or another processor and extracts resin from the marihuana or creates a marihuana-infused product for sale and transfer in packaged form to a Retailer or another Processor. Again, the MRTMA requires all recreational marihuana businesses 1) must be located at least 1,000 feet away from a pre-existing public or private school provide education to any K-12 grade level, unless the local municipality reduces this distance; and 2) shall not be located in a zoning district exclusively for residential use.

Staff does not see any land use differences between processing recreational and medical marihuana. Therefore, staff recommends utilizing the same restrictions as medical marihuana processor. Table 2 below provides a quick comparison between the City's existing Medical Marihuana Processor regulations and staff's proposed Adult Use (recreational) Marihuana Processor restrictions.

Table 2.		Existing City Medical Processing Regulations	City Proposed Regulations
Zoning Code Chapters		Ch. 1299, Ch. 1272, & Ch. 1274	
Allowed Zoning Districts		I-1 & I-2	Same
Setback from sensitive uses		Yes	Same
	From Churches	Yes, 1,000 ft	Same
	From Residential Zones	Yes, 1,000 ft	Same
	From Libraries	Yes, 1,000 ft	Same
	From Residential Uses	No	Same
	From Parks	Yes, 1,000 ft	Same
	From Schools	Yes, 1,000 ft	Same
Building design regulations		Yes	Same
	Must be inside buildings w/ permanent walls, roof, & foundation	Yes	Same

**3) Adult Use Marihuana Safety Compliance Facility (Testing)** (See 'Safety Compliance Facility Map' for proposed permitted locations.)

Pursuant to the MRTMA, a Safety Compliance Facility receives, tests, and returns marihuana from a licensed grower, processor, microbusiness, or retailer to ensure it is free of known contaminants; determine levels of concentration of THC, CBD, etc.; and inventories all tests and resulting information. Pursuant to the MRTMA, a Safety Compliance Facility cannot have an interest in a state licensed Grower, Processor, or Retailer. This is likely to reduce the possibility of skewing favorable testing results or unlawfully benefitting a specific operation/company.

Again, the MRTMA requires all recreational marihuana businesses 1) must be located at least 1,000 feet away from a pre-existing public or private school provide education to any K-12 grade level, unless the local municipality reduces this distance; and 2) shall not be located in a zoning district exclusively for residential use. Staff does not see any land use differences between testing recreational or medical marihuana. Therefore, staff recommends utilizing the same restrictions as medical marihuana safety compliance facilities. Table 3 below provides a quick comparison between the City's existing Medical Marihuana Safety Compliance Facility regulations and staff's proposed Adult Use (recreational) Marihuana Safety Compliance Facility restrictions.

Table 3.		Existing City Medical Safety Compliance Facility Regulations	City Proposed Regulations
Zoning Code Chapters		Ch. 1264, Ch. 1266, Ch 1272, Ch 1274, & Ch. 1299	
Allowed Zoning Districts		I-1, I-2, C-3, & C,-4	Same
Setback from sensitive uses		Yes	Same
	From Churches	Yes, 1,000 ft	Same
	From Residential Zones	Yes, 1,000 ft	Same
	From Libraries	Yes, 1,000 ft	Same
	From Residential Uses	No	Same
	From Parks	Yes, 1,000 ft	Same
	From Schools	Yes, 1,000 ft	Same
Building design regulations		Yes	Same
	Must be inside buildings w/ permanent walls, roof, & foundation	Yes	Same

# **4) Adult Use Marihuana Secure Transporters (Transportation & Storage)** (See 'Secure Transporters Map' for proposed permitted locations.)

Pursuant to the MRTMA, a Secure Transporter transports marihuana between marihuana facilities for a fee and may store marihuana and cash. The Secure Transporter must submit a dedicated driving route and plan to the State. The vehicle used by the transporter must have two people in the vehicle, both of whom must have chauffeur's license. The transporter may travel through any municipality, including any that prohibit this license type. Despite, the transporter conducting little to no business out of a physical building, the transporter must identity a physical location within local a municipality with the State for licensing purposes. The vehicle may not bear markings or other indication that it is carrying marihuana or marihuana-infused product.

Again, the MRTMA requires all recreational marihuana businesses 1) must be located at least 1,000 feet away from a pre-existing public or private school provide education to any K-12 grade level, unless the local municipality reduces this distance; 2) shall not be located in a zoning district exclusively for residential use. It is not clear if the transporter's vehicle may use streets that violate above school set back restrictions.

Staff does not see any land use difference between transporting medical and recreational marihuana. Therefore, staff recommends utilizing the same restrictions as medical marihuana

Table 4.		Existing City Medical Secure Transport Regulations	City Proposed Regulations
Zoning Code Chapters		Ch. 1264, Ch 1272, Ch 1274, & Ch. 1299	
Allowed Zoning Districts		I-1, I-2, & C-3	Same
Setback from sensitive uses		Yes	Same
	From Churches	Yes, 1,000 ft	Same
	From Residential Zones	Yes, 1,000 ft	Same
	From Libraries	Yes, 1,000 ft	Same
	From Residential Uses	No	Same
	From Parks	Yes, 1,000 ft	Same
	From Schools	Yes, 1,000 ft	Same
Building design regulations		Yes	Same
	Must be inside buildings w/ permanent walls, roof, & foundation	Yes	Same

Secure Transporter. Table 4 above provides a quick comparison between the City's existing Medical Marihuana Secure Transporter regulations and staff's proposed Adult Use (recreational) Marihuana Safety Secure Transporter restrictions.

# **5)** Adult Use Marihuana Retailer (e.g. selling; dispensing) (See 'Marihuana Retailer Map' for proposed permitted locations.)

According to the MRTMA, a Recreational Marihuana Retailer purchases or transfers marihuana from a Grower or Processor and sells or transfers to a person 21 years of age or older. The license holder may provide transactional sales on line, and may provide home delivery from the retailer store to the purchaser. Again, the MRTMA requires all recreational marihuana businesses 1) must be located at least 1,000 feet away from a pre-existing public or private school provide education to any K-12 grade level, unless the local municipality reduces this distance; and 2) shall not be located on a zoning district exclusively for residential use. Alcohol and tobacco cannot be served

Table 5.		Existing City Medical Provisioning Center Regulations	City Proposed Regulations
Zoning Code Chapters		Ch. 1262, Ch. 1264, Ch. 1266, Ch. 1268, Ch. 1270, Ch 1271, & Ch. 1299	
Allowed Zoning Districts		C-2, C-3, C,-4, C-5, C-6, & C-7 [And I-1 & I-2 with limitations]	C-2, C-3, C,- 4, C-5, C-6, & C-7
Setback from sensitive uses		Yes	Same
	From Churches	No	Same
	From Residential Zones	No	Same
	From Libraries	Yes, 1,000 ft	Same
	From Residential Uses	No	Same
	From Parks	No	Same
	From Schools	Yes, 1,000 ft	Same
Other Setbacks		Yes	
	From other Provisioning Centers, Microbusinesses, and Retailers	Yes, 1,000 ft	Same
Building design regulations		Yes	Same
	Must be inside buildings w/ permanent walls, roof, & foundation	Yes	Same

at a retailer. Sales will have an additional 10% tax, plus regular 6% state sales tax for a total of 16%. Lastly, Retailers may not sell edible marihuana-infused candy in shapes or packages that are attractive to children or that are easily confused with commercially sold candy that does not contain marihuana.

Staff does not see any land use differences between selling (Retailer) recreational and medical (provisioning center) marihuana except for in the Industrial districts. Per Ch. 1272.03 (s) & (t) and Ch. 1274.03 (b) and (c), Provisioning Centers are permitted in the I-1 & I-2 districts when 1) colocated with a medical marihuana grower and processer; and cannot exceed 10% of the overall size of the grower and processor building(s) area; 2) located in a retail use building as of the date of the ordinance (2-6-18). These additional zoning locations provides flexibility to enable additional business operation efficiencies; recognize that the provisioning center component is not likely to be expansive; and that the provisioning center size is insignificant compared to the overall site's growing and processing operations. Further, the act of selling marihuana as a provisioning center is categorized as a retail use, and therefore, taking over an existing retail use results in no change to the use of the property. This flexibility in the Industrial district has attracted only a few marihuana developers.

Staff finds differences in intensities between a medical marihuana provisioning center and adult use (Retailer) marihuana. The consumer market for a provisioning center is limited, while the adult use market is much more broad and predicted to be a high-demand use. A high intensity consumer retail use would generally not be consistent with the intent of the Industrial districts, which is to primarily facilitate large lot, scale intensity of manufacturing, processing, etc. of materials. Therefore, staff would not recommend Retailers in the Industrial districts. This is reflected in the ordinance. However, staff notes that as of the date of this memorandum there are active (and under review) permits for provisioning centers co-located with a marihuana grower and processor in Industrial districts. Staff recommends only those provisioning centers would be allowed to be converted to a Retailer. Staff further recommends ending this allowed conversion as of the effective date of this ordinance.

Staff recommends utilizing the same restrictions as medical marihuana provisioning centers except for in the Industrial districts. Table 5 above provides a quick comparison between the City's existing Medical Marihuana provisioning centers regulations and staff's proposed Adult Use (recreational) Marihuana Retailer restrictions.

# **6) Adult Use Marihauna Microbusinesses** (See 'Marihuana Microbusiness' for proposed permitted locations)

According to the MRTMA, a Recreational Marihuana Microbusiness consist of a small grow, process, and retail operations. Whereby the microbusiness would be allowed to grow, process and package, & sell up to 150 recreational marihuana plants. Each of these operations must take place on the same property. The microbusiness license could be similar to a microbrewery concept. Again, the MRTMA requires all recreational marihuana businesses 1) must be located at least 1,000 feet away from a pre-existing public or private school provide education to any K-12 grade level, unless the local municipality reduces this distance; 2) must not be located on a zoning district exclusively for residential use. Alcohol and tobacco cannot be served at a microbusiness. Sales will have an additional 10% tax, plus regular 6% state sales tax for a total of 16%.

Staff recommends further restricting this license type by only allowing them only in the 1) C-2, C-3, C-4, and C-6 zoning districts; 2) must be located at least 1,000 feet from other Recreational Marihuana Microbusinesses, Medical Marihuana Provisioning Centers, and Recreational Marihuana Retailers; and 3) cannot abut a property that is either Residentially-zoned or contain a residential use. Those locational restrictions are recommended because those districts permit selling of marihuana through a Medical Marihuana Provisioning Center and Recreational Marihuana Retailer. Minor processing of non-marihuana products and materials inside buildings is currently a permitted use in those districts. The limitation of 150 plants deters the operations from becoming more 'industrial' in scale and intensity. Staff finds that the State does require growers and processing implement odor control measures to deter negative impacts onto adjacent properties. Therefore, the set back from residences will provide additional protection.

Below is a summary of proposed Recreational Marihuana Retailer regulations

# Proposed Recreational Marihuana Microbusiness regulations (City is more restrictive than State regulations):

- Must be located on property zoned C-2, C-3, C-4, C-5, or C-6.
- Must be set back at least 1,000 feet away from Schools and Libraries.
- Must be set back at least 1,000 feet away from other microbusinesses, Retailers, and medical marihuana provisioning centers.
- Marihuana must be located inside fully-enclosed buildings having permanent roof, walls, and foundation.
- Must not be located on property that abuts a residentially-zoned property or property containing a residential use

#### 7) Adult Use Special Licenses

The City of Battle Creek is not considering any of these licenses at this time due the lack of adequate and reliable public safety measures, public education and research, and general knowledge of human effect and impact of consuming marihuana. Again, the MRTMA requires all recreational marihuana businesses 1) must be located at least 1,000 feet away from a pre-existing public or private school provide education to any K-12 grade level, unless the local municipality reduces this distance; and 2) shall not be located on a zoning district exclusively for residential use.

### A. Designated Consumption Establishment

Pursuant to the MRTMA, this permits a license-holder to allow the consumption of recreational marihuana by those 21 years of age and older in a commercial place. It is not clear if a Designated Consumption Establishment must be associated with any other type of recreational business. However, it is likely that a retailer and microbusiness would be inclined to pursue this license to enable a buy and consume option at their business. Consuming marihuana through smoking may be permitted, however, the licensee must provide a non-smoking area for employees to monitor the consumption area. Consumption areas that allow inhalation of consumed marihuana must contain a ventilation system that moves air from inside to the outside that removes visible smoke

and odors at the property line. The State's rules do not specifically prohibit outside consumption or smoking.

### **B.** Excess Marihuana Grower

Pursuant to the MRTMA, allows a license-holder who holds at least five Recreational Marihuana Grow Class C licenses (10,000 plants total) and at least two Medical Marihuana Grow Class C (3,000 plants total). As noted earlier, a recreational marihuana grow businesses may only operate on property zoned for Industrial or Agricultural uses.

### C. Marihuana Event Organizer and D. Temporary Event License

Pursuant to the MRTMA, a licensed event organizer is the entity that acquires another license to hold a temporary event for marihuana purposes. Recreational marihuana may be sold and consumed by those 21 years of age and older at an event. Designated consumption rules would apply. The selling of recreational marihuana is only permitted by a licensed recreational marihuana retailer or microbusiness. The temporary marihuana event license shall only be issued for a single day or up to seven consecutive days. It is not clear under the MRTMA, if consumption via inhalation (smoking or similar) is permitted or if ventilation in an outdoor or semi-enclosed setting is required. However, the MRTMA does require that all marihuana sales and consumption areas are not visible from any public place or non-age restricted area.

### Permit Process, Required

Staff recommends utilizing the same permitting process as MMFLA developments. That process is provided below. An applicant seeking to development any recreational marihuana facility must obtain the following approvals in the order shown below:

Step 1) State Prequalification Approval.

The applicant submits and passes required background documentation to become prequalified with the State to then file a State application. Existing prequalified persons under the MMFLA may have an expedited review at this step. The State will start accepting adult use marihuana applications beginning November 1, 2019.

Step 2) City Application; Conditional Approval.

The applicant submits a complete an adult use (recreational) marihuana establishment application to obtain conditional approval from the City of Battle Creek. Gaining a Conditional Approval allows the applicant to submit permits in the next step.

Step 3) City Permits.

Within 90-days after receiving Conditional Approval, the applicant must file and gain an approved Site Plan Application and Building permit. By completing this step, the applicant has fulfilled the Conditional approval requirements and their marihuana application remains active. If this step is not completed within the 90-day deadline, the marihuana application is denied. The applicant may re-file a new application.

Step 4) Physical Improvement

The applicant builds/ improves site and receives, gains required inspections, and receives City Occupancy permits for new adult use (recreational) marihuana use.

Step 5) State License.

The applicant submits required documentation, fees, and receives an approved State inspection. State issues license. State licenses are active for only one year.

Step 6) City Permit; Final Approval.

The applicant files and gains approval of the City's Final Approval application and required documents, including a copy of the approved State license. City license is good for one year.

This proposed ordinance will amend the following sections of Chapter 12 *Planning & Zoning Code*:

- Ch. 1230 General Provisions and Definitions
- Ch. 1262 C-2 General Business Districts
- Ch. 1264 C-3 Intensive Business Districts
- Ch. 1270 C-6 Major Highway Interchange Business Districts
- Ch. 1271 C-7 Street-Level Retail District
- Ch. 1272 I-1 Light Industrial District
- Ch. 1274 I-2 Heavy Industrial District
- Ch. 1299 *Medical Marihuana Facilities and Establishments* (new title)

### **Consistency with Adopted City Plans**

### **Comprehensive Plan**

The 2018 City of Battle Creek Comprehensive Plan does not specifically address marihuana (medical or recreational), however, there are relevant goals and sections of the plan, as follows. On page 39, Goal 4 states "Revitalize commercial corridors as vibrant, successful business districts". Page 41 states Goal 7 "Improve the overall appearance of the community and inspire pride in Battle Creek." There are several vacant commercial storefronts and buildings across the community that have attracted many MMFLA medical marihuana businesses. The passing the proposed recreational marihuana ordinance would enable future marihuana businesses to occupy vacant buildings while not dominating the commercial industry. Enabling a diverse commercial environment in appropriate locations will help re-occupy vacant commercial buildings and lots. Therefore, the passing of this ordinance will help meet the Goals 4 & 7 of this Plan.

The land use plan and classifications (pages 49-61) within the Comprehensive Plan provide a direction for future rezones of land and overall guide of development. This land use plan, existing zoning districts, and existing land uses helped guide the existing MMFLA medical marihuana ordinance and the proposed MRTMA recreational marihuana regulations. Therefore, the proposed MRTMA recreational marihuana regulations are consistent with the land use plan.

Staff finds that the proposed MRTMA recreational marihuana regulations are consistent with the City of Battle Creek Comprehensive Plan.

### **Other Community's Actions**

With the passing of the MRTMA Proposal 18-1, the State will begin issuing licenses to recreational marihuana businesses beginning November 1<sup>st</sup>, 2019 without requiring local municipality approval. The passing of this proposal, has automatically enrolled municipalities to allow for such businesses. Municipalities who desire to prohibit or wait later to allow such businesses must pass a prohibitive ordinance by November 1<sup>st</sup> 2019 to prevent the State from

issuing license for recreational businesses within their community. Because of this new fast growing industry with many unknowns, many municipalities are taking a precautionary approach and immediately prohibiting all recreational marihuana businesses. As of the date of this memorandum, over 500 municipalities have passed, or begun discussion towards, prohibitive ordinances (<a href="https://www.detroitnews.com/story/news/local/michigan/2019/07/24/more-than-500-communities-opt-out-recreational-marijuana-sales-michigan/1755325001/">https://www.detroitnews.com/story/news/local/michigan/2019/07/24/more-than-500-communities-opt-out-recreational-marijuana-sales-michigan/1755325001/</a>). Conversely, only a few municipalities began discussions to allow recreational marihuana businesses: Harrisville, Manistee, Chesaning, Lansing, and Lowell.

### **New Regulatory Tools**

In addition to the new State's rules for medical marihuana facilities, the City will adopt new zoning regulations (subject draft ordinance), new license ordinance for Adult Use (recreational) marihuana (Chapter 835), and new maps.

### **Next Steps**

Planning staff recommends the Planning Commission provide a favorable recommendation to the City Commission to approve the subject ordinance. With this support, staff will present the draft zoning ordinance and license ordinance to the City Commission in late September or early October for introduction and final vote before November 1<sup>st</sup>.













