Proposed Marihuana Businesses in Edmore

A Guide to the Proposed Medical and Recreational Marihuana Ordinances and the Proposed Zoning Ordinance Amendments.

Overview



- The Village Council is currently considering passing two ordinances to allow marihuana businesses to operate within the Village limits.
 - No ordinances have been passed to date. Marihuana businesses are still prohibited from operating in Edmore.
- These proposed ordinances would allow a limited number of medical marihuana facilities and recreational marihuana establishments to grow, process, test, transport, and sell marihuana.
- These businesses would only be allowed to operate in the B1,B2, and Industrial zoning districts after obtaining a special use permit from the Planning Commission, a municipal license from the Village Council, and a state license from the State's Marihuana Regulatory Agency.

Marihuana in Michigan

- 2008 Michigan Medical Marihuana Act (MMMA) is adopted allowing for marihuana to be prescribed and sold as medicine to patients.
- 2016 Medical Marihuana Facilities Licensing Act (MMFLA) is adopted allowing commercial growing and selling of medical marihuana to registered patients.
- 2018 Michigan Regulation Taxation of Marihuana Act (MRTMA) is adopted allowing the growing and selling of adult use recreational marihuana to adults over 21 years of age.

What can a Village do to prevent/allow?

- All cities, townships, and villages in Michigan can prevent marihuana businesses from operating within their limits.
 - •Currently, Edmore does not allow any marihuana businesses.
- All cities, townships, and villages in Michigan can allow medical or recreational marihuana businesses, or both, to operate within their limits.
 - •The proposed ordinances would allow a limited number of businesses licensed under either the MMFLA or MRTMA to operate in the Village of Edmore.
- All cities, townships, and villages also have the right to limit the number, type, and location of marihuana businesses within their limits.
 - •The proposed ordinances place caps on the number, type, and location of marihuana businesses.

Proposed Types of Businesses Allowed

Ordinance 2019-02 Regulation of Medical Marihuana Ordinance

- **Grower:** A closed-door facility to cultivate marihuana.
 - •Class A 500 Plants
 - •Class B 1000 Plants
 - •Class C 1500 Plants
- **Processor:** A closed door facility that turns marihuana plants into other consumable products (food, oil, etc.)
- Provisioning Center: A retail shop that sells marihuana products to patients registered under the MMMA.
- Safety Compliance Facility: A laboratory that tests marihuana for purity and compliance.
- **Secure Transporter:** A "brinks" like trucking and distribution business authorized to transport marihuana between other licensed marihuana businesses.

Ordinance 2019-03 Regulation of Recreational Marihuana Ordinance

- **Grower:** A closed-door facility to cultivate marihuana.
 - •Class A 100 Plants
 - •Class B 500 Plants
 - •Class C 2000 Plants
- **Processor:** A closed door facility that turns marihuana plants into other consumable products (food, oil, etc.)
- **Microbusiness:** A facility at which 150 plants can be cultivated and sold to the public for consumption within the same establishment. The concept is like that of a microbrewery.
- Retail Center: Sells marihuana products to adults over 21 years of age.
- Safety Compliance Facility: A laboratory that tests marihuana for purity and compliance.
- **Secure Transporter:** A "brinks" like trucking and distribution business authorized to transport marihuana between other licensed marihuana businesses.

Maximum Number of Businesses Allowed

Ordinance 2019-02 Regulation of Medical Marihuana Ordinance

- **Grower:** Two (2) medical growers, of any class.
- Processor: Two (2)
- Provisioning Center: One (1)
- Safety Compliance Facility: Four (4)
- **Secure Transporter:** Four (4)

Ordinance 2019-03 Regulation of Recreational Marihuana Ordinance

- **Grower:** Two (2) recreational growers, of any class.
- Processor: Two (2)
- Microbusiness: One (1)
- Retail Center: One (1)
- Safety Compliance Facility: Four (4)
- Secure Transporter: Four (4)

Maximum Number of Businesses Allowed

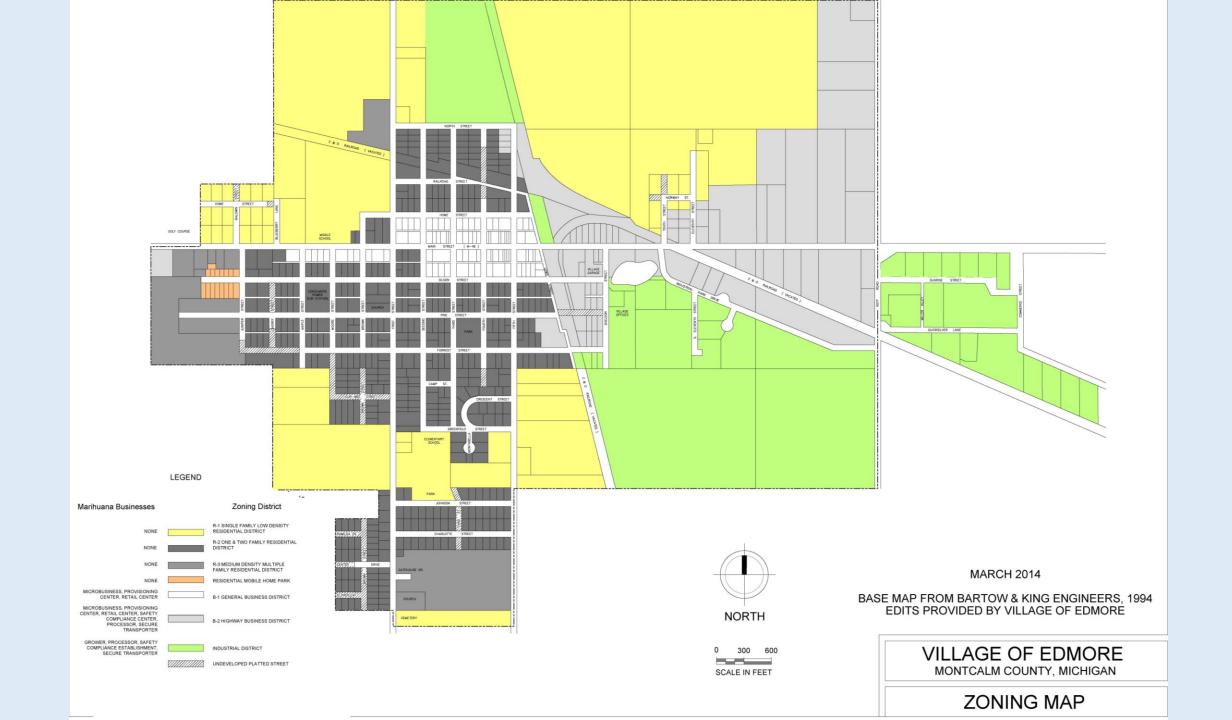
- The proposed caps would allow a maximum of 27 marihuana businesses
- Of these, only **3** would be <u>retail shops</u> where adults can enter to purchase marihuana products (provisioning center, retail center, microbusiness).
- The other **24** businesses would be places of work that are not open to the public and will not be allowed to have signage which indicates what type of business it is.

Special Use / Zoning Ordinance Amendment

- Special use is a designated land use that is authorized under the zoning ordinance only after receiving a permit from the Planning Commission.
 - This affords the Village the opportunity to authorize individual locations for out of the ordinary land uses that require further consideration from the community.
- Special use permits can only be given out for uses that are specifically defined in the zoning ordinance under special use.
 - Since the Edmore zoning ordinance does not currently list any marihuana businesses as special uses, it needs to be amended to allow them if the marihuana ordinances are to be passed.
- Each marihuana business in Edmore would first be required to obtain a special use permit from the Planning Commission authorizing their specific location, before applying for a municipal license.

Proposed Zoning

B1 – General Business District	B2 – Highway Business District	Industrial
Microbusiness	Microbusiness	
Provisioning Center	Provisioning Center	
Retail Center	Retail Center	
	Grower	Grower
	Processor	Processor
	Safety Compliance Facility	Safety Compliance Facility
	Secure Transporter	Secure Transporter



Prohibited Locations

- No Marihuana businesses will be allowed to locate in a district that is exclusively zoned as residential. The marihuana ordinances have this provision written directly into them.
 - Using the language "exclusively zoned" would allow marihuana businesses to operate in mixed use zones. A mixed-use zone is common in a downtown where apartments and businesses are both allowed. Currently, Edmore does not have any mixed-use zones, but it could be a consideration in the future for the Downtown area.
- All businesses must be 500 feet, measured door-to-door, from public or private elementary, secondary, or vocational schools.

Licensing



- There are three licenses/permits that a marihuana business must obtain in order to lawfully conduct business in Edmore
 - Special Use Permit
 - Municipal License
 - State License

Special Use Permit

- This is the first step in a business owner's application.
- After receiving the application for a special use permit a public hearing must set in accordance with the Michigan Planning Enabling Act
 - 15-day public notice in the news paper
 - 10-day notice to all properties within 300 feet of the proposed location
- Planning Commission decides whether the permit is granted.

State License



- The Marihuana Regulatory Agency oversees issuing State licenses for medical and recreational marihuana businesses.
- The application is a two-step process
 - Step 1: Prequalification
 - Step 2:
- The steps consider the following:

ENTITY PREQUALIFICATION – STEP 1

New Marihuana Establishment Applicants
(for entities that do not have a licensed medical marihuana facility)

☐ \$6,000 Application Fee (Main applicants only)				
Entity P	requalification Application	Supporting D		
	Page 1: Adult-Use License Types & Descriptions	-	nation Documents	
	Page 2: Demographic Information	☐ Cop	oy of governing documents (e.g., operating agreement,	
	Page 3: Attestation 1-A - Acknowledgment, Agreement, & Consent	☐ Autl	horizing resolution tificate of Good Standing	
	Page 4: Attestation 1-B - Verification & Affidavit of Full Disclosure	☐ App	proval to Conduct Business Transactions in Michigan	
	Page 5: Attestation 1-C – Authorization to Release Information	☐ Cert	tificate of Assumed Name (if applicable) ained from LARA Corporations Division)	
	Page 6: Attestation 1-D – Acknowledgment of Federal Law & Release of Liability		in applicants only: Copy of organizational structure in applicants only: Social equity plan	
	Page 7: Attestation 1-E - Acknowledgment of Inspection	Regulation De	ocuments	
	Requirement & Affirmation of Continuous,	☐ Cop	y of marijuana licenses (if applicable)	
	Uninterrupted Ownership		nmary of facts and circumstances concerning license	
	Page 8: Attestation 1-F – Confirmation of Tax Compliance		ial, restriction, revocation, suspension, or nonrenewal applicable)	
П	Page 9: Acknowledgment of Attestations (signed and	Tax Complian	nce Documents	
	notarized)		s and/or 1099s for the past 12 months (if no W2s or	
	Page 10: Disclosure E-1 - Entity Information		9s exist, submit an explanation) by of Notice of Tax Liability Due (if applicable)	
	Page 12: Disclosure E-2 - Associated Parties	_	litional information regarding history of tax	
	Page 13: Disclosure E-3 - Tax & Tax Compliance		ppliance (if applicable)	
	Page 14-15 : Disclosure E-4 - Government Regulation	Litigation Do	cuments	
	Page 16: Disclosure E-5 - Litigation History	☐ Cop	by of litigation documentation (if applicable)	

☐ SUPPLEMENTAL APPLICATIONS

Every managerial employee, every entity and individual with greater than 10% direct or indirect ownership interest in the main applicant, and every spouse of an individual with greater than 10% ownership interest in the main applicant must submit an application for prequalification.

MARIHUANA ESTABLISHMENT LICENSE APPLICATION – STEP 2

Establishment License Application			
	Page 1: Demographic Information		
	Page 2: Attestation 2-A - Acknowledgment & Consent to Investigations, Statute & Rule Compliance		
	Page 3: Attestation 2-B – Interest & Experience Attestation		
	Page 4: Attestation 2-C - Confirmation of Section 6 Compliance		
	Page 5: Attestation 2-D - Confirmation of Insurance		
□ j	Page 6: Acknowledgment of Attestations (signed & notarized)		
	Page 7: Disclosures: (1) License Type, (2) Business Specifications, (3) Municipality Information, (4) Employee		
	Information		
Busine	ss Specifications		
	Assumed Name/DBA documentation (if applicable)		
	Copy of Marijuana Establishment Plan complying with the Emergency Rules, including but not limited to:		
	☐ Diagram of establishment		
	☐ Floor plan		
	☐ Construction details		
	☐ Building structure information (e.g., new, pre-existing, freestanding, fixed)		
	☐ Building type information (e.g., commercial, industrial, house, warehouse, etc.)		
	☐ Zoning information		
	☐ Description of multiple tenants and/or occupancy restrictions		
	□ Security plan		
	Copy of technology plan (3rd party integrating software with METRC)		
	Copy of marketing plan (advertising, propaganda, etc.)		
	Copy of inventory & recordkeeping plan		
	Copy of staffing plan		
	Copy of deed or lease agreement		
	Copy of proof of financial responsibility (e.g., insurance policy, constant value bond)		
	Copy of Certificate of Use and Occupancy		
	Marihuana Secure Transporter: Proof of auto insurance, vehicle registration, and registration as a commercial motor vehicle (for any vehicles used to transport marijuana product)		

Municipal License

- Every marihuana business must obtain a municipal license from Edmore
- The Village Council will act as the local licensing authority
 - The local licensing authority will review applications and grant the municipal license.
- All applications will be heard at the next regularly scheduled council meeting if they have been submitted 3 weeks prior to the meeting.
- The Local Licensing Authority will employ a competitive process while issuing municipal licenses by considering the following:

Municipal License Evaluation Criteria

- The applicant's experience in operating other similarly licensed businesses.
- The applicant's general business management experience.
- The applicant's general business reputation.
- The integrity, moral character, and reputation; personal and business probity; financial ability and experience; and responsibility or means to operate or maintain a marihuana facility of the applicant.
- The financial ability of the applicant to purchase and maintain adequate liability and casualty insurance.
- Whether the applicant or stakeholder is currently under indictment for or has been arrested for, or convicted of, pled guilty or nolo
 contendere to, forfeited bail concerning any relevant criminal offense under the laws of any jurisdiction, either felony or
 misdemeanor, not including traffic violations, or any felony or misdemeanor of such nature that it may impair the ability of the
 applicant or stakeholder to operate a licensed business in a safe and competent manner.
- Whether the applicant or stakeholder has been served with a complaint or other notice filed with any public body regarding payment of any tax required under federal, state, or local law that has been delinquent for one (1) or more years.
- Whether the applicant or stakeholder has a history of non-compliance with any regulatory requirements in this state or any other jurisdiction.
- As it relates to operation of a marihuana provisioning, the applicant's type of service and product that will be offered and the overall theme and atmosphere of the proposed provisioning center.



- Special Use Permit
- State License Step 1
- Municipal License
- State License Step 2

Fees



- The fee for the special use permit is to be set by the Council.
 - It is yet to be determined what this amount will be for marihuana businesses.
- Each application requires a non-refundable application fee.
 - It is yet to be determined what this non-refundable amount will be for marihuana businesses.
 - If an applicant is successful, they will then be required to pay the difference of the application fee and \$5,000. Successful applicants will have then paid \$5,000 and this will then become their licensing fee for their first year of operation.
- Every year thereafter, each business is required to pay a \$5,000 fee to the Village of Edmore to cover the Village's administrative costs associated with these businesses.
 - \$5,000 is the maximum allowable fee that a municipality may charge.

General Information

- Age limits: Only adults, 21 or older, are permitted to do the following:
 - Enter a marihuana facility or establishment
 - Work or volunteer at a marihuana facility or establishment
 - Purchase or consume marihuana products
- Opening Time: Retail marihuana stores can only be opened from 8:00am to 9:00pm

Still Have Questions?

 Please contact Village Manager, Justin Lakamper with any and all questions you have regarding these ordinances.

• Phone: (989) 427-5641

• Email: villagemanager@edmore.com

• Hours: 9-5, Mon-Fri

• Address: 209 S. Sheldon St., Edmore, Michigan 48829