



Memo

Date: August 6, 2021
To: Honorable Mayor Armitage; City Council
From: Erin LaPere, City Manager
Re: Commercial Marihuana Activities

The 2008 Michigan Medical Marihuana Act required communities to opt-in to permit commercial medical marihuana activities such as larger grow operations and provisioning centers. The City did not opt-in to allow commercial medical marihuana activities. The 2018 Michigan Regulation and Taxation of Marihuana Act expanded the allowable uses to include recreational/adult-use of marihuana and provided for commercial growing and retail of products. However, unlike the 2008 act, municipalities were required to take action to opt-out of permitting such commercial uses. The City Council did take action to opt-out and the city does not permit any commercial marihuana growing or retail operations for adult-use. These are separate from the provisions in the 2008 Act which allow, by-right, the growing of medical marihuana under the caregiver model. Council may recall the city recently took action to add regulations regarding that allowable use.

In 2021, discussion began on whether to amend the City Ordinance to allow for commercial marihuana activities, both medical and recreational/adult-use. In consideration of the procedural deadlines, it was noted that any proposed amendments could not be finalized during the remaining term of the Council at that time. Therefore, the decision was made to postpone discussion for the next Council to consider.

Included for Council's review are the materials provided last year and the meeting minutes summarizing the discussion held at that time. The memo dated July 9, 2021 outlines the issue broadly and summarizes discussion held at the time the City decided to opt-out of recreational marihuana. The memo dated August 6, 2021 summarizes administration's findings from other communities who permit commercial marihuana facilities. The memo dated September 10, 2021 outlines the recommendations from administration should Council wish to permit grow operations.

The information provided to Council in July 2021 from the Michigan Marihuana Regulatory Agency was also included as that provides answers to frequently asked questions, summaries of the statutory language, and sales data from retail operations in 2021. I have also included some sample ordinances and complete text of the state statutes. In 2021, the consensus was to not include retail licenses for

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dispensaries or medical provisioning centers as a permitted use and strictly permit grow operations as an industrial use. However, the current Council may be interested in pursuing other options, and Administration is prepared to discuss those alternatives.

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