
**NOTICE OF PUBLIC HEARING
CITY OF MILAN
ON AN AMENDMENT TO THE ZONING
ORDINANCE**

The City of Milan Planning Commission will hold a public hearing at 7:00 p.m. on September 27, 2022, in the Milan City Hall Council Chambers located at 147 Wabash St., Milan, Michigan.

The purpose of this public hearing is to receive public input on amending the City of Milan Zoning Ordinance to allow for Recreational and Medical Marihuana Establishments, including but not limited to growing and processing facilities, secure transportation facilities, retail facilities and safety compliance facilities.

Citizens may appear and present written or oral comments and/or suggestions regarding said zoning amendment. If you are unable to attend this hearing and wish to comment on this matter you may submit written comments to the City Clerk prior to 10:00 a.m. on September 27, 2022.

A copy of the proposed ordinance amendment is available during normal working hour at the office of the City Clerk, 147 Wabash St., Milan, Michigan, 48170.

Lavonna Wenzel
City Clerk

PUBLISHED: September 11, 2022

SPECIAL NOTE:

The City of Milan will provide auxiliary aids and services, such as signers for the hearing impaired, and audio tapes of printed materials being considered at the meeting to individuals with disabilities upon one week's notice to the City of Milan. Individuals with disabilities requiring auxiliary aids or services should contact the City of Milan by writing or calling the following:

Lavonna Wenzel, City Clerk
147 Wabash St., Milan, Michigan 48160
734-439-1501

Equal Opportunity Employer



**CITY OF MILAN
PLANNING COMMISSION AGENDA
COUNCIL CHAMBERS**

September 27, 2022, 7:00 P.M.

MUNICIPAL BUILDING

CALL TO ORDER:

ROLL CALL OF MEMBERS:

Chairman Latham_____, Dotson_____, Ryan_____,
Cepeda_____, Markham_____, Kerkes_____, Graveline_____, Gee_____.

OTHERS PRESENT:

APPROVAL OF AGENDA: September 27th, 2022

Motion by Commission member_____, supported by Commission member _____, to approve the agenda.

APPROVAL OF MINUTES: May 17th, 2022

Motion by Commission member _____, supported by Commission member _____, to approve the minutes.

PUBLIC HEARING:

The purpose of this public hearing is to receive public input on amending the City of Milan Zoning Ordinance to allow for Recreational and Medical Marihuana Establishments, including but not limited to growing and processing facilities, secure transportation facilities, retail facilities and safety compliance facilities.

CITIZEN COMMENTS:

MATTERS FOR ACTION:

A. Election of Secretary

Motion by Commission member _____, supported by Commission member _____, to elected _____ as secretary.

B. Receive and file Ken Bibee's resignation as a Planning Commission member.

Motion by Commission member _____, supported by Commission member _____, to receive.

C. Approve the zoning amendment of Article 4 – Zoning Districts and Map as presented in public hearing.

Motion by Commission member _____, supported by Commission member _____, to approve the amendments.

CITIZEN COMMENTS:

ADJOURNMENT:

Motion to adjourn meeting at _____ P.M. by Commission member_____, supported by Commission member _____.

SPECIAL NOTE: The City of Milan will provide auxiliary aids and service, such as signers for the hearing impaired, and audio tapes of printed materials being considered at the meeting to individuals with disabilities upon one week's notice to the City of Milan. Individuals with disabilities requiring auxiliary aids or services should contact the City of Milan by writing or calling the following:

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**MINUTES OF A MILAN PLANNING COMMISSION MEETING
HELD ON May 17, 2022
147 WABASH ST. MILAN, MICHIGAN 48160**

Chair Latham called the meeting to order at 7:09 p.m.

COMMISSION MEMBERS PRESENT: Jim Latham, Mary Kerkes, Ashley Cepeda, Harry Markham, Paul Graveline, Joe Ryan, Ken Bibee, Ann Gee, and Carlisle Wortman Planner Alissa Starling. Russell Dotson – Absent.

OTHERS PRESENT: Recording Secretary Stacy Cleggett, Clerk Lavonna Wenzel, and Jeremy Wagner.

APPROVAL OF AGENDA: May 17, 2022

Motion by Commission member Kerkes, supported by Commission member Gee to approve the agenda with an addition Under Items for Discussion item (2) tilted Code Ordinance Sec. 10-12- Mandatory Cutting of Grass and Weeds. Motion carried unanimously.

APPROVAL OF MINUTES: April 19, 2022

Motion by Commission member Kerkes, supported by Commission member Cepeda to approve the minutes. Motion carried unanimously.

RECEIVE AND FILE: None

OLD BUSINESS: None

MATTERS FOR ACTION:

Motion by Commission member Kerkes, supported by Commission member Gee to postpone the Election of Secretary until further review of Planning Commission Ordinance. Motion carried unanimously.

NEW BUSINESS:

A. Parcel 19-19-36-255-006 Site Plan Review – Proposed Taco Bell quick-serve restaurant with drive thru.

Board members discussed the list of recommendations submitted by City Planner Enos during April's Planning Commission meeting, and the changes Taco Bell has made to comply. The Board further discussed the possibility of a pedestrian sidewalk connection, drive-thru stacking, tree preservation, lighting duration schedule, the loading area, a potential land split and the existing Billboard. Jeremy Wagner responded, the main drive aisle will be used for deliveries during non-business hours. Wagner addressed the drive-thru stacking concern, sharing Taco Bell's service is typically fast. However, a customer would be instructed to drive around and park in a stall if a wait occurred. The Board clarified that the submitted site plan was on the condition of the lot not being split.

Motion by Commission member Ryan, supported by Commission member Markham to approve Taco Bell's submitted site plan with the following conditions: removal or resolve billboard to satisfaction of city engineer, applicant provide lighting duration schedule, applicant will provide a tree survey, the main drive aisle will be used for unloading after business hours, and obtain sign permit. Motion carried unanimously.

ITEMS FOR DISCUSSION:

Board members reviewed two (2) current city ordinances, Sec. 7. 30 Fences, Walls, and Screens and Sec. 10-12 Mandatory Cutting of Grass and Weeds for possible modifications. Planner Alissa Starling shared that she would take the ordinances to Carlisle Wortman for review and return with recommendations.

CITIZENS COMMENTS FROM THE FLOOR: None

ADJOURNMENT:

Motion by Commission member Kerkes, supported by Commission member Graveline to adjourn the meeting at 8:21pm. Motion carried unanimously.

Jim Latham, Chair

Stacy Cleggett, Recording Secretary

DRAFT

ARTICLE 4 – ZONING DISTRICTS AND MAP

SECTION 4.10 DISTRICTS

The City of Milan is hereby divided into the following Zoning Districts:

R-1A	One-Family Residential District
R-1B	One-Family Residential District
R-2	Two-Family Residential District
R-3	Multiple-Family Residential District
MHP	Manufactured Home Park
GB	General Business District
HS	Highway Service District
O	Office District
IR	Industrial Research District
LI	Light Industrial District
GI	General Industrial District

The City of Milan is also divided into the following Form-Based Districts, set forth in Article 5:

D-1	Downtown Core
D-2	Downtown Edge

SECTION 4.170 SCHEDULE OF USE REGULATIONS

- A. In all Districts, no building or land shall be used and no building shall be erected except for one (1) or more of the following specified uses, unless otherwise provided in this Ordinance.
- B. The Schedule of Use Regulations identifies uses as follows:
 - 1. “P” identifies uses permitted by right.
 - 2. “C” identifies uses requiring conditional approval.
 - 3. “A” identifies accessory uses.
 - 4. “NP” identifies uses that are not permitted.

Uses	Districts									
	R-1A/R-1B	R-2	R-3	MHP	GB	HS	O	I-R	LI	GI
Miscellaneous										
Accessory buildings and uses	A	A	A	A	A	A	A	A	A	A
Cemeteries	P	P	P	P	NP	NP	NP	NP	NP	NP
Utility and public service buildings and facilities (without storage yards)	C	C	C	C	P	P	P	P	P	P
Utility and public service buildings and facilities (with storage yards)	NP	NP	NP	NP	C	C	C	C	C	C
Commercial wind energy conversion systems and temporary meteorological towers	C	C	C	C	C	C	C	C	C	C
Production facility, multimedia	NP	NP	NP	NP	C	C	NP	P	NP	NP
Medical Use Marihuana Establishment See Ordinance #										
A. Grower	NP	NP	NP	NP	NP	NP	NP	C	C	C
B. Processor	NP	NP	NP	NP	NP	NP	NP	C	C	C
C. Secure Transporter	NP	NP	NP	NP	NP	NP	NP	C	C	C
D. Provisioning Center	NP	NP	NP	NP	C	C	NP	NP	NP	NP
E. Safety Compliance Facility	NP	NP	NP	NP	NP	NP	NP	C	C	C
Recreational Use Marihuana Establishment See Ordinance #										
A. Grower	NP	NP	NP	NP	NP	NP	NP	C	C	C
B. Processor	NP	NP	NP	NP	NP	NP	NP	C	C	C
C. Secure Transporter	NP	NP	NP	NP	NP	NP	NP	C	C	C
D. Retailer	NP	NP	NP	NP	C	C	NP	NP	NP	NP
E. Safety Compliance Facility	NP	NP	NP	NP	NP	NP	NP	C	C	C

ARTICLE 5 – DOWNTOWN FORM-BASED CODE DISTRICTS (DFBC), D-1 & D-2

*Uses are permitted by right (P), as a conditional use subject to approval (C), not permitted (NP)
OR permitted on upper floors only (UP).*

Uses	D-1	D-2
Recreational Use Marihuana Establishment (Retailer) See Ordinance #	C	C
Medical Use Marihuana Establishment (Provisioning Center) See Ordinance #	C	C

CITY OF MILAN, MICHIGAN

ORDINANCE NO. 2202-06

AN ORDINANCE TO AMEND ORDINANCE 2019-03 OF THE CODE OF ORDINANCES AND PROVIDE FOR THE APPLICATION, LICENSING, AND REGULATION OF MEDICAL-USE MARIHUANA ESTABLISHMENTS AND TO PROVIDE PENALTIES FOR THE SUSPENSION AND REVOCATION THEREOF.

The City of Milan hereby ordains:

ARTICLE I

GENERAL PROVISIONS

Section 1. Title.

This ordinance is to be known and may be cited as the City of Milan Medical-Use Marihuana Establishments Ordinance (the “Ordinance”).

Section 2. Purpose and Intent.

- (A) The purpose of this chapter is to exercise the police, regulatory, and land use powers of the City of Milan (the “City”) by providing for the licensing and regulation of Medical-use, as defined herein, Marihuana Establishments, so as to protect the public health, safety, and welfare of the residents of the City, and in compliance with the Michigan Medical Marihuana Facilities Licensing Act, Act 281 of 2016 (the “Act”). The City finds that these activities are significantly connected to the public health, safety, and welfare of its citizens and it is therefore necessary to regulate and enforce safety, security, fire, police, health, and sanitation practices related to such activities and also to provide a method to defray administrative costs incurred by such regulation and enforcement.
- (B) Further, the purpose of this Ordinance is to:
- (1) Authorize the establishment of Medical-use Marihuana Establishments, as herein defined, within the City and provide standards and procedures for the review, issuance, renewal, and revocation of City-issued permits for such establishments;
 - (2) Protect public health and safety through reasonable limitations on commercial Medical-use Marihuana Establishment operations as they related to noise, air, and water quality, neighborhood and resident safety, security for the Medical-use Marihuana Establishment and its personnel, and other health and safety concerns; and
 - (3) Establish a set of rules and regulations which are fair and equitable for those interested in securing a permit allowing for the operation of a Medical-use Marihuana Establishment (a “Permit”)
- (C) Nothing in this Ordinance is intended to grant, nor shall be construed as granting, immunity from criminal or civil prosecution, penalty, or sanction for the cultivation, manufacture,

possession, use, sale, distribution, or transport of Marihuana in any form, that is not in strict compliance with applicable state law or regulation or local law or ordinance. Moreover, nothing in this Ordinance creates, nor shall it be construed to create, an exception, defense, or immunity to or for any person with regard to any potential criminal liability the person may have for the production, distribution, or possession of Marihuana under federal law.

Section 3. Definitions.

Unless the context clearly requires a different meaning, any term used in this Ordinance that is defined by the Act or the Administrative Rules promulgated by the Cannabis Regulatory Agency (the “Rules”) addressing Medical-use Marihuana shall have the definition given that in that Act and those Rules.

“*Applicant*” means a person who applies for a City-issued Permit to operate a Medical-use Marihuana Establishment in accordance with the terms of this Ordinance and the City’s Zoning Code.

“*City*” means the City of Milan.

“*City Council*” means the City Council of the City.

“*Cultivate*” means to propagate, breed, grow, harvest, dry, cure, or separate parts of the Marihuana plant by manual or mechanical means.

“*Department*” means the State of Michigan Cannabis Regulatory Agency.

“*Medical Use*” means the acquisition, possession, cultivation, manufacture, use, internal possession, delivery, transfer, or transportation of Marihuana or paraphernalia relating to the administration of Marihuana to treat or alleviate a registered qualifying patient's debilitating medical condition or symptoms associated with the debilitating medical condition.

“*Medical-use Marihuana Establishment*” means a Grower, Safety Compliance Facility, Processor, Provisioning Center, Secure Transporter, or any other type of Marihuana-related business licensed by the Department for Medical-use Marihuana.

“*Class*” means, collectively, Class A, Class B and Class C Growers.

“*Patient*” means a Registered Qualifying Patient.

“*Premises*” means the location where the Medical-use Marihuana Establishment will be located.

“*Primary Caregiver*” means a Registered Primary Caregiver.

“*State License*” means a validly issued license issued by the Department that allows a Person to operate a Medical-use Marihuana Establishment.

“*Zoning Ordinance*” means the City of Milan Zoning Ordinance.

ARTICLE II

LICENSING OF RECREATIONAL-USE MARIHUANA ESTABLISHMENTS

Section 4. Permit Required for Operation.

- (A) It shall be unlawful for any Person to operate a Medical-use Marihuana Establishment in the City unless such Person has first obtained a Permit, possesses a State License in good standing from the Department, and has paid all applicable fees. Permit and State License certificates shall be kept current and publicly displayed within the Medical-use Marihuana Establishment. Failure to maintain or display current State License and Permit certificates shall constitute a violation of this Ordinance.
- (B) An annual nonrefundable fee to defray the administrative and enforcement costs associated with Medical-use Marihuana Establishments located in the City of not more than \$5,000 per Medical-use Marihuana Establishment (the “Fee”) shall be due and payable with the application for a Permit and upon the application for renewal of any such Permit. That Fee is in addition to, and not in lieu of, any other licensing and permitting requirements imposed by any State regulatory agency, or other City ordinance or local county requirements, including, by way of example, any applicable fees for site plan review, zoning review, inspections, or building permits.

Section 5. Limitation on Permits.

- (A) The maximum number of each of Medical-use Marihuana Establishments permitted within the City is as follows:

<u>Type of Establishment</u>	<u>Number Authorized</u>
Grower	Four
Processor	One
Secure Transporter	One
Provisioning Center	Two
Safety Compliance Facility	One

- (B) A Person may simultaneously apply for a Permit to operate more than one type of Medical-use Marihuana Establishment, however a Person may only hold one Medical-use Marihuana Establishment Permit.

Section 6. Zoning Requirements.

- (A) Specific types of Medical-Use Marihuana Establishments may only be located in the following applicable zoning districts, as each are defined in the Zoning Ordinance. In all such instances, such operations shall be considered a “Conditional Use”, subject to the requirements of Article 9 of the Zoning Ordinance:

Type of Establishment	Light Industrial (LI)	General Industrial (GI)	Industrial Research (IR)	General Business (GB)	Highway Services (HS)
Grower	X	X	X		
Processor	X	X	X		
Secure Transporter	X	X	X		
Provisioning Center				X	X
Safety Compliance Facility	X	X	X		

- (B) Provisioning Centers are also permitted as Conditional Uses within the Downtown Core District (D-1) and Downtown Edge District (D-2) when the Marihuana Establishment is part of a Mixed-Use Development, as each such term is defined in the Zoning Ordinance.
- (C) Medical-use Marihuana Establishments must also satisfy the following minimum distance requirements from the described uses below. Prior to issuing a Permit, the City shall confirm that the Premises meet the following requirements:
 - (1) Distance from Schools. Medical-use Marihuana Establishments shall be located a minimum of five hundred (500) feet from public or private nursery, elementary, secondary, or vocational schools; active child care establishments or organizations (non-home occupation) required to be licensed by the State of Michigan; and public parks that contain playground equipment in existence at the time the Permit is issued.

All minimum distances are measured from the property lines of the property on which the Premises is located to the property lines of the potential properties at issue, as the same exist as of the day a Permit is issued. In the event a Medical-use Marihuana Establishment desires to move its Premises after a Permit is issued, the Medical-use Marihuana Establishment must meet these minimum distance requirements before it will be permitted to operate in the new location, despite a Permit having already been issued for the previous Premises.

Section 7. Requirements and Procedure for Municipal Permit.

- (A) A Person seeking to operate a Medical-use Marihuana Establishment pursuant to the Act and the provisions of this Ordinance must submit an application in writing to the City on forms provided by the City (an “Application”) An Application must be approved by the City Council and approved by the prior to commencing operation.
- (B) An Application for a Permit under this Ordinance shall be made under oath and shall contain the following information:
 - (1) If the Applicant is an individual, the Applicant’s name, date of birth, physical address, email address, one or more phone numbers, including emergency contact information, and copy of a government-issued photo identification;

- (2) If the Applicant is not an individual, the name and address of the registered agent, proof of registration or a certificate of good standing from the State, copies of the articles of incorporation or articles of organization as applicable, and a copy of the operating agreement, partnership agreement, or bylaws or shareholder agreement as applicable; and the names, dates of birth, physical addresses, email addresses, one or more phone numbers, including emergency contact information, and copy of a government-issued photo identification for each of the shareholder, member, partner, or owner of the Applicant (a “Stakeholder”). For any Stakeholder who is an entity, and any Stakeholders of such Stakeholders the above information shall be provided until all individual Stakeholders are identified. In the event one or more Stakeholders are an entity which is subject to public reporting requirements by the United States Securities and Exchange Commission, no such Stakeholders are required to be disclosed;
- (3) For the Applicant and for each Stakeholder of the Applicant, an affirmation under oath that each individual is at least 21 years or age and is not currently under indictment nor has ever been convicted of, pled guilty or nolo contendere, or forfeited bail concerning any criminal felony or controlled substance-related misdemeanor, not including traffic violations, under the laws of any jurisdiction.
- (4) The name and address of the proposed Medical-use Marihuana Establishment and any additional contact information deemed necessary by the City;
- (5) A copy of any deed reflecting the Applicant’s ownership of, or lease reflecting the right of the Applicant to possess the, Premises;
- (6) If the Applicant is not the owner of the entire proposed Premises for the Medical-use Marihuana Establishment, a notarized statement from the property owner authorizing the use of the Premises for a Medical-use Marihuana Establishment;
- (7) A signed release authorizing the City to perform a criminal background check to ascertain whether the Applicant, each Stakeholder of the Applicant, and each managerial employee of the applicant meet the criteria set forth in this Ordinance;
- (8) An affirmation under oath as to whether the Applicant or any Stakeholder has ever had a business or commercial license denied, restricted, suspended, revoked, or not renewed, and a statement describing the facts and circumstances concerning such application, denial, restriction, suspension, revocation, or nonrenewal, including the licensing authority and the date each action was taken;
- (9) An affidavit that neither the Applicant nor any Stakeholder is in default to the City, specifically, that the Applicant or Stakeholder has not failed to pay any property taxes, special assessments, fines, fees, or other financial obligations to the City;
- (10) For the Applicant and each Stakeholder of the Applicant, a resume that includes whether the individual has any relevant experience with recreational-use Marihuana or a related industry;

- (11) Proof of adequate premises liability and casualty insurance that complies with the requirements set forth in the Act and any rule or regulations issued by the department, covering the Medical-use Marihuana Establishment and naming the City as an additional insured, available for the payment of any damages arising out of an act or omission of the applicant or its stakeholders, agents, employees, or subcontractors;
- (12) A copy of the proposed business plan for the Medical-use Marihuana Establishment, including but not limited to the following:
 - a. The proposed ownership structure of the Medical-use Marihuana Establishment, including percentage ownership of each Person;
 - b. A current organization chart that includes position descriptions and the name of each Person holding each position;
 - c. A proposed marketing, advertising, and business promotion plan, including plans to minimize the exposure of marketing or promoting Marihuana products to underage individuals;
 - d. A description of the planned tangible capital investment in the City, including detail related to the number and nature of the Applicant's proposed Medical-use Marihuana Establishments in the City and whether the locations of such Medical-use Marihuana Establishments will be owned or leased;
 - e. An explanation of the economic benefits to the City and anticipated job creation from the proposed Medical-use Marihuana Establishment;
 - f. A description of the planned training and education programs for employees;
 - g. A description of the financial structure and financing of the proposed Medical-use Marihuana Establishment;
 - h. An explanation of the short-term and long-term goals and objectives of the proposed Medical-use Marihuana Establishment;
 - i. A description of the Applicant's planned community outreach and education plans and strategies, including whether key Stakeholders will be involved in outreach and education initiatives; and
 - j. An explanation of the Applicant's proposed charitable plans and strategies, including whether through financial contributions or volunteer work;
- (13) A security plan for the Medical-use Marihuana Establishment, including but not limited to any lighting, alarms, barriers, recording/monitoring devices, and/or security guard arrangements proposed for the Medical-use Marihuana Establishment and Premises, including the specification details of each piece of security equipment;
- (14) A floor plan of the Medical-use Marihuana Establishment, as well as a scale diagram illustrating the property upon which the Medical-use Marihuana Establishment is to

be operated, including all available parking spaces, and specifying which parking spaces, if any, are handicapped-accessible;

- (15) A facility sanitation plan to protect against any Marihuana being ingested by any person or animal, indicating how the waste will be stored and disposed of, and how any Marihuana will be rendered unusable upon disposal. Disposal by on-site burning or introduction into the sewerage system is prohibited;
- (16) Any proposed text or graphical materials to be shown on the exterior of the proposed Medical-use Marihuana Establishment;
- (17) A location area map of the Medical-use Marihuana Establishment and surrounding area that identifies the buffer zones set forth in this Ordinance and any applicable rules promulgated by the Department.
- (18) An estimate of the number and type of jobs that the proposed Medical-use Marihuana Establishment is expected to create, the amount and type of compensation to be paid for such jobs, and the projected annual budget and revenue of the Medical-use Marihuana Establishment;
- (19) A proposed inventory and recordkeeping plan that will track quantities sold to individual patrons and monitor inventory;
- (20) A signed acknowledgment that the Applicant is aware of and understands that all matters related to Marihuana, growing, cultivation, possession, dispensing, testing, safety compliance, transporting, distribution, and use are currently subject to state and federal laws, rules, and regulations, and that the approval or granting of a permit hereunder does not exonerate or exculpate the Applicant from abiding by the provisions, requirements, and penalties associated with those laws, rules, and regulations or exposure to any penalties associated therewith;
- (21) As it relates to a Provisioning Center, the Applicant shall also provide a description of a proposed education plan for Patients and Primary Caregivers and the information that will be made available regarding substance abuse awareness and treatment programs;
- (22) As it relates to a Grower's Medical-use Marihuana Establishment, the following additional items shall be required:
 - a. A grower plan that includes at a minimum a description of the grower methods to be used, including plans for the growing mediums, treatments, and/or additives;
 - b. A production testing plan that includes at a minimum a description of how and when samples for laboratory testing by a state approved Safety Compliance Facility will be selected, what type of testing will be requested, and how the test results will be used

- c. An affidavit that all operations will be conducted in conformance with the Act or other applicable State laws and such operations shall not be cultivated on the premises at any one time more than the permitted number of Marihuana plants per the Act;
 - d. A chemical and pesticide storage plan that states the names of pesticides to be used in grower and where and how pesticides and chemicals will be stored in the facility, along with a plan for the disposal of unused pesticides; and
 - e. All growing must be performed within an enclosed locked facility which may include indoors or in an enclosed greenhouse or outdoor grow; and
- (23) Any other information which may be required by City rule or ordinance from time to time.
- (C) Upon receipt of an Application, the City Clerk, or its designee, shall review such Application to confirm all requirements have been met. Should Applicant fail to meet any requirements of this Ordinance, the City Clerk, or its designee, shall notify Applicant of such deficiency, and begin reviewing the next Application submitted. Upon confirmation of receipt of a completed Application meeting the requirements of this Ordinance and the appropriate Fee, and confirmation that the number of existing Permits already granted does not exceed the maximum number established by this Ordinance, the Clerk shall refer a copy of the Application to each of the following for their review and approval: the City attorney, the City treasurer, the Police Department, the Fire Department, the Building Department, and the Zoning Administrator.
- (D) No Application shall be approved unless:
- (1) The Fire Department or designee and the Building Department have inspected the plans of the proposed Premises for compliance with all laws for which they are charged with enforcement;
 - (2) The Police Department has confirmed that the Applicant, each Stakeholder of the Applicant, and each managerial employee has passed a criminal background check and have met the requirements of this Ordinance with respect to the Medical-Use Marihuana Establishment's security plan;
 - (3) The Zoning Administrator has confirmed that the proposed Premises complies with the Zoning Code; and
 - (4) The Treasurer has confirmed that the Applicant and each Stakeholder of the Applicant are not in default to the City.

Section 8. Permit Application Evaluation.

- (A) After all applicable approvals are provided for an Application, the Clerk, or its designee, shall assess, evaluate, score and rank all Applications submitted and considered complete. No Application shall be accepted for assessment, evaluation, scoring, and ranking unless such Application contains the approvals required by Section 7 of this Ordinance and MCL

333.27959.4, as may be amended. Applications shall be scored in the order they were approved.

- (B) In its Application assessment, evaluation, scoring, and ranking, deliberations, the Clerk, or its designee, shall assess, evaluate, and score each Application based upon a scoring and ranking procedure developed by the Clerk, or its designee, consistent with the requirements, conditions, and provisions of this chapter in each of the following categories:
- (1) The content and sufficiency of the information contained in the Application;
 - a. Any Application with missing or insufficient information shall be assigned 0 points.
 - b. Any Application without missing or insufficient information shall be assigned 10 points.
 - (2) The Applicant's and its Stakeholders' experience in operating similarly licensed businesses. For purposes of this subsection (B) only, similarly licensed businesses shall include only Marihuana Establishments, as defined within City ordinance _____, and Medical-Use Marihuana Establishments operated by the Applicant and licensed by Department.;
 - a. 0 years' experience shall be assigned 0 points.
 - b. Between 0 to 1 year of experience shall be assigned 2 points.
 - c. Between 1 to 4 years of experience shall be assigned 5 points.
 - d. More than 4 years of experience shall be assigned 10 points
 - (3) Planned outreach on behalf of the proposed Medical-Use Marihuana Establishment, and whether the Applicant or its Stakeholders have made, or plan to make, significant physical improvements to the Premises, including plans to eliminate or minimize traffic, noise, and odor effects on the surrounding neighborhood;
 - a. An Application with a lack of cognizable and effective proposed plans shall be assigned 0 points.
 - b. An Application which Provides cognizable and effective proposed plans shall be assigned 10 points.
 - (4) The Applicant's and its Stakeholders' integrity, moral character, and reputation, personal and business probity, financial ability and experience, and responsibility or means to operate or maintain a Medical-Use Marihuana Establishment of the Applicant, including whether the Applicant or any of its Stakeholders have a record of acts detrimental to the public health, security, safety, morals, good order, or general welfare prior to the date of the Application; and whether the Applicant or any of its

Stakeholders have previously operated an illegal business of any kind, including any violation of medical and/or recreational-use Marihuana moratoriums;

- a. Demonstrated and verifiable information of non-favorable characteristics and/or lack of abilities as described in this subsection shall be assigned 0 points.
 - b. Demonstrated and verifiable information of some favorable characteristics and abilities as described in this subsection shall be assigned 5 points.
 - c. Demonstrated and verifiable information of all favorable characteristics and abilities as described in this subsection shall be assigned 10 points.
- (5) Whether the Applicant has reasonably and tangibly demonstrated it possesses sufficient financial resources to fund, and the requisite business experience to execute, the submitted business plan;
- a. No demonstrated financial ability to purchase and fund shall be assigned 0 points.
 - b. Demonstrated and verifiable financial ability to purchase and fund shall be assigned 10 points.
- (6) A 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; and
- a. Any demonstrated and/or verifiable felony or misdemeanor as described in this subsection shall be assigned 0 points.
 - b. No record of felony or misdemeanor as described in this subsection shall be assigned 10 points.
- (7) Whether the Applicant or Stakeholder has filed, or had filed against it, a proceeding for bankruptcy within the past seven (7) ye Whether the Applicant or Stakeholder has filed, or had filed against it, a proceeding for bankruptcy within the past seven (7) years.
- a. Any bankruptcy proceeding as described in this subsection shall be assigned 0 points.
 - b. No record of bankruptcy proceedings as described in this subsection shall be assigned 10 points.
- (8) Whether the Applicant or Stakeholder has been served with a complaint or other notice filed with any public body regarding payment of any federal, state, or local tax that has been delinquent for one (1) or more years.
- a. Any tax delinquency as described in this subsection shall be assigned 0 points.

- b. No record of tax delinquency as described in this subsection shall be assigned 10 points.
- (9) Whether the Applicant or Stakeholder has a history of non-compliance with any regulatory requirements in the State of Michigan or any other jurisdiction.
 - a. Any demonstrated and/or verifiable history of non-compliance with regulatory requirements as described in this subsection shall be assigned 0 points.
 - b. No demonstrated and/or verifiable history of non-compliance with regulatory requirements as described in this subsection shall be assigned 10 points.
- (10) Whether the Premises will be located on a parcel which is currently vacant, undeveloped, or otherwise considered a blight or blighted property
 - a. A property which does not meet the above criteria shall be assigned 0 points
 - b. A property which meets the above criteria shall be assigned 10 points.
- (C) Only Applications which receive at least Sixty (60) points from the above assessment may be approved for a Permit.

Section 9. Permits Generally.

- (A) To the extent permissible under law, all information submitted in conjunction with an Application for a Permit or Permit renewal required by this Ordinance is confidential and exempt from disclosure under the Michigan Freedom of Information Act, 1976 PA 442, MCL 15.231 et seq., including the trade secrets or commercial or financial information exemptions available under Section 13(f) of the Michigan Freedom of Information Act.
- (B) Permit holders may transfer a Permit to a different location upon receiving written approval from the Clerk. In order to request approval to transfer a Permit to a new Premises, the Permit holder must make a written request to the Clerk, indicating the current Premises and the proposed Premises. Upon receiving the written request, the Clerk shall refer a copy of the written request to each of the following for their approval: the City of Milan attorney, the City of Milan treasurer, the Police Department, the Fire Department, the Building Department, and the Zoning Administrator. No Permit transfer shall be approved unless each such individual department or Person gives written approval that the Permit holder and the proposed Premises meet the standards identified in this Ordinance.
- (C) Permit holders may transfer a Permit issued under this Ordinance to a different Person upon receiving written approval by the Clerk. In order to request approval to transfer a Permit to a different Person, the Permit holder must make a written request to the Clerk, indicating the current Permit holder and the proposed Permit holder. Upon receiving the written request, the Clerk shall consider the request as a new Application. Application fees are non-transferable. The City may set a Permit transfer fee by resolution; otherwise, the proposed Permit transferee must submit a Fee as if submitting a new Application.

- (D) Permit holders shall report any other change in the information required by this ordinance to the Clerk within ten business days of the change. Failure to do so may result in suspension or revocation of the Permit.
- (E) A “transfer” includes any change in more than ten percent (10%) of the Permit holder, whether directly or through the change of any Stakeholder, or the ownership of a Stakeholder.

Section 10. Permit Renewal.

- (G) A Permit shall run concurrently with the State License issued for the Premises, unless revoked as provided by law.
- (H) Application for a Permit renewal required by this Ordinance shall be made in writing at least 45 days prior to the expiration of an existing Permit, on forms provided by the City.
- (I) The same procedures that govern the application, review, and issuance of a new Permit shall apply to the renewal of an existing Permit.
- (J) Prior to the issuance of a renewed Permit, the Premises shall be inspected to assure that it and its systems are in compliance with the requirements of this Ordinance.

Section 11. Permit as Revocable Privilege.

A Permit issued under this Ordinance is a revocable privilege granted by the City and is not a property right. The issuance of a Permit does not create or vest any right, title, franchise, or other property interest.

Section 12. Permit Denial and Revocation.

- (A) A Permit issued under this Ordinance may be revoked after an administrative hearing at which the City Council (a “Revocation Hearing”) by majority vote of the members present determines that any grounds for revocation under this Ordinance exist. Notice of the time and place of the Revocation Hearing and the grounds for revocation must be given to the Permit holder at least five days prior to the date of the Revocation Hearing, by first class mail to the address given on the Application; a Permit holder whose Permit is subject of such Administrative Hearing may present evidence and/or call witnesses at the Administrative Hearing.
- (B) A Permit applied for or issued under this Ordinance may be denied or revoked on any of the following bases:
 - (1) A violation of this Ordinance;
 - (2) Any conviction of a felony under the laws of any jurisdiction within the past five (5) years by the Applicant or any Stakeholder of the Applicant or while licensed under this Ordinance, or any conviction of a controlled substance-related felony by the Applicant or any Stakeholder ever or while licensed under this Ordinance;

- (3) Commission of fraud or misrepresentation or the making of a false statement by the Applicant, Permit holder, or any Stakeholder of the Applicant or Permit holder while engaging in any activity for which this Ordinance requires a Permit;
- (4) The Medical-Use Marihuana Establishment is determined by the City to have become a public nuisance or is otherwise operating in a manner detrimental to the public health, safety, or welfare; or
- (5) The State of Michigan has denied, revoked, or suspended the Applicant's or Permit holder's State License, or the Applicant or Permit holder has otherwise failed to obtain or maintain a State License pursuant to the Act and applicable rules and regulations.

Section 13. Penalties and Discipline.

- (A) The City may require an Applicant or Permit holder of a Medical-Use Marihuana Establishment to produce documents, records, or any other material pertinent to the investigation of an Application or alleged violation of this Ordinance. Failure to provide the required material may be grounds for Application denial or Permit revocation.
- (B) Any Person violating this Ordinance, including by the operation of a Medical-Use Marihuana Establishment without a Permit issued pursuant to this Ordinance, shall be responsible for a civil infraction and shall be subject to a fine of not more than \$500.00 for each day such person violates this ordinance.
- (C) All fines imposed under this Ordinance shall be paid within 45 days after the effective date of the order imposing the fine or as otherwise specified in the order.
- (D) The City may temporarily suspend a Permit without a prior hearing if the Chief of Police for the City finds that public safety or welfare requires emergency action affecting the public health, safety, or welfare. The City shall cause the temporary suspension by issuing a suspension notice in connection with institution of proceedings for notice and a hearing.
- (E) If the City temporarily suspends a Permit without a prior hearing, the permit holder is entitled to a hearing within thirty (30) days after the suspension notice was issued.
- (F) If the City does not hold a hearing within thirty (30) days after the date the suspension notice was issued, then the permit shall be automatically reinstated and the suspension vacated.
- (G) Nothing in this ordinance shall be deemed to prohibit the city manager or their designee from imposing other penalties authorized by Milan City Code of Ordinances or other ordinance of the City, including filing a public nuisance action or any other legal action in a court of competent jurisdiction.

ARTICLE III

MINIMUM OPERATING STANDARDS FOR MEDICAL-USE MARIHUANA ESTABLISHMENTS

Section 14. Minimum Operational Standards Applicable to All Medical-Use Marihuana Establishments.

The following minimum standards shall apply to all Medical-Use Marihuana Establishments within the City:

- (A) The Marihuana Establishment shall comply at all times and in all circumstances with the Act, applicable Michigan law, and the general rules of the Department, as they may be amended from time to time. It is the responsibility of the Permit holder to be aware of changes in the Act, and the City bears no responsibility for failure of the Permit holder to be unaware of changes in the Act.
- (B) Consumption and/or use of Marihuana shall be prohibited at, inside, and on the Premises of the Medical-Use Marihuana Establishment.
- (C) All activity related to the Medical-Use Marihuana Establishment shall be performed indoors inside a fully enclosed building.
- (D) The Medical-Use Marihuana Establishment shall be continuously monitored with a surveillance system that includes security cameras. The video recordings shall be maintained in a secure, off- site location for a period of fourteen (14) days and be available upon request of the Police Department.
- (E) The Medical-Use Marihuana Establishment shall be maintained and operated so as to comply with all State and local rules, regulations and ordinances.
- (F) All Marihuana shall be contained within an enclosed, secure area.
- (G) All persons working in direct contact with Marihuana shall conform to acceptable hygienic practices while on duty, including but not limited to:
 - (1) Maintaining adequate personal cleanliness;
 - (2) Washing hands thoroughly in adequate hand-washing areas before starting work and at any other time when their hands may have become soiled or contaminated; and;
 - (3) Refraining from having direct contact with Marihuana if the person has or may have an illness, open lesion, including boils, sores or infected wounds, or any other abnormal source of microbial contamination, until the condition is corrected.
- (H) Litter and waste shall be properly removed and the operating systems for waste disposal shall be maintained in an adequate manner so that they do not constitute a source of contamination.
- (I) Floors, walls, and ceilings shall be constructed in such a manner that they may be adequately cleaned and kept clean and in good repair.
- (J) There shall be adequate screening or other protection against the entry of pests. Rubbish shall be disposed of so as to minimize the development of odor and minimize the potential for the

waste development of odor and minimize the potential for waste becoming an attractant, harborage or breeding place for pests.

- (K) All building fixtures and other establishments shall be maintained in a sanitary condition.
- (L) Marihuana that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms.
- (M) A Medical-Use Marihuana Establishment shall be free from infestation by insects, rodents, birds, or vermin of any kind.
- (N) The Premises shall be open, at all times, to any department investigators, agents, auditors, or police, without a warrant and without notice to the holder of the Permit, enter the Premises, offices, facilities, or other places of business of a Permit holder, if evidence of compliance or non-compliance with the Act or applicable State laws is likely to be found and consistent with constitutional limitations, for the following purposes:
 - (1) To inspect and examine all Premises of the Medical-Use Marihuana Establishment;
 - (2) To inspect, examine, and audit relevant records of the Permit holder and, if the Permit holder or any of the managerial employees or employees fails to cooperate with an investigation, the investigator may impound, seize, assume physical control of, or summarily remove from the Premises all books, ledgers, documents, writings, photocopies, correspondence, records, and videotapes, including electronically stored records, money receptacles, or equipment in which the records are stored as well as any other property.
 - (3) To inspect the person, and inspect or examine personal effects present in a Medical-Use Marihuana Establishment, of any holder of State License while that person is present in a Medical-Use Marihuana Establishment; and
 - (4) To investigate alleged violations of the Act or applicable State laws.

Section 15. Minimum Operating Standards for Provisioning Centers.

The following minimum standards shall apply to all Provisioning Centers within the City:

- (A) No Provisioning Center shall be open to the public between the hours of 9:00 P.M. and 9:00 A.M.
- (B) A sign shall be posted on the Premises of each Provisioning Center indicating that consumption is prohibited on the premises.
- (C) The public or common areas of the Provisioning Center must be separated from restricted or non-public areas of the Medical-Use Marihuana Establishment.
- (D) All Marihuana storage areas within the Provisioning Center must be separated from any customer areas by a permanent barrier. Marihuana may be displayed in a sales area.

- (E) Any usable Marihuana remaining on the Premises of a Provisioning Center while the Provisioning Center is not in operation shall be secured from the public.
- (F) Drive-through windows on the Premises of a Provisioning Center shall not be permitted.
- (G) No Provisioning Center shall allow the sale, consumption, or use of alcohol or tobacco products on the Premises.
- (H) No Provisioning Center shall be operated in a manner creating noise, dust, vibration, glare, fumes, or odors detectable to normal senses beyond the boundaries of the property on which the Marihuana Retailer is operated, or any other nuisance that hinders the public health, safety and welfare of the residents of the City.
- (I) The permit required by this Ordinance shall be prominently displayed on the Premises of a Medical-Use Marihuana Establishment.
- (J) Disposal of Marihuana shall be accomplished in a manner that prevents its acquisition by any person who may not lawfully possess it and otherwise in non-conformance with State laws.
- (K) All Marihuana shall be packaged and labeled as provided by State laws.
- (L) A Provisioning Center and its agents and employees shall require each purchase of Marihuana and Marihuana-related products to display a government-issued photo identification and verify that the prospective purchaser is over twenty-one (21) years of age.
- (M) It shall be prohibited to display any signs that are inconsistent with local laws or regulations or state law.
- (N) It shall be prohibited to use advertising material that is misleading, deceptive, or false, or that is designed to appeal to individuals under the age of 21.
- (O) No Provisioning Center shall place or maintain, or cause to be placed or maintained, an advertisement of Marihuana in any form or through any medium within one thousand (1,000) feet of the real property comprising a public or private nursery, elementary, secondary, or vocational school or child care facility.
- (P) No Provisioning Center shall 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.
- (Q) Provisioning Centers shall not sell or otherwise transfer Marihuana that is not contained in an opaque, re-sealable, child-resistant package designed to be significantly difficult for children under 5 years of age to open.

Section 16. Minimum Operating Standards for Grower Facilities.

The following minimum standards shall apply to all Grower Premises within the City:

- (A) The Grower's Premises shall comply at all times and in all circumstances with the Act, other applicable State laws, and the general rules of the Department, as they may be amended from time to time.
- (B) The Grower shall maintain a log book and/or database indicating the number of Marihuana plants located on the Premises.
- (C) Each Marihuana plant shall be tagged as required by the Act and other applicable State laws and regulations.
- (D) Any Premises which contains Marihuana shall be enclosed and locked.
- (E) All necessary building, electrical, plumbing, and mechanical permits shall be obtained for any portion of the structure in which electrical wiring, lighting, and/or watering devices that support the Grower, growing, or harvesting of Marihuana are located.
- (F) That portion of the Grower Premises storing any chemicals such as herbicides, pesticides, and fertilizers shall be subject to inspection and approval by the Fire Department to insure compliance with all applicable statutes, codes, and ordinances.
- (G) The dispensing of Marihuana at the Grower Premises shall be prohibited.
- (H) All Grower Premises shall produce no products other than useable Marihuana intended for human consumption.
- (I) In furtherance of the public health, safety, and welfare, exterior signage or advertising identifying the Premises as a Grower shall be prohibited.
- (J) Venting of Marihuana odors into the areas surrounding a Grower's Premises is deemed and declared to be a public nuisance.

Section 17. Minimum Operating Standards for Safety Compliance Facilities.

The following minimum standards shall apply to the Premises of any Safety Compliance facilities within the City:

- (A) The Safety Compliance Facility shall comply at all times and in all circumstances with the Act, other applicable State laws, and the general rules of the Department, as they may be amended from time to time.
- (B) The Safety Compliance Facility shall maintain a log book and/or database which complies with the Act and other applicable State laws.
- (C) All Marihuana shall be contained within an enclosed, locked facility.
- (D) There shall be no other accessory uses permitted within the same facility other than those associated with testing Marihuana.
- (E) In furtherance of the public health, safety, and welfare, exterior signage or advertising identifying the facility as a Safety Compliance Facility shall be prohibited.

Section 18. Minimum Operating Standards for Secure Transporters.

The following minimum standards shall apply to all Secure Transporters within the City:

- (G) The Secure Transporters shall comply at all times and in all circumstances with the Act, other applicable State laws, and the general rules of the Department, as they may be amended from time to time.
- (H) Consumption and/or use of Marihuana shall be prohibited at a Secure Transporter's Premises.
- (I) The Secure Transporter's Premises shall not be used for any other commercial purpose.
- (J) The Secure Transporter's Premises shall not be open or accessible to the general public.
- (K) All Marihuana stored within the Secure Transporter's Premises shall be stored within enclosed, locked receptacles in accordance with the Act.
- (L) A Secure Transporter shall comply with all of the following:
 - (1) Each driver transporting Marihuana shall have a chauffeur's license issued by the State;
 - (2) Each employee who has custody of Marihuana or money that is related to a Marihuana transaction shall not have been convicted of delivery of a controlled substance;
 - (3) Each vehicle shall be operated with a two-person crew with at least one individual remaining with the vehicle at all times during the transportation of Marihuana;
 - (4) The Marihuana shall be transported by one or more sealed containers and shall not be accessible while in transit;
 - (5) A Secure Transporter's vehicle shall not bear markings or other indication that it is carrying Marihuana or a Marihuana infused product; and
 - (6) A route plan and manifest shall be entered into the statewide monitoring system, and a copy shall be carried in the transporting vehicle and presented to a law enforcement officer upon request.
- (G) No Applicant, Permit holder, Stakeholder or investor with an interest in a Secure Transporters may have an interest in a Grower, Processor, Provisioning Center, Microbusiness, as defined in the City of Milan Recreational-Use Marihuana Establishments Ordinance, or Safety Compliance Facility.
- (H) A Secure Transporter shall enter all transactions, current inventory, and other information into the statewide monitoring system as required by the Act and other applicable state law, rules, and regulations.
- (I) A vehicle used by a Secure Transporter is subject to administrative inspection by a law enforcement officer at any point during the transportation of Marihuana or Marihuana-infused products to determine compliance with State or local law, rules, and ordinances.

Section 19. Minimum Operating Standards for Processors.

The following minimum standards shall apply to all Processors within the City:

- (A) The Processor shall comply at all times and in all circumstances with the Act, other applicable State laws, and the general rules of the Department, as they may be amended from time to time.
- (B) All Processors shall maintain a log book and/or database which complies with the Act and other applicable State laws.
- (C) All Marihuana shall be tagged as required by the Act or other applicable State laws and regulations.
- (D) Processors shall produce no products other than useable Marihuana intended for human consumption.
- (E) The Processor's Premises shall be subject to inspection at any time by the Fire Department to insure compliance with all applicable statutes, codes, and ordinances.
- (F) The dispensing of Marihuana at a Processor's Premises shall be prohibited.

Section 20. Repealer.

Ordinance No. 2019-03, the City of Milan Prohibition of Marihuana Establishments Ordinance, and any other ordinances of parts thereof which conflict with this ordinance are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

Section 21. Severability.

Should any word, phrase, sentence, paragraph or section of this Ordinance be held invalid or unconstitutional, the remaining provisions of this ordinance shall remain in full force and effect. It is hereby declared to be the legislative intent of this body that the Ordinance would have been adopted had such invalid or unconstitutional provisions not have been included in this Ordinance.

Section 22. Savings Clause.

The balance of the Code of Ordinances, City of Milan, Michigan, except as herein or heretofore amended, shall remain in full force and effect. The repeal provided herein will not abrogate or affect any offense or act committed or done, or any penalty or forfeiture incurred, or any pending fee, assessments, litigation, or prosecution of any right established, occurring prior to the effective date hereof.

Section 23. Copies to be available.

Copies of the Ordinance are available at the office of the City Clerk for inspection by, and distribution to, the public during normal office hours.

Section 24. Effective Date.

As provided by Section 7-3 of the Milan City Charter, the effective date of this ordinance shall be ten (10) days after its adoption and publication of a summary thereof as required by Subsection 7-4(b) of the Milan City Charter, which summary shall read as follows:

The Milan City Council has approved Ordinance No. 2022-06, which ordinance amends the Milan City Code of Ordinances to permit the operation of medical marihuana facilities and to repeal Ordinance No. 2019-03, the City of Milan Prohibition of Marihuana Establishments Ordinance, and any other ordinances of parts thereof which conflict with said ordinance. Printed copies of the full text of Ordinance No. 2022-06 are available for inspection and purchase by the public at the office of the City Clerk during regular business hours, 8:00 a.m. to 4:00 p.m., Monday through Friday. Ordinance No. 2022-06 is effective ten (10) days after adoption and publication of this summary notice.

Adopted and signed this ____ day of _____, 2022.

Signed _____
Edward Kolar, Mayor

Signed _____
Lavonna Wenzel, City Clerk

CITY OF MILAN, MICHIGAN

ORDINANCE NO 2022-07

AN ORDINANCE TO AMEND ORDINANCE 2019-03 OF THE CODE OF ORDINANCES AND PROVIDE FOR THE APPLICATION, LICENSING, AND REGULATION OF RECREATIONAL-USE MARIHUANA ESTABLISHMENTS AND TO PROVIDE PENALTIES FOR THE SUSPENSION AND REVOCATION THEREOF.

The City of Milan hereby ordains:

ARTICLE II

GENERAL PROVISIONS

Section 1. Title.

This ordinance is to be known and may be cited as the City of Milan Recreational-Use Marihuana Establishments Ordinance (the “Ordinance”).

Section 2. Purpose and Intent.

- (A) The purpose of this chapter is to exercise the police, regulatory, and land use powers of the City of Milan (the “City”) by providing for the licensing and regulation of recreational-use Marihuana Establishments, so as to protect the public health, safety, and welfare of the residents of the City, and in compliance with the Michigan Regulation and Taxation of Marihuana Act, Initiated Law 1 of 2018. The City finds that these activities are significantly connected to the public health, safety, and welfare of its citizens and it is therefore necessary to regulate and enforce safety, security, fire, police, health, and sanitation practices related to such activities and also to provide a method to defray administrative costs incurred by such regulation and enforcement.
- (B) Further, the purpose of this Ordinance is to:
 - (1) Authorize the establishment of recreational-use Marihuana Establishments, herein defined, within the City and provide standards and procedures for the review, issuance, renewal, and revocation of City-issued permits for such establishments;
 - (2) Protect public health and safety through reasonable limitations on commercial Marihuana Establishment operations as they related to noise, air, and water quality, neighborhood and resident safety, security for the Marihuana Establishment and its personnel, and other health and safety concerns; and
 - (3) Establish a set of rules and regulations which are fair and equitable for those interested in securing a permit allowing for the operation of a Marihuana Establishment (a “Permit”)
- (C) Nothing in this Ordinance is intended to grant, nor shall be construed as granting, immunity from criminal or civil prosecution, penalty, or sanction for the cultivation, manufacture,

possession, use, sale, distribution, or transport of Marihuana in any form, that is not in strict compliance with applicable state law or regulation or local law or ordinance. Moreover, nothing in this Ordinance creates, nor shall it be construed to create, an exception, defense, or immunity to or for any person with regard to any potential criminal liability the person may have for the production, distribution, or possession of Marihuana under federal law.

Section 3. Definitions.

Unless the context clearly requires a different meaning, any term used in this Ordinance that is defined by the Michigan Regulation and Taxation of Marihuana Act (the “Act”) or the Administrative Rules promulgated by the Cannabis Regulatory Agency (the “Rules”) addressing recreational-use Marihuana shall have the definition given that in that Act and those Rules.

“*Applicant*” means a person who applies for a City-issued Permit to operate a Marihuana Establishment in accordance with the terms of this Ordinance and the City’s zoning code.

“*Applications*” means an application created by the City for a Permit to operate a Marihuana Establishment in the City.

“*City*” means the City of Milan.

“*City Council*” means the City Council of the City.

“*Licensee*” means a Person holding a State License.

“*Marihuana Establishment*” means a Grower, Safety Compliance Facility, Processor, Microbusiness, Retailer, Secure Transporter, or any other type of Marihuana-related business licensed by the Department.

“*Class*” means, collectively, Class A, Class B and Class C Growers.

“*MRTMA*” means the Michigan Regulation and Taxation of Marihuana Act, Initiated Law 1 of 2018.

“*Premises*” means the location where the Marihuana Establishment will be located.

“*Stakeholder*” means every shareholder, member, partner, or owner of the Applicant. For any requirement under this ordinance to identify or otherwise examine a Stakeholder who is an entity, such requirement shall include any Stakeholders of such Stakeholders, with such any identification continuing until all individual Stakeholders are identified. In the event one or more Stakeholders are an entity which is subject to public reporting requirements by the United States Securities and Exchange Commission, no such Stakeholders are required to be disclosed

“*Zoning Ordinance*” means the City of Milan Zoning Ordinance.

ARTICLE III

LICENSING OF RECREATIONAL-USE MARIHUANA ESTABLISHMENTS

Section 4. Permit Required for Operation.

- (A) It shall be unlawful for any Person to operate a Marihuana Establishment in the City unless such Person has first obtained a Permit, possesses a State License in good standing from the Department, and has paid all applicable fees. Permit and State License certificates shall be kept current and publicly displayed within the Marihuana Establishment. Failure to maintain or display current State License and Permit certificates shall constitute a violation of this Ordinance.
- (B) An annual nonrefundable fee to defray the administrative and enforcement costs associated with recreational-use Marihuana Establishments located in the City of Milan of not more than \$5,000 per Marihuana Establishment (the “Fee”) shall be due and payable with the application for a Permit and upon the application for renewal of any such Permit. That Fee is in addition to, and not in lieu of, any other licensing and permitting requirements imposed by any State regulatory agency, or other City ordinance or local county requirements, including, by way of example, any applicable fees for site plan review, zoning review, inspections, or building permits.

Section 5. Limitation on Permits.

- (A) The maximum number of each of the following Marihuana Establishments permitted within the City is as follows:

<u>Type of Establishment</u>	<u>Number Authorized</u>
Grower	Four
Processor	One
Secure Transporter	One
Retailer	Two
Safety Compliance Facility	One

- (B) A Person may simultaneously apply for a Permit to operate more than one type of Marihuana Establishment, however a Person may only have one Marihuana Establishment Permit.

Section 6. Zoning Requirements.

- (A) Specific types of Marihuana Establishments may only be located in the following applicable zoning districts, as each are defined in the Zoning Ordinance. In all such instances, such operations shall be considered a “Conditional Use”, subject to the requirements of Article 9 of the Zoning Ordinance:

Type of Establishment	Light Industrial (LI)	General Industrial (GI)	Industrial Research (IR)	General Business (GB)	Highway Services (HS)
Grower	X	X	X		
Processor	X	X	X		
Secure Transporter	X	X	X		
Retailer				X	X
Safety Compliance Facility	X	X	X		

- (B) Retailers are also permitted as Conditional Uses within the Downtown Core District (D-1) and Downtown Edge District (D-2) when the Marihuana Establishment is part of a Mixed-Use Development, as each such term is defined in the Zoning Ordinance.
- (C) Marihuana Establishments must also satisfy the following minimum distance requirements from the described uses below. Prior to issuing a Permit, the City shall confirm that the Premises meet the following requirements:
 - (1) Distance from Schools. Marihuana Establishments shall be located a minimum of five hundred (500) feet from public or private nursery, elementary, secondary, or vocational schools; active child care establishments or organizations (non-home occupation) required to be licensed by the State of Michigan; and public parks that contain playground equipment in existence at the time the Permit is issued.

All minimum distances are measured from the property lines of the property on which the Premises is located to the property lines of the potential properties at issue, as the same exist as of the day a Permit is issued. In the event a Marihuana Establishment desires to move its Premises after a Permit is issued, the Marihuana Establishment must meet these minimum distance requirements before it will be permitted to operate in the new location, despite a Permit having already been issued for the previous Premises.

Section 7. Requirements and Procedure for Permits.

- (A) Applications for Marihuana Establishments shall be received by the City Clerk during a period specifically designated by the City Clerk for that purpose, and at no other time.
- (B) Except as provided in this section, the City Clerk shall be responsible for establishing the procedure for receiving, reviewing and processing Applications, establishing the beginning and ending dates during which Applications will initially be received, establishing the beginning and ending dates during which Applications may be received each year, and providing public notice regarding the Application/Permitting process and of the time period within which the City will receive Applications.

- (C) Any person desiring to secure a Permit shall make application to the City Clerk upon a form provided by the City Clerk. All Applicants must be prequalified for a Marihuana Establishment license by the Department before submitting an Application.
- (D) A copy of all Applications received shall be distributed by the City Clerk to any other necessary City departments for review to determine that the Application is complete. All Applications must be submitted by the last day during which Applications are accepted.
- (E) Information requested in the Application shall be provided for each Stakeholder of the Applicant;
- (F) The Application for a Permit shall include at a minimum the information and documentation listed below under oath:
 - (1) The name, business address, business telephone number, social security number, and, if applicable, federal tax identification number of the Applicant.
 - (2) All residential addresses of the Applicant for the past three years, if such Applicant is an individual person.
 - (3) The business, occupation or employment of the Applicant for five years immediately preceding the date of application.
 - (4) The type of Marihuana Establishment which will be operated.
 - (5) A copy of the application submitted to the Department for prequalification and documentation evidencing that the Applicant has been prequalified for a Marihuana Establishment license by the Department.
 - (6) Whether the Applicant has been convicted of, pled guilty or nolo contendere to, or forfeited bail concerning, any offense that would disqualify it from being licensed by the State of Michigan for the activity for which the permit is requested within the past ten years.
 - (7) Whether the applicant has been convicted of, pled guilty or nolo contendere to, or forfeited bail concerning, a misdemeanor involving a controlled substance, theft, dishonesty, or fraud in any state or been found responsible for violating a local ordinance in any state involving a controlled substance, dishonesty, theft, or fraud that substantially corresponds to a misdemeanor in that state within the past five years.
 - (8) Whether the Applicant has previously violated this Ordinance or a substantially similar ordinance in another municipality preceding the date of the Application.
 - (9) The address of the proposed Premises.
 - (10) Proof that the Applicant has or will have lawful possession of the Premises proposed for the Marihuana Establishment for the period during which the Permit will be issued,

which proof may consist of: a deed, a lease, a real estate contract contingent upon successful licensing, or letter of intent by the owner of the Premises indicating an intent to lease the Premises to the Applicant contingent upon the Applicant successfully obtaining a state operating license and Permit.

- (11) Whether the Applicant holds an elected office of a governmental unit of this state, another state, or the federal government; is a member of or employed by a regulatory body of a governmental unit in this state, another state or the federal government; or is employed by a governmental unit of this state.
- (12) The mailing address and electronic mailing address at which the Applicant desires to receive notification under this ordinance, and phone numbers at which the Applicant desires to be contacted.
- (13) Whether the Applicant has ever applied for or has been granted any commercial license or certificate issued by LARA or any other jurisdiction concerning marihuana that has been denied, restricted, suspended, revoked or not renewed, and a statement describing the facts and circumstances concerning the application, denial, restriction, suspension, revocation, or nonrenewal, including the licensing authority, the date each action was taken, and the reason for each action.
- (14) Whether the Applicant has an interest in any other Application for a Permit or approved Permit under this ordinance at the time of Application.
- (15) Whether the Applicant has an interest in any other marihuana facility under the MMFLA or Marihuana Establishment under the MRTMA, and if so the type of facility/establishment, name, and location of the facility/establishment the Applicant has an interest in.
- (16) A statement that the Applicant will not violate any of the laws of the State of Michigan or the ordinances of the City of Milan in conducting the business in which the Permit will be used, and that a violation may be cause for nonrenewal of a Permit issued under this ordinance, or for revocation of the Permit.
- (17) A statement that the Applicant understands that the issuance of a Permit under this chapter is not intended to grant, nor shall be construed as granting, immunity from criminal prosecution for growing, sale, consumption, use, distribution, or possession of marihuana in any form or manner that is not in compliance with the Michigan Medical Marihuana Act, MCL 333.26421 et seq., the Medical Marihuana Facilities Licensing Act, MCL 333.27101 et seq., the Marihuana Tracking Act, MCL 333.27901 et seq., Michigan Regulation and Taxation of Marihuana Act, MCL 333.27951 et seq., and all other applicable rules promulgated by the State of Michigan, or from criminal prosecution or the seizure of property by federal authorities under the Federal Controlled Substances Act.
- (18) A statement that the Applicant understands and agrees to be bound by the indemnification provision of this ordinance.

- (19) A statement by the Applicant indicating acceptance of a permit from the City under this ordinance constitutes consent by the permittee, owners, managers and employees to permit a representative of the City to conduct inspections of the Premises to ensure compliance with this ordinance.
- (20) A statement by the Applicant indicating that all Stakeholders consent to criminal history investigations performed by the City Police Department.
- (21) All Marihuana Establishments licensed and permitted to operate in the City shall at all times maintain in full force and effect insurance in amounts and coverage type required by the City Clerk. Applicants shall provide evidence of such insurance in the form of a certificate of insurance evidencing the existence of a valid and effective policy, or, evidence that the Applicant is able to obtain such insurance and state the limits of each policy, the name of the insurer, the effective date and expiration date of each policy, policy number if known, and the names of additional insured which shall include the City of Milan, its officials, and employees.
- (22) Whether the Applicant has filed, or been served with a complaint or other notice filed with any public body regarding the delinquency in the payment of or dispute over the filings concerning the payment of any tax required under federal, state, or local law, including the amount of any tax, taxing agency and time periods involved.
- (23) For the Applicant or for each Stakeholder a resume that includes any relevant experience.
- (24) With respect to Marihuana Retailer or a Marihuana Microbusiness, a description of any drug and alcohol awareness programs that will be provided or arranged for by the Applicant and made available for the public including a description of how the public will be made aware of same.
- (25) A written description of the training and education that the Applicant will provide to employees.
- (26) If co-location is proposed, provide an explanation of the integration of such businesses, including a drawing showing the relationship between the businesses being co-located, including square footages and the separation provided between such facilities, including identification of any points of entry, ingress or egress, and controls at each location.
- (27) Plans or strategies for continuing community involvement.
- (28) A comprehensive operating plan for the Marihuana Establishment for which the Application is being submitted. The plan shall include all of the information required for securing a State license pursuant to the Act, the operational standards in this ordinance, as applicable, and the following at a minimum:
 - (a) A description of the type of Marihuana Establishment applied for.

- (b) A security plan for the Marihuana Establishment that addresses all required security measures of the Act and addresses at a minimum the ability to meet the security measures of the Act. The security plan must contain the specific details of each piece of security equipment to be utilized by the Marihuana Establishment and comply with the provisions of this ordinance, as well as any other applicable provisions of the Act.
- (c) An HVAC plan for the Marihuana Establishment describing in detail among other things the equipment or systems that will be used to prevent any odor of marihuana from leaving the Premises.
- (d) A staffing plan that addresses the number of persons estimated to be employed at the Marihuana Establishment, and employee hiring, and an employee training manual that includes, but is not limited to, employee safety procedures, employee guidelines, security protocol, and educational training, including, but not limited to, where appropriate, marihuana product information, and purchasing limits, or educational materials.
- (e) A marketing plan that at a minimum:
 - 1. Details how the Marihuana Establishment will comply with all municipal chapters and state law regulating signs and advertising;
 - 2. Provides that marihuana products must be marketed or advertised only to adults age 21 and over;
- (f) An inventory and record keeping plan.
- (g) A scaled conceptual site plan.
- (h) Written policies and procedures to timely address any concerns or complaints expressed by residents and businesses within the neighborhood surrounding the proposed Premises of the Marihuana Establishment.
- (i) For Marihuana Growers, the operational plan shall also include a cultivation plan that includes but is not limited to:
 - 1. The cultivation process or processes that will be used including a description of the grow medium, the equipment, the fertilizer, herbicides and any other chemicals to be used, the quantity stored on site, the related safety data sheets and method of containment/disposal;
 - 2. The estimated electrical and water usage and a statement of the projected daily average and peak electrical load anticipated to be used by the Marihuana Establishment, a certification from a licensed master electrician that the premises are equipped to safely accept and utilize the required or anticipated electric load for the establishment, and a certification from the

electrical utility supplying electricity to the Marihuana Establishment that the anticipated electrical loads required for the establishment will not exceed the capacity of the electrical supply system;

3. A waste water plan that details how wastewater generated during the cultivation of marihuana shall be disposed of in compliance with applicable state and local laws and regulations and detailing the measures that will be taken to contain the chemicals/wastewater onsite in the event of an accidental spill;
 4. A plant waste disposal plan that at a minimum:
 - a. Details how marihuana product waste will be destroyed, or rendered into an unusable and unrecognizable form and recorded in the statewide monitoring system. Disposal by on-site burning or via the sewer system is prohibited;
 - b. Provides that all waste that is hazardous waste shall be disposed of pursuant to MCL 324.11101 to 324.90106;
 - c. Provides that marihuana product waste shall be disposed of in a secured waste receptacle using one or more of the following:
 - i. A manned and permitted solid waste landfill;
 - ii. A manned compostable materials operation or facility;
 - iii. An in-vessel digester; and
 - iv. Provides disposal will be in a manner in compliance with applicable state and local laws and regulations.
 - d. An air quality plan addressing monitoring, clearance, temperature and humidity control, Co2, ozone, fumigation, and odor mitigation;
 - e. A pesticide and chemical safety plan which shall include a detailed description of all toxic, hazardous, or flammable materials, chemicals and pesticides, that will be kept or used at the marihuana establishment, and a detailed plan describing where and how such materials, chemicals and pesticides will be stored in the marihuana establishment, and the means of disposing of unused toxic or flammable materials, chemicals, and pesticides.
- (j) For a Marihuana Retailer, the operational plan shall also include:
1. A detailed description of the products and services to be provided.

2. A comprehensive list of chemicals used on site for marihuana related activities, their quantity, related safety data sheets and method of containment/disposal. A plant waste disposal plan that at a minimum:
 - a. Details how marihuana product waste will be destroyed, or rendered into an unusable and unrecognizable form and recorded in the statewide monitoring system. Disposal by on-site burning or via the sewer system is prohibited;
 - b. Provides that all waste that is hazardous waste shall be disposed of pursuant to MCL 324.11101 to 324.90106;
 - c. Provides that marihuana product waste shall be disposed of in a secured waste receptacle using one or more of the following:
 - i. A manned and permitted solid waste landfill;
 - ii. A manned compostable materials operation or facility;
 - iii. An in-vessel digester; and Provides disposal will be in a manner in compliance with applicable state and local laws and regulations.
- (k) For a Marihuana Processor, the operational plan shall also include:
3. A detailed description of the products to be produced;
 4. A comprehensive list of chemicals to be used on site, their quantity, related safety data sheets and method of containment/disposal;
 5. A waste water plan that details how wastewater generated during the processing of marihuana products shall be disposed of in compliance with applicable state and local laws and regulation, including delineation of the measures that will be taken to contain the chemicals/wastewater onsite in the event of an accidental spill;
 6. A plant waste disposal plan that at a minimum:
 - a. Details how marihuana product waste will be destroyed, or rendered into an unusable and unrecognizable form and recorded in the statewide monitoring system. Disposal by on-site burning or via the sewer system is prohibited;
 - b. Provides that all waste that is hazardous waste shall be disposed of pursuant to MCL 324.11101 to 324.90106;
 - c. Provides that marihuana product waste shall be disposed of in a secured waste receptacle using one or more of the following:

- i. A manned and permitted solid waste landfill;
 - ii. A manned compostable materials operation or facility;
 - iii. An in-vessel digester; and
 - iv. Provides disposal will be in a manner in compliance with applicable state and local laws and regulations.
- (29) Any information necessary to enable the City to subject the Application to the competitive process outlined in the permit application evaluation section of this chapter.
- (30) Applicants have a continuing duty to provide the City with up-to-date information and shall notify the City Clerk in writing of any changes to its mailing address, phone numbers, electronic mail address or other contact information and changes to any other information the Applicant has provided to the City as a part of the Application within ten days of any such change occurring.
- (31) The City Clerk may from time to time establish other qualifications for the Application and Permit which shall be provided in writing to prospective applicants with the application form.
- (G) Upon the closing of the period during which Applications may be submitted, the Clerk shall review all submitted applications to confirm which meet all of the requirements contained herein. Upon confirmation that an Application meets the requirements of this Ordinance and receipt of the appropriate Fee, and confirmation that the number of existing Permits already granted does not exceed the maximum number established by this Ordinance, the Clerk shall refer a copy of the Application to each of the following for their review and approval: the City attorney, the City treasurer, the Police Department, the Fire Department, the Building Department, and the Zoning Administrator. Once an Application is verified by each department to be sufficiently complete and comprehensive, the City shall forward the Application to the Planning Commission for review and recommendation to the City Council.
- (H) No Application shall be approved unless:
 - (1) The Fire Department or designee and the Building Department have inspected the plans of the proposed Premises for compliance with all laws for which they are charged with enforcement;
 - (2) The Police Department has confirmed that the Applicant, each Stakeholder of the Applicant, and each managerial employee has passed a criminal background check and have met the requirements of this Ordinance with respect to the Marihuana Establishment's security plan;
 - (3) The Zoning Administrator has confirmed that the proposed Premises complies with the Zoning Code; and

- (4) The Treasurer has confirmed that the Applicant and each Stakeholder of the Applicant are not in default to the City.

Section 8. Permit Application Evaluation.

- (A) If, at the end of a window, the number of Applications for a Permit for a type of Marihuana Establishment exceeds the number of available licenses, the City shall decide among Applications by a competitive process intended to select the Applicant(s) who are best suited to operate in compliance with MRTMA within the City.
- (B) The Clerk, or its designee, shall assess, evaluate, score and rank all Applications submitted and considered complete at the closing of the window for submitting such Applications, as according to the provisions of this Ordinance. No Application shall be accepted for assessment, evaluation, scoring, and ranking unless such Application contains the approvals required by Section 7 of this Ordinance and MCL 333.27959.4, as may be amended.
- (C) The Applicants and their Applications will be ranked in the order of which is best suited to operate in compliance with MRTMA within the City as determined by the City Council or its designee. This ranking will be used to fill available Permit slots, starting with the best-suited Applicant and Application, until all available City license slots are filled. A scoring evaluation shall be used to assist the City in determining the best suited and qualified Applicant for Permit. Applicants who score the highest on such evaluations will be considered the best suited applicant.
- (D) In its Application assessment, evaluation, scoring, and ranking, deliberations, the Clerk, or its designee, shall assess, evaluate, score, and rank each Application based upon a scoring and ranking procedure developed by the Clerk, or its designee, consistent with the requirements, conditions, and provisions of this in each ordinance of the following categories:
- (1) The Applicant's experience in operating other similarly licensed businesses. For purposes of this subsection (b) only, similarly licensed businesses shall include only Marihuana Establishments and Medical Marihuana Establishments, as defined within City ordinance _____, operated by the Applicant and licensed by Department.
- a. 0 years' experience shall be assigned 0 points.
- b. Between 0 to 1 year of experience shall be assigned 2 points.
- c. Between 1 to 4 years of experience shall be assigned 5 points.
- d. More than 4 years of experience shall be assigned 10 points
- (2) The Applicant's general business management experience.
- a. No demonstrated and verifiable general business management experience shall be assigned 0 points.

- b. Demonstrated and verifiable general business management experience shall be assigned 10 points.
- (3) The integrity, moral character, and reputation; personal and business probity; financial ability and experience; and responsibility or means to operate or maintain a Marihuana Establishment of the Applicant.
- a. Demonstrated and verifiable information of non-favorable characteristics and/or lack of abilities as described in this subsection shall be assigned 0 points.
 - b. Demonstrated and verifiable information of some favorable characteristics and abilities as described in this subsection shall be assigned 5 points.
 - c. Demonstrated and verifiable information of all favorable characteristics and abilities as described in this subsection shall be assigned 10 points.
- (4) The financial ability of the Applicant to purchase and maintain adequate liability and casualty insurance.
- a. No demonstrated financial ability to purchase and maintain required insurance shall be assigned 0 points.
 - b. Demonstrated and verifiable financial ability to purchase and maintain required insurance shall be assigned 10 points.
- (5) Whether the Applicant or any 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.
- a. Any demonstrated and/or verifiable criminal activity as described in this subsection shall be assigned 0 points.
 - b. No demonstrated and/or verifiable criminal activity as described in this subsection shall be assigned 10 points.
- (6) A 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.
- a. Any demonstrated and/or verifiable felony or misdemeanor as described in this subsection shall be assigned 0 points.
 - b. No record of felony or misdemeanor as described in this subsection shall be assigned 10 points.
- (7) Whether the Applicant or Stakeholder has filed, or had filed against it, a proceeding for bankruptcy within the past seven (7) years.
- a. Any bankruptcy proceeding as described in this subsection shall be assigned 0 points.

- b. No record of bankruptcy proceedings as described in this subsection shall be assigned 10 points.
- (8) Whether the Applicant or Stakeholder has been served with a complaint or other notice filed with any public body regarding payment of any federal, state, or local tax that has been delinquent for one (1) or more years.
 - a. Any tax delinquency as described in this subsection shall be assigned 0 points.
 - b. No record of tax delinquency as described in this subsection shall be assigned 10 points.
- (9) Whether the Applicant or Stakeholder has a history of non-compliance with any regulatory requirements in the State of Michigan or any other jurisdiction.
 - a. Any demonstrated and/or verifiable history of non-compliance with regulatory requirements as described in this subsection shall be assigned 0 points.
 - b. No demonstrated and/or verifiable history of non-compliance with regulatory requirements as described in this subsection shall be assigned 10 points.
- (10) Whether the Premises will be located on a parcel which is currently vacant, undeveloped, or otherwise considered a blight or blighted property
 - a. A property which does not meet the above criteria shall be assigned 0 points
 - b. A property which meets the above criteria shall be assigned 10 points.
- (E) Only Applications which receive at least Fifty Five (55) points from the above assessment may be considered for a Permit.

Section 9. Permits Generally.

- (A) To the extent permissible under law, all information submitted in conjunction with an Application for a Permit or Permit renewal required by this Ordinance is confidential and exempt from disclosure under the Michigan Freedom of Information Act, 1976 PA 442, MCL 15.231 et seq., including the trade secrets or commercial or financial information exemptions available under Section 13(f) of the Michigan Freedom of Information Act.
- (B) Permit holders may transfer a Permit to a different location upon receiving written approval from the Clerk. In order to request approval to transfer a Permit to a new Premises, the Permit holder must make a written request to the Clerk, indicating the current Premises and the proposed Premises. Upon receiving the written request, the Clerk shall refer a copy of the written request to each of the following for their approval: the City of Milan attorney, the City of Milan treasurer, the Police Department, the Fire Department, the Building Department, and the Zoning Administrator. No Permit transfer shall be approved unless each such individual department or Person gives written approval that the Permit holder and the proposed Premises meet the standards identified in this Ordinance.

- (C) Permit holders may transfer a Permit issued under this Ordinance to a different Person upon receiving written approval by the Clerk. In order to request approval to transfer a Permit to a different Person, the Permit holder must make a written request to the Clerk, indicating the current Permit holder and the proposed Permit holder. Upon receiving the written request, the Clerk shall consider the request as a new Application. Application fees are non-transferable. The City may set a Permit transfer fee by resolution; otherwise, the proposed Permit transferee must submit a Fee as if submitting a new Application.
- (D) Permit holders shall report any other change in the information required by this ordinance to the Clerk within ten business days of the change. Failure to do so may result in suspension or revocation of the Permit.
- (E) A “transfer” includes any change in more than ten percent (10%) of the Permit holder, whether directly or through the change of any Stakeholder, or the ownership of a Stakeholder.

Section 10. Permit Renewal.

- (A) A Permit shall run concurrently with the State License issued for the Premises, unless revoked as provided by law.
- (B) Application for a Permit renewal required by this Ordinance shall be made in writing at least 30 days prior to the expiration of an existing Permit, on forms provided by the City.
- (C) The same procedures that govern the application, review, and issuance of a new Permit shall apply to the renewal of an existing Permit.
- (D) Prior to the issuance of a renewed Marihuana Establishment Permit, the Premises shall be inspected to assure that it and its systems are in compliance with the requirements of this Ordinance.

Section 11. Permit as Revocable Privilege.

A Permit issued under this Ordinance is a revocable privilege granted by the City and is not a property right. The issuance of a Permit does not create or vest any right, title, franchise, or other property interest.

Section 12. Permit Denial and Revocation.

- (A) A Permit issued under this Ordinance may be revoked after an administrative hearing at which the City Council (a “Revocation Hearing”) decides by majority vote to revoke such Permit. Notice of the time and place of the Revocation Hearing and the grounds for revocation must be given to the Permit holder at least five days prior to the date of the Revocation Hearing, by first class mail to the address given on the Application; a Permit holder whose Permit is subject of such Revocation Hearing may present evidence and/or call witnesses at the Revocation Hearing.

- (B) A Permit applied for or issued under this Ordinance may be denied or revoked on any of the following bases:
- (1) A violation of this Ordinance;
 - (2) Any conviction of a felony under the laws of any jurisdiction within the past five (5) years by the Applicant or any Stakeholder of the Applicant or while licensed under this Ordinance, or any conviction of a controlled substance-related felony by the Applicant or any Stakeholder ever or while licensed under this Ordinance;
 - (3) Commission of fraud or misrepresentation or the making of a false statement by the Applicant, Permit holder, or any Stakeholder of the Applicant or Permit holder while engaging in any activity for which this Ordinance requires a Permit;
 - (4) The Marihuana Establishment is determined by the City to have become a public nuisance or is otherwise operating in a manner detrimental to the public health, safety, or welfare; or
 - (5) The State of Michigan has denied, revoked, or suspended the Applicant's or Permit holder's State License, or the Applicant or Permit holder has otherwise failed to obtain or maintain a State License pursuant to the MRTMA and applicable rules and regulations.

Section 13. Penalties and Discipline.

- (A) The City may require an Applicant or Permit holder of a Marihuana Establishment to produce documents, records, or any other material pertinent to the investigation of an Application or alleged violation of this Ordinance. Failure to provide the required material may be grounds for Application denial or permit revocation.
- (B) Any person violating this ordinance, including by operation of a Marihuana establishment without a permit issued pursuant to this ordinance, shall be responsible for a civil infraction and shall be subject to a fine of not more than \$500.00 for each day such person violates this ordinance.
- (C) All fines imposed under this ordinance shall be paid within 45 days after the effective date of the order imposing the fine or as otherwise specified in the order.
- (D) The City may temporarily suspend a Permit without a prior hearing if the Chief of Police for the City that public safety or welfare requires emergency action affecting the public health, safety, or welfare. The City shall cause the temporary suspension by issuing a suspension notice in connection with institution of proceedings for notice and a hearing.
- (E) If the City temporarily suspends a permit without a prior hearing, the permit holder is entitled to a hearing within thirty (30) days after the suspension notice was issued.

- (F) If the City does not hold a hearing within thirty (30) days after the date the suspension notice was issued, then the permit shall be automatically reinstated and the suspension vacated.
- (G) Nothing in this ordinance shall be deemed to prohibit the city manager or their designee from imposing other penalties authorized by Milan City Code of Ordinances or other ordinance of the City, including filing a public nuisance action or any other legal action in a court of competent jurisdiction.

ARTICLE IV

MINIMUM OPERATING STANDARDS FOR MARIHUANA ESTABLISHMENTS

Section 14. Minimum Operational Standards Applicable to All Marihuana Establishments.

The following minimum standards shall apply to all Marihuana Establishments within the City:

- (A) The Marihuana Establishment shall comply at all times and in all circumstances with the MRTMA, applicable Michigan law, and the general rules of the Department, as they may be amended from time to time. It is the responsibility of the Permit holder to be aware of changes in the MRTMA, and the City bears no responsibility for failure of the Permit holder to be unaware of changes in the MRTMA.
- (B) Consumption and/or use of Marihuana shall be prohibited at, inside, and on the premises of the Marihuana Establishment.
- (C) All activity related to the Marihuana Establishment shall be performed indoors inside a building.
- (D) The Marihuana Establishment shall be continuously monitored with a surveillance system that includes security cameras. The video recordings shall be maintained in a secure, off- site location for a period of fourteen (14) days and be available upon request of the Police Department.
- (E) The Marihuana Establishment shall be maintained and operated so as to comply with all State and local rules, regulations and ordinances.
- (F) All Marihuana shall be contained within an enclosed, secure area.
- (G) All persons working in direct contact with Marihuana shall conform to acceptable hygienic practices while on duty, including but not limited to:
 - (1) Maintaining adequate personal cleanliness;
 - (2) Washing hands thoroughly in adequate hand-washing areas before starting work and at any other time when their hands may have become soiled or contaminated; and;

- (3) Refraining from having direct contact with Marihuana if the person has or may have an illness, open lesion, including boils, sores or infected wounds, or any other abnormal source of microbial contamination, until the condition is corrected.
- (H) Litter and waste shall be properly removed and the operating systems for waste disposal shall be maintained in an adequate manner so that they do not constitute a source of contamination.
- (I) Floors, walls, and ceilings shall be constructed in such a manner that they may be adequately cleaned and kept clean and in good repair.
- (J) There shall be adequate screening or other protection against the entry of pests. Rubbish shall be disposed of so as to minimize the development of odor and minimize the potential for the waste development of odor and minimize the potential for waste becoming an attractant, harborage or breeding place for pests.
- (K) All building fixtures and other establishments shall be maintained in a sanitary condition.
- (L) Marihuana that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms.
- (M) A Marihuana Establishment shall be free from infestation by insects, rodents, birds, or vermin of any kind.
- (N) The Premises shall be open, at all times, to any Department investigators, agents, auditors, or police, without a warrant and without notice to the holder of the Permit, enter the Premises, offices, facilities, or other places of business of a Permit holder, if evidence of compliance or non-compliance with the MRTMA or applicable State laws is likely to be found and consistent with constitutional limitations, for the following purposes:
 - (1) To inspect and examine all premises of the Marihuana Establishment;
 - (2) To inspect, examine, and audit relevant records of the Permit holder and, if the holder of the permit or any of the managerial employees or employees fails to cooperate with an investigation, the investigator may impound, seize, assume physical control of, or summarily remove from the premises all books, ledgers, documents, writings, photocopies, correspondence, records, and videotapes, including electronically stored records, money receptacles, or equipment in which the records are stored as well as any other property.
 - (3) To inspect the person, and inspect or examine personal effects present in a Marihuana establishment, of any holder of state operating license while that person is present in a Marihuana Establishment; and
 - (4) To investigate alleged violations of the MRTMA or applicable State laws.

Section 15. Minimum Operating Standards for Marihuana Retailers.

The following minimum standards shall apply to all Marihuana Retailers within the City:

- (A) No Marihuana Retailer shall be open to the public between the hours of 9:00 P.M. and 9:00 A.M.
- (B) A sign shall be posted on the Premises of each Marihuana Retailer indicating that consumption is prohibited on the Premises.
- (C) The public or common areas of the Marihuana Retailer must be separated from restricted or non-public areas of the Marihuana Establishment.
- (D) All Marihuana storage areas within the Marihuana Retailer must be separated from any customer areas by a permanent barrier. Marihuana may be displayed in a sales area.
- (E) Any usable Marihuana remaining on the Premises of a Marihuana Retailer while the Marihuana Retailer is not in operation shall be secured from the public.
- (F) Drive-through windows on the Premises of a Marihuana Retailer shall not be permitted.
- (G) No Marihuana Retailer shall allow the sale, consumption, or use of alcohol or tobacco products on the Premises.
- (H) No Marihuana Retailer shall be operated in a manner creating noise, dust, vibration, glare, fumes, or odors detectable to normal senses beyond the boundaries of the property on which the retail center is operated, or any other nuisance that hinders the public health, safety and welfare of the residents of the City.
- (I) The permit required by this Ordinance shall be prominently displayed on the Premises.
- (J) Disposal of Marihuana shall be accomplished in a manner that prevents its acquisition by any person who may not lawfully possess it and otherwise in non-conformance with State laws.
- (K) All Marihuana shall be packaged and labeled as provided by State laws.
- (L) A Marihuana Retailer and its agents and employees shall require each purchase of Marihuana and Marihuana-related products to display a government-issued photo identification and verify that the prospective purchaser is over twenty-one (21) years of age.
- (M) It shall be prohibited to display any signs that are inconsistent with local laws or regulations or State law.
- (N) It shall be prohibited to use advertising material that is misleading, deceptive, or false, or that is designed to appeal to individuals under the age of 21.
- (O) No Marihuana Establishment shall place or maintain, or cause to be placed or maintained, an advertisement of Marihuana in any form or through any medium within one thousand (1,000)

feet of the real property comprising a public or private nursery, elementary, secondary, or vocational school or child care facility, with such restricted area being measured from the property line(s) of the applicable real property

- (P) No Marihuana Retailer shall 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.
- (Q) Marihuana Retailers shall not sell or otherwise transfer Marihuana that is not contained in an opaque, re-sealable, child-resistant package designed to be significantly difficult for children under 5 years of age to open.

Section 16. Minimum Operating Standards for Marihuana Grower Facilities.

The following minimum standards shall apply to all Marihuana Grower Premises within the City:

- (A) The Marihuana Grower's Premises shall comply at all times and in all circumstances with the MRTMA, other applicable State laws, and the general rules of the Department, as they may be amended from time to time.
- (B) The Marihuana Grower shall maintain a log book and/or database indicating the number of Marihuana plants located on the Premises.
- (C) Each Marihuana plant shall be tagged as required by the MRTMA and other applicable State laws and regulations.
- (D) Any Premises which contains Marihuana shall be enclosed and locked.
- (E) All necessary building, electrical, plumbing, and mechanical permits shall be obtained for any portion of the structure in which electrical wiring, lighting, and/or watering devices that support the Marihuana Grower, growing, or harvesting of Marihuana are located.
- (F) That portion of the Marihuana Grower Premises storing any chemicals such as herbicides, pesticides, and fertilizers shall be subject to inspection and approval by the Fire Department to insure compliance with all applicable statutes, codes, and ordinances.
- (G) The dispensing of Marihuana at the Marihuana Grower Premises shall be prohibited.
- (H) All Marihuana Grower Premises shall produce no products other than useable Marihuana intended for human consumption.
- (I) In furtherance of the public health, safety, and welfare, exterior signage or advertising identifying the Premises as a Marihuana Grower shall be prohibited.
- (J) Venting of Marihuana odors into the areas surrounding a Marihuana Grower's Premises is deemed and declared to be a public nuisance.

Section 17. Minimum Operating Standards for Marihuana Safety Compliance Facilities.

The following minimum standards shall apply to the Premises of any Marihuana Safety Compliance Facilities within the City:

- (A) The Marihuana Safety Compliance Facility shall comply at all times and in all circumstances with the MRTMA, other applicable State laws, and the general rules of the Department, as they may be amended from time to time.
- (B) The Marihuana Safety Compliance Facility shall maintain a log book and/or database which complies with the MRTMA and other applicable State laws.
- (C) All Marihuana shall be contained within an enclosed, locked facility.
- (D) There shall be no other accessory uses permitted within the same facility other than those associated with testing Marihuana.
- (E) In furtherance of the public health, safety, and welfare, exterior signage or advertising identifying the facility as a Marihuana Safety Compliance facility shall be prohibited.

Section 18. Minimum Operating Standards for Marihuana Secure Transporters.

The following minimum standards shall apply to all Marihuana Secure Transporters within the City:

- (A) The Marihuana Secure Transporter shall comply at all times and in all circumstances with the MRTMA, other applicable State laws, and the general rules of the Department, as they may be amended from time to time.
- (B) Consumption and/or use of Marihuana shall be prohibited at a Marihuana Secure Transporter's Premises.
- (C) The Marihuana Secure Transporter's Premises shall not be used for any other commercial purpose.
- (D) The Marihuana Secure Transporter's Premises shall not be open or accessible to the general public.
- (E) All Marihuana stored within the Marihuana Secure Transporter's Premises shall be stored within enclosed, locked receptacles in accordance with the MRTMA.
- (F) A Marihuana Secure Transporter shall comply with all of the following:
 - (1) Each driver transporting Marihuana shall have a chauffeur's license issued by the State;
 - (2) Each employee who has custody of Marihuana or money that is related to a Marihuana transaction shall not have been convicted of delivery of a controlled substance;

- (3) Each vehicle shall be operated with a two-person crew with at least one individual remaining with the vehicle at all times during the transportation of Marihuana;
 - (4) The Marihuana shall be transported by one or more sealed containers and shall not be accessible while in transit;
 - (5) A Marihuana Secure Transporter's vehicle shall not bear markings or other indication that it is carrying Marihuana or a Marihuana infused product; and
 - (6) A route plan and manifest shall be entered into the statewide monitoring system, and a copy shall be carried in the transporting vehicle and presented to a law enforcement officer upon request.
- (G) No Applicant, Permit holder, Stakeholder or investor with an interest in a Marihuana Secure Transporter may have an interest in a Marihuana Grower, Marihuana Processor, Marihuana Retailer, Marihuana Microbusiness, or Marihuana Safety Compliance Facility.
 - (H) A Marihuana Secure Transporter shall enter all transactions, current inventory, and other information into the statewide monitoring system as required by the MRTMA and other applicable state law, rules, and regulations.
 - (I) A vehicle used by a Marihuana Secure Transporter is subject to administrative inspection by a law enforcement officer at any point during the transportation of Marihuana or Marihuana-infused products to determine compliance with state or local law, rules, and ordinances.

Section 19. Minimum Operating Standards for Marihuana Processors.

The following minimum standards shall apply to Marihuana Processors within the City:

- (A) The Marihuana Processor shall comply at all times and in all circumstances with the MRTMA, other applicable State laws, and the general rules of the Department, as they may be amended from time to time.
- (B) All Marihuana Processors shall maintain a log book and/or database which complies with the MRMTA and other applicable State laws.
- (C) All Marihuana shall be tagged as required by the MRTMA or other applicable State laws and regulations.
- (D) Marihuana Processors shall produce no products other than useable Marihuana intended for human consumption.
- (E) The Marihuana Processor's Premises shall be subject to inspection at any time by the Fire Department to insure compliance with all applicable statutes, codes, and ordinances.
- (F) The dispensing of Marihuana at a Marihuana Processor's Premises shall be prohibited.

Section 20. Repealer.

Ordinance No. 2019-03, the City of Milan Prohibition of Marihuana Establishments Ordinance, and any other ordinances of parts thereof which conflict with this ordinance are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

Section 21. Severability.

Should any word, phrase, sentence, paragraph or section of this Ordinance be held invalid or unconstitutional, the remaining provisions of this ordinance shall remain in full force and effect. It is hereby declared to be the legislative intent of this body that the Ordinance would have been adopted had such invalid or unconstitutional provisions not have been included in this Ordinance.

Section 22. Savings Clause.

The balance of the Code of Ordinances, City of Milan, Michigan, except as herein or heretofore amended, shall remain in full force and effect. The repeal provided herein will not abrogate or affect any offense or act committed or done, or any penalty or forfeiture incurred, or any pending fee, assessments, litigation, or prosecution of any right established, occurring prior to the effective date hereof.

Section 23. Copies to be available.

Copies of the Ordinance are available at the office of the City Clerk for inspection by, and distribution to, the public during normal office hours.

Section 24. Effective Date.

As provided by Section 7-3 of the Milan City Charter, the effective date of this ordinance shall be ten (10) days after its adoption and publication of a summary thereof as required by Subsection 7-4(b) of the Milan City Charter, which summary shall read as follows:

The Milan City Council has approved Ordinance No. 2022-07, which ordinance amends the Milan City Code of Ordinances to permit the operation of adult-use marihuana facilities and to repeal Ordinance No. 2019-03, the City of Milan Prohibition of Marihuana Establishments Ordinance, and any other ordinances of parts thereof which conflict with said ordinance. Printed copies of the full text of Ordinance No. 2022-07 are available for inspection and purchase by the public at the office of the City Clerk during regular business hours, 8:00 a.m. to 4:00 p.m., Monday through Friday. Ordinance No. 2022-07 is effective ten (10) days after adoption and publication of this summary notice.

Adopted and signed this ____ day of _____, 2022.

Signed _____
Edward Kolar, Mayor

Signed _____
Lavonna Wenzel, City Clerk

I hereby certify that the foregoing constitutes a true and complete copy of an Ordinance duly adopted by the City Council of the City of Milan, Counties of Monroe and Washtenaw, State of Michigan, at a regular Meeting held on the ___ day of _____, 2022, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

I further certify that the following Members were present at said meeting: _____
_____ and that the following Members were absent: _____.

I further certify that Member _____ moved adoption of said ordinance, and that said motion was supported by Member _____.

I further certify that the following Members voted for adoption of said ordinance: _____
_____ and that the following Members voted against adoption of said ordinance: _____
_____.

Lavonna Wenzel, City Clerk

First reading: October 11, 2022
Second reading: October 24, 2022
Publication date: October 30, 2022
Effective date: October 3, 2022