



**CITY OF MILAN
CITY COUNCIL WORK SESSION AGENDA
COUNCIL CHAMBERS**

**APRIL 11, 2022
6:30 P.M.**

**WORK SESSION
MUNICIPAL BUILDING**

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

ROLL CALL OF COUNCIL MEMBERS: Mayor Ed Kolar__, Councilpersons Dave Baldwin__, Mary Kerkes__, Josh Kofflin__, Jesse Nie__, Christian Thompson__, Shannon Dare Wayne__.

OTHER OFFICERS PRESENT: Interim/City Administrator/Police Chief Donald Tillery__ , City Clerk Lavonna Wenzel __ , City Attorney Steven Mann__, Police Chief Donald Tillery__, City Treasurer Sarah Finch__, Building/Zoning Inspector Gary Bernard__, MIS & Communications Director John Koehler__, Parks & Recreation Director Ellen Bell__, Main Street Director Jill Tewsley__, Fire Chief Robert Stevens__.

AGENDA:

- A. A Brief Discussion with the Marijuana Subcommittee.**
- B. Any matters that may legally come before council.**

CITIZENS MATTERS FROM THE FLOOR: (3-minute time limit per person)

- A. Residents:**
- B. Non-Residents:**

ADJOURNMENT: Motion to adjourn work session at _____P.M. by Councilperson____seconded by Councilperson_____.

All matters to be presented to Milan City Council for their review, consideration and/or action, must be submitted in writing no later than 4:00 p.m., the Wednesday preceding the date of the meeting (normally the second and fourth Mondays of each month).

Special Notes:

The City of Milan will provide reasonable auxiliary aids and services, such as signers for the hearing impaired, and audiotapes 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, Milan, Michigan 48160
Equal Opportunity Employer



Marijuana Facilities in Milan

Marijuana Facility Subcommittee

What is legal in Michigan?

21 or older are allowed to have:

- Up to 12 plants at home
- Up to 10 oz at home
- Up to 2.5 oz on your person

What you cannot do:

- Smoke in public
- Drive under the influence
- Smoke while driving

Definitions

MMMA = Michigan Medical Marijuana Act

MRTMA = Marijuana Regulation and Taxation of Marijuana Act

MMFLA = Medical Marijuana Facilities Licensing Act

- Both Medical and Adult-Use License Types
 - Grower - class A - 100 plants
 - Grower - class B - 500 plants
 - Grower - class C - 2,000 plants
 - Processor
 - Secure transporter
 - Provisioning center / Retail (dispensary)
 - Safety compliance facility
- Adult-Use Only License Types
 - Microbusiness
 - Temporary Event
 - Research
 - Designated Consumption Lounge

Citations:

Michigan Marijuana Regulatory Agency
MRA municipal getting started guide



What's the Difference?

- Medical and adult use
 - Requires physician's recommendation
 - Larger dosage for medical
 - Taxes: medical 6%, adult use 16%
- License and facility
 - Multiple licenses in one facility
 - Vertical integration

Citations:

Michigan medical vs recreational marijuana



What Has the Subcommittee Been Doing?

Who have we talked with?

- Expert Discussions
 - George Holton, Miller Canfield Associate
 - Steve Mann, Miller Canfield Principal
 - John Enos, Carlisle-Wortman
- Community Input
 - Jill Tewsley, Mainstreet Director
 - Chief Tillery, Interim City Administrator and Chief of Police in Milan
- Facility Tours
 - Hayat located in Hazel Park
 - Highwaire located in Adrian
 - Adrian Elite located in Adrian
 - Interviews with adjacent businesses
- Articles, Websites, Documents, etc
 - Find citations on the last slide

Common Questions

Crime (Police Chief Tillery)

- Q: Does crime increase when a dispensary is built? A: 20% decrease
- Q: Is there an increase in teen marijuana use? A: 6% decrease
- Q: Does the abundance of cash attract theft? A: No, there are options to mitigate

Community Drug Use

- Q: Is marijuana a gateway drug? A: No

Medicinal Benefits

- Q: What are some medicinal benefits to marijuana use? A: Mild pain, Parkinson's, PTSD

Federal Oversight

- Q: Is marijuana federally legal? A: No, but close. House passed the MORE act.

Citations:

The effect of marijuana legalization on neighborhood crime

Marijuana legalization doesn't lead to increased youth use

Risk of using other drugs

Medical Marijuana



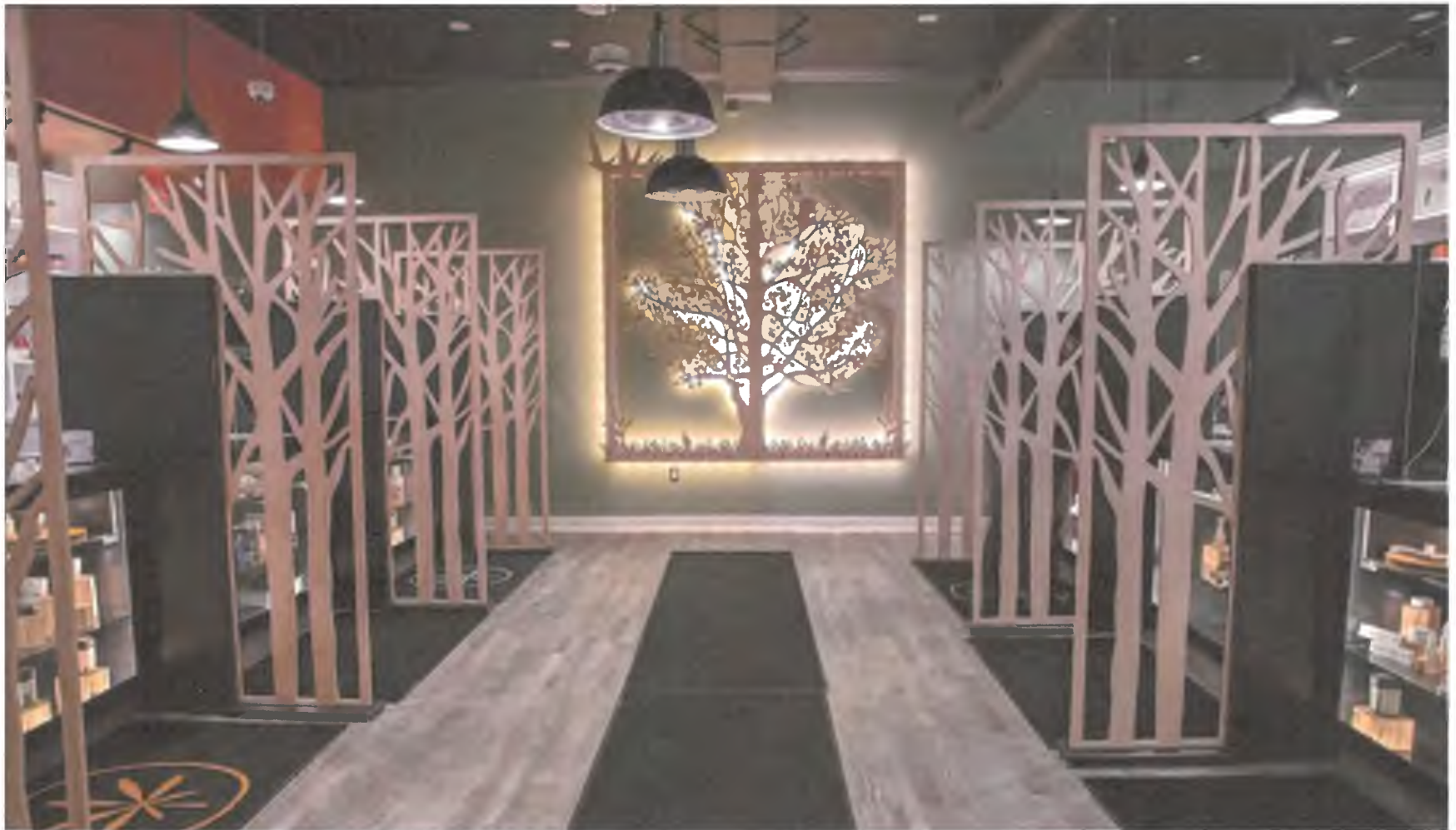
Facility Tours

Photos from facility tours and various marketing material.

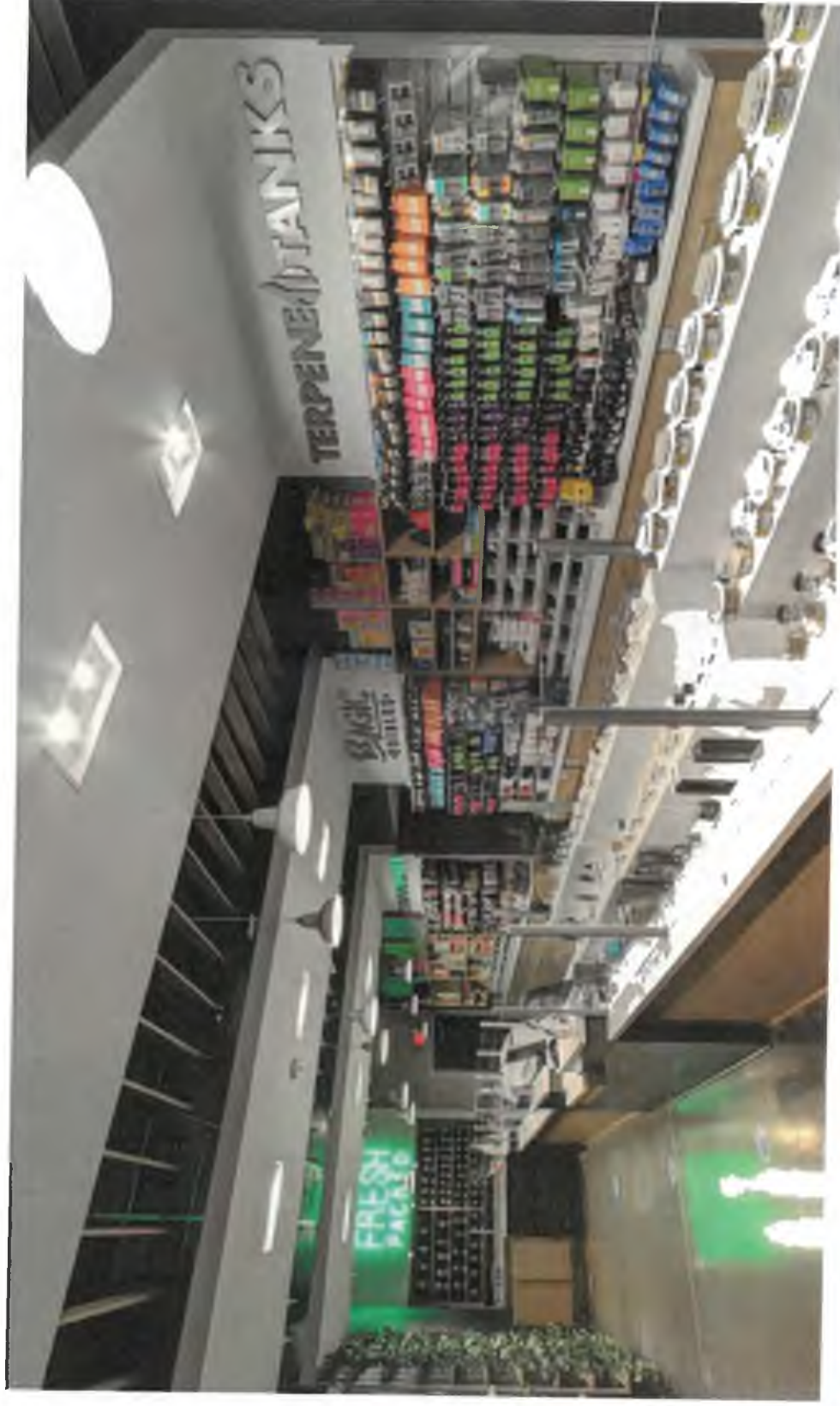
- Dispensary - Apothecare (Ann Arbor, MI)
- Dispensary - Exclusive (Ann Arbor, MI)
- Dispensary - Herbana (Ann Arbor, MI)
- Dispensary - Hayat Cannabis (Hazel Park, MI)
- Dispensary - HighWire (Adrian, MI)
- Grow Facility - Adrian Elite (Adrian, MI)



Apothecare (Ann Arbor, MI)



Exclusive (Ann Arbor, MI)



Herbana (Ann Arbor, MI)



Hayat (Hazel Park, MI)



Hayat (Hazel Park, MI)





Hayat (Hazel Park, MI)

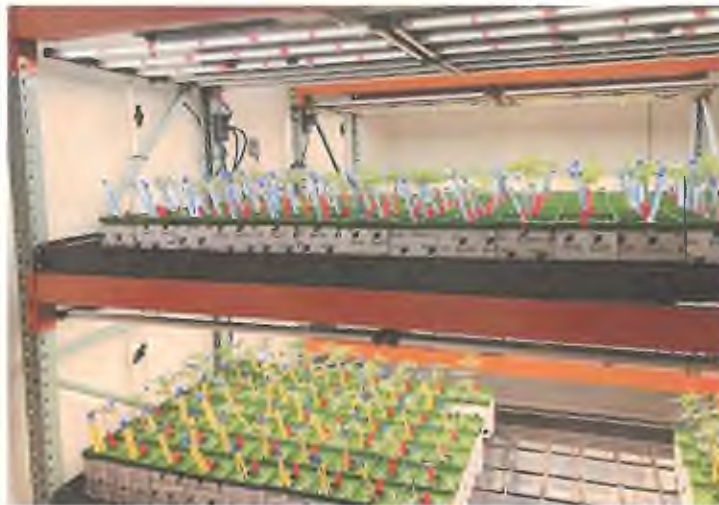
HighWire (Adrian, MI)



HighWire (Adrian, MI)



Adrian Elite (Grow Facility Adrian, MI)



What is Happening in Other Communities?

Local Cities

- Ann Arbor (Pop: 120,735) 60 licenses (37 Adult Use, 23 Medical)
- Ypsilanti (Pop: 20,648) 21 licenses (12 Adult Use, 9 Medical)
- Adrian (Pop: 21,133) 57 licenses (30 Adult Use, 27 Medical)

Municipalities that are similar to Milan in size

- Coldwater (Pop: 10,945) 6 licenses (6 Adult Use, 0 Medical)
- Marshall (Pop: 7,088) 63 licenses (36 Adult Use, 27 Medical)
- Albion (Pop: 8,616) 8 licenses (2 Adult Use, 6 Medical)

Policy Best Practices

- Cap the number of licenses
- Scoring matrix
- 10% excess tax
- 500 feet from churches and schools
- Rehabilitation of dilapidated or vacant properties

What is the Potential for Milan?

State Revenue Sharing

- Per facility the state gave \$21,000 in 2020, \$28,000 in 2021, \$56,000 in 2022

Tax Revenue From Blighted/Vacant Properties

- Scoring system can give additional points to rundown or vacant buildings
- Potential Million+ Building

Application Fees \$5000 Annually Per License

- Each business that applies for a marijuana facility there is a non refundable \$5000 fee.

Local Economy Improvements From Local Employees

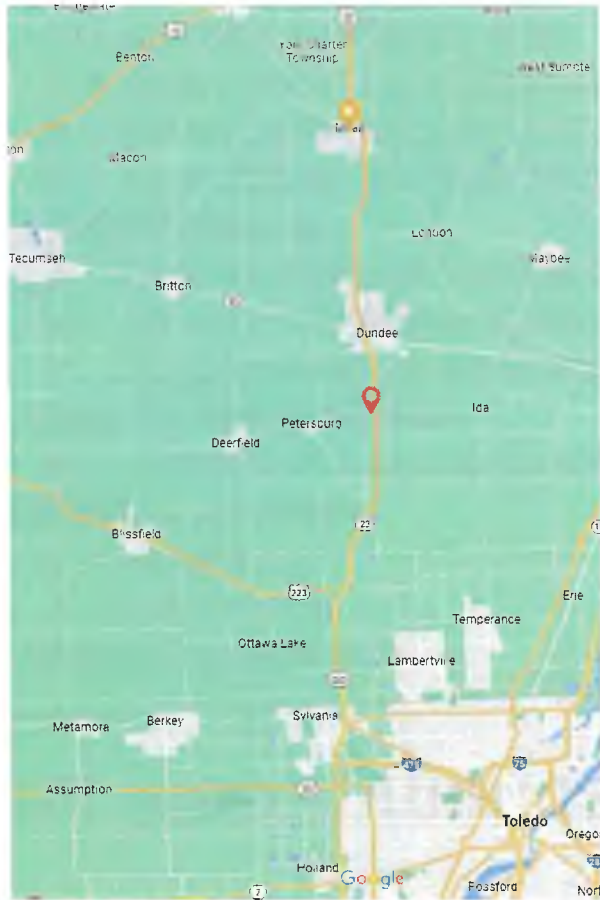
- Employees are paid well
- Local Contractors
- More traffic to local businesses

Proximity to Ohio and lack of competition

- See next slide



Proximity to Ohio and lack of competition



- Ohio has not legalized marijuana
- One facility between Milan and the Ohio border on US-23
- Nearly half the billboards on 23 north advertise marijuana

Our Recommendation

Number of Licenses

- Adult use: 9
- Medical: 9

Types of Licenses

- 1 transport, 1 microbusiness, 1 safety, 2 provisioning, 4 growing

Zoning Considerations

- 500 feet away from any school or church
- Do not include Main Street
- Easy access to the expressway

Scoring System

- Bonus points for using vacant/dilapidated/brownfield property
- Bonus points for hiring local employees
- Bonus points for contribution to the community
- Prequalified with the state

Remember, Nothing is set in stone

Next Steps

City Council

- Decide adult-use vs medical or both
- Decide annual fee amounts
- Provide direction to city attorneys on general clauses used in other communities
- Create application and approval criteria
- Decide operational standards for how to operate a facility and penalties for non-compliance
- Approve the zoning ordinance

Zoning/Planning

- Decide zoning districts for each facility type
- Decide facility distance from schools, church, etc
- Decide number of licenses
- Decide “As of Right” or “Special Use” permit
- Decide facility requirements like operating hours, layout, signage, etc.

Questions?



Thank you

Members of Subcommittee

- Sal Calabrese
- Jesse Nie
- Dave Paul
- Damon Brown
- Dave Baldwin

Experts

- Steve Mann
- George Holton
- John Enos

Community Members

- Chief Tillery
- Jill Tewsley

City Council

Mayor Kolar



Citations

- Michigan Marijuana Regulatory Agency
<https://michigan.gov/mra>
- Michigan medical vs recreational marijuana
<https://www.bricksmortarcannabis.com/educational-content/michigan-medical-recreational-marijuana-licence-types>
- MRA municipal getting started guide
https://www.michigan.gov/documents/mra/MRA_Municipal_Guide_705502_7.pdf
- The effect of marijuana legalization on neighborhood crime
<https://www.sciencedirect.com/science/article/abs/pii/S016604621830293X?via%3Dihub>
- Marijuana legalization doesn't lead to increased youth use
<https://www.marijuanamoment.net/marijuana-legalization-doesnt-lead-to-increased-youth-use-american-medical-association-study-finds/>
- MMRA marijuana facilities map
<https://michigan.maps.arcgis.com/apps/webappviewer/index.html?id=cd5a1a76daaf470b823a382691c0ff60>
- Risk of using other drugs
<https://www.cdc.gov/marijuana/health-effects/risk-of-other-drugs.html>
- Medical Marijuana
<https://www.health.harvard.edu/blog/medical-marijuana-2018011513085>