

ORDINANCE NO. _____-21

CITY OF LATHRUP VILLAGE
OAKLAND COUNTY, MICHIGAN

AN ORDINANCE TO AMEND THE CITY OF LATHRUP VILLAGE CODE OF
ORDINANCES BY ADDING CHAPTER 18, ARTICLE VI - CANNABIS BUSINESSES

THE CITY OF LATHRUP VILLAGE ORDAINS:

Section 1. Amendment.

Chapter 18 Article VI, shall be added and shall read as follows:

Chapter 18 – Businesses

ARTICLE VI- Cannabis Businesses

Sec. 18-281. - Purpose.

The purpose of this article is to exercise the City of Lathrup Village's regulatory authority to locally license and regulate cannabis businesses, including cannabis retail establishments, cannabis provisioning centers, cannabis microbusinesses, cannabis grower facilities, cannabis safety compliance facilities, cannabis secure transporters, cannabis processor facilities, designated consumption establishments, cannabis event organizers, and temporary cannabis events to the extent permissible under state and federal laws and regulations, and to protect and promote the public health, safety, and welfare of the city and its residents.

Sec. 18-282. - Definitions.

Except as expressly defined differently, words and phrases in this article shall have the same meanings ascribed to them as in the Michigan Medical Marihuana Act, Michigan Medical Marihuana Facilities Licensing Act, Marihuana Tracking Act, Michigan Regulation and Taxation of Marihuana Act, Michigan Zoning Enabling Act, and the administrative rules and regulations promulgated by the State of Michigan and the Michigan Department of Licensing and Regulatory Affairs, as amended.

Applicant means an individual, person, corporation, limited liability company, partnership, limited partnership, limited liability partnership, limited liability limited partnership, trust, or other legal entity or other business entity who applies for a license to operate a cannabis business in the city.

City means the City of Lathrup Village, Michigan.

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

Co-locate or *co-location* means any combination of growers, processors, and/or cannabis retail establishments that may operate as separate cannabis businesses at the same physical location.

Industrial hemp means a plant of the genus cannabis and any part of that plant, whether growing or not, with a delta-9 tetrahydrocannabinol concentration that does not exceed 0.3% on a dry-weight basis, or per volume or weight of cannabis-infused product, or the combined percent of delta-9-tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant of the genus cannabis regardless of moisture content.

LARA means the Michigan Department of Licensing and Regulatory Affairs.

Cannabis means all parts of the plant of the genus cannabis, growing or not; the seeds of the plant; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds or resin, including cannabis concentrate and cannabis-infused products. Cannabis does not include: (i) the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks, except the resin extracted from those stalks, fiber, oil, or cake, or any sterilized seed of the plant that is incapable of germination; (ii) industrial hemp; or (iii) any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other products.

Cannabis accessories means any equipment, product, material, or combination of equipment, products, or materials, which is specifically designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, ingesting, inhaling, or otherwise introducing cannabis into the human body.

Cannabis concentrate means the resin extracted from any part of the plant of the genus cannabis.

Cannabis business means a cannabis grower, cannabis safety compliance facility, cannabis processor, cannabis microbusiness, cannabis retailer, cannabis provisioning center, cannabis secure transporter, or any other type of cannabis establishment or facility licensed by LARA.

Cannabis grower means a person licensed to cultivate cannabis and sell or otherwise transfer cannabis to cannabis establishments.

Cannabis-infused product means a topical formulation, tincture, beverage, edible substance, or similar product containing any usable cannabis that is intended for human consumption in a manner other than smoke inhalation. Cannabis-infused product shall not be considered a food for purpose of the Food Law, MCL 289.1101 to 289.8111.

Marihuana Tracking Act or *MTA* means Public Act 282 of 2016, MCL 333.27901, et seq., as amended and all future amendments.

Cannabis microbusiness means a person licensed to cultivate not more than 150 cannabis plants, process and package cannabis, and sell or otherwise transfer cannabis

to individuals who are 21 years of age or older or to a cannabis safety compliance facility, but not to other cannabis establishments.

Cannabis processor means a person licensed to obtain cannabis from cannabis establishments; process and package cannabis; and sell or otherwise transfer cannabis to cannabis establishments.

Cannabis provisioning center means a licensee that is a commercial entity located in the city that purchases cannabis from a grower or processor and sells, supplies, or provides cannabis to registered qualifying patients, directly or through the patients' registered primary caregivers.

Cannabis retailer means a person licensed to obtain cannabis from cannabis establishments and to sell or otherwise transfer cannabis to cannabis establishments and to individuals who are 21 years of age or older.

Cannabis safety compliance facility means a person licensed to test cannabis, including certification for potency and the presence of contaminants.

Cannabis secure transporter means a person licensed to obtain cannabis from cannabis establishments in order to transport cannabis to cannabis establishments.

Michigan Medical Marihuana Act, or *MMMA* means the initiated law of 2008, MCL 333.26421, et seq., as amended and all future amendments.

Michigan Medical Marihuana Facilities Licensing Act, or *MMFLA* means Public Act 281 of 2016, MCL 333.26421, et seq., as amended and all future amendments.

Michigan Regulation and Taxation of Marihuana Act or *MRTMA* means, the initiated law of 2018, MCL 333.27951, et. seq., as amended and all future amendments.

Person means an individual, partnership, corporation, limited liability company, trust, or other legal entity.

Primary caregiver or *registered primary caregiver* means a person who is at least 21 years old and who has agreed to assist with a registered qualifying patient's medical use of cannabis and who has not been convicted of any felony within the past ten years and has never been convicted of a felony involving illegal drugs or a felony that is an assaultive crime as defined in Section 9a of Chapter X of the Code of Criminal Procedure, 1927 PA 175, MCL 770.9a.

Process or *processing* means to separate or otherwise prepare parts of the cannabis plant and to compound, blend, extract, infuse, or otherwise make or prepare cannabis concentrate or cannabis-infused products.

Qualifying patient or *registered qualifying patient* means a person who has been diagnosed by a physician as having a debilitating medical condition and who has a valid registry identification card issued by LARA or an equivalent approval lawfully issued under the laws of another state or other entity of the United States which identifies the person as a registered qualifying patient.

School means and includes buildings and grounds used for school purposes to provide instruction to children and youth in grades pre-kindergarten through 12 by a public, private, charter, denominational, or parochial school.

Stakeholder means, with respect to a trust, the trustee and beneficiaries; with respect to a limited liability company, all members and managers; with respect to a corporation, whether profit or non-profit, all stockholders, directors, corporate officers or persons with equivalent titles; and with respect to a partnership or limited liability partnership, all partners and investors.

State means the State of Michigan.

State license means a license issued by LARA that allows a person to operate a cannabis business.

Sec. 18-283. - Operation without city license prohibited.

A cannabis business in the city must be licensed by the state, licensed by the city pursuant to this article and obtain zoning approval pursuant to Section 4.17 of the City of Lathrup Village Zoning Ordinance. No person shall operate a cannabis business in the city without first obtaining a license to do so from the city. A cannabis business operating without a city license under this article or without a state license is declared to be a public nuisance.

Sec. 18-284. - No pre-existing non-conforming facilities

No person or entity that was open or operating any facility purporting to produce, manufacture, test, transfer or transport medical marijuana or marijuana prior to the adoption of this ordinance, shall be a lawful use or lawful nonconforming use.

Sec. 18-285. - License application.

- (a) Applications for a city license shall be submitted to the City Clerk on an application form to be provided by the city accompanied by a fee in the amount of \$5,000.00 per each license sought. The applicant shall submit one printed and one electronic copy of the completed application and supporting information to the City Clerk. For a co-located facility, an applicant may apply for multiple licenses using one application that explicitly details the operation of the co-located facility. Each license sought will require an additional application fee of \$5,000.00 per license.
- (b) A complete application shall be made under oath and shall contain all of the following:
 - 1) The applicant shall identify an individual to act as primary responsible person for the applicant and point of contact for the application who shall be either a resident of the city, a resident of Oakland County or reside within 100 miles of the city;
 - 2) The applicants' and any stakeholders' names, dates of birth, mailing address, email address, and phone numbers, including emergency contact information, and a copy of a government-issued photo identification card of the applicant and stakeholders;
 - 3) For a privately held corporation, all corporate officers or persons with equivalent titles and their spouses, all directors and their spouses, and all stockholders, not

including those holding a direct or indirect ownership interest of ten percent or less, and their spouses;

- 4) For a partnership or limited liability partnership, all partners and their spouses;
- 5) For a limited partnership and a limited liability limited partnership, all general and limited partners, not including a limited partner holding a direct or indirect ownership interest of ten percent or less and who does not exercise control over or participate in the management of the partnership, and their spouses;
- 6) For a limited liability company, all members and managers, not including a member holding direct or indirect ownership interest of ten percent or less and who does not exercise control over or participate in the management of the company, and their spouses;
- 7) If the applicant is not an individual, the articles of incorporation or organization, Internal Revenue Service SS-4 EIN confirmation letter, and the operating agreement or bylaws of the applicant, if a limited liability company or corporation;
- 8) The name and address of the proposed cannabis business and any additional contact information deemed necessary by the manager of community and economic development;
- 9) For the applicant and every stakeholder affirmation that each is at least 21 years of age;
- 10) Written consent authorizing the city's police department to perform a criminal background check to ascertain whether the applicant and stakeholders have any convictions involving dishonesty, theft, fraud, or controlled substances;
- 11) The name, date of birth, address, copy of photo identification, and email address for any operator or employee if other than the applicant;
- 12) An affirmation whether the applicant or operator has ever had a business license revoked or suspended, and if revoked or suspended, then the reason for such revocation or suspension;
- 13) For the applicant or for each stakeholder a resume that includes any prior experience with a cannabis business;
- 14) With respect to cannabis retail establishments, 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;
- 15) A written description of the training and education that the applicant will provide to employees of the cannabis business;
- 16) A copy of the proposed business plan for the cannabis business, including, but not limited to:
 - a. The ownership structure of the business, including percentage ownership of each person or entity; and
 - b. Planned worker training programs; and
 - c. Financial structure and financing of the proposed cannabis business; and

- d. Short and long-term goals and objectives; and
 - e. If co-location of cannabis businesses is proposed, provide an explanation of the integration of such businesses, including a drawing showing the relationship between the businesses being co-located, including floor area and the separation provided between such facilities, including identification of any points of entry, ingress or egress, and controls at each location; and
 - f. Any community outreach/education plans and strategies; and
 - g. Any charitable plans and strategies.
 - h. Plan outlining what supply chains will be used to provide product for the cannabis business, accompanied by any tentative supply agreements with state certified suppliers.
- 17) One of the following: (a) proof of ownership of the premises wherein the cannabis business will be operated; or (b) written consent from the property owner to use the premises for a cannabis business requiring licensure under this article, together with a copy of any lease for the premises;
- 18) Security Plan. A security plan shall address security measures related to the transportation and disposal of product and employee and customer safety. Video surveillance is required, and the camera system shall be equipped with software allowing local authorities to login securely to cameras remotely. The Lathrup Village Police Department shall review the security plan prior to acceptance of the application and shall approve the plan prior to the Planning Commission public hearing. At a minimum, the security plan shall address the following:
- a. All cannabis waste shall be disposed of in a manner consistent with federal, state, and local laws so that the cannabis waste is destroyed properly and rendered unusable. All waste containers must be maintained within the secure facility and must be equipped with locks and tamper resistant seals until they are removed by an authorized waste disposal company.
 - b. To the extent applicable, the security plan should include additional strategies for onsite protection from power outages, fire, chemical spills, and address other applicable issues such as storage, access control, credentialing, security officers, cameras, alarms, and internal theft
 - c. The plan shall address surveillance methods, access control strategies, territorial reinforcement, maintenance, and target hardening; including the experience of customers, employees, and neighbors (residents, offices, businesses, etc.).

- d. An explanation of how the video surveillance system will be operated, including who is responsible for monitoring the video footage and storing any video recordings.
 - e. A diagram showing where all cameras are located and assigning a number to each camera for identification purposes. The diagram shall be to scale and shall be correlated with a camera index for all assigned cameras. Each camera shall be placed in a location that allows the camera to clearly record activity occurring within 20 feet of all points of entry and exit on the licensed premises and allows for the clear and certain identification of any person and activities in all areas required to be recorded. Cameras must be placed in all rooms with exterior windows, exterior walls, and roof hatches. Entrances and exits to the premises or site shall be recorded from both indoor and outdoor vantage points. Recording distance/range of each camera should be identified on the site plan.
 - f. Areas where cannabis products are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the licensed premises shall be recorded, as well as limited-access areas, security room(s) and area storing the surveillance system storage device.
 - g. Licensed retailers shall record point-of-sale areas and areas where cannabis products are displayed for sale on the video surveillance system. At each point-of-sale location, camera placement must allow for the recording of the facial features of any person purchasing or selling cannabis products, or any person in the retail area, with enough clarity to determine identity.
- 19) A scaled floor plan of the cannabis business, as well as a scale diagram illustrating the property upon which the cannabis business will be operated, including all available parking spaces, and specifying which parking spaces, if any, are handicapped-accessible;
- 20) Any proposed elevation drawings, and photographs or other depiction of materials to be visible on the exterior of the proposed cannabis business;
- 21) A scaled location area map containing all schools, child care centers, publicly owned parks or playgrounds, temporary emergency shelters, Substance Use Disorder Programs and Residential Districts within one-thousand (1,000) feet of the proposed location;

- 22) A sanitation plan designed to protect against any cannabis being ingested on the premises by any person or animal, indicating how the waste and byproduct will be stored and disposed of, and how any cannabis will be rendered unusable upon disposal;
- 23) A proposed recordkeeping plan that will track payment method, amount of payment, time of sale, product quantity, and other product descriptors;
- 24) An affirmation that neither the applicant nor any stakeholder is in default to the city and that the applicant or stakeholder has not failed to pay any past-due property taxes, special assessments, fines, fee or other financial obligation to the city;
- 25) A copy of the applicant's notice of prequalification status issued by the Michigan Cannabis Regulatory Agency of LARA to operate a medical cannabis facility or adult-use cannabis establishment. This shall include a full and complete copy of the prequalification application materials, together with any and all supporting documents and attachments, that were submitted to the State of Michigan, Department of Licensing and Regulatory Affairs, Bureau of Marijuana Regulation, Medical Marijuana Facilities, in the application for an entity/individual prequalification application packet under the MMFLA and the administrative rules. If the applicant does not have a prequalification from the state, the application will not be processed by the city;
- 26) An estimate of the number and type of jobs that the cannabis business is expected to create, the compensation expected to be paid for such jobs, and the projected annual budget and revenue of the cannabis business;
- 27) A signed acknowledgment that the applicant is aware and understands that all matters related to cannabis, 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 license hereunder will not exonerate or excuse the applicant from abiding by the provisions and requirements and penalties associated therewith;
- 28) Proof of insurance covering the business and naming the City of Lathrup Village, the City of Lathrup Village Downtown Development Authority (DDA), its elected and appointed officials, employees, and agents, as additional insured parties, primary and non-contributory available for the payment of any damages arising out of an act or omission of the applicant or its stakeholders, agents, employees, or subcontractors, in the amount of:
- a. At least \$2,000,000.00 for property damage;

- b. At least \$2,000,000.00 for injury to one person; and
 - c. At least \$2,000,000.00 for injury to two or more person resulting from the same occurrence. The insurance policy underwriter must have a minimum A.M. Best Company insurance ranking of B+, consistent with state law. The policy shall provide that the city shall be notified by the insurance carrier 30 days in advance of any cancellation or reduction in coverages.
- 29) Any other information requested by the city considered to be relevant to the processing or consideration of the application.
- (c) Upon receipt of a completed application and application fee, the City Clerk shall refer a copy of the application to appropriate city departments for their review.
 - (d) An application shall not be eligible to be considered for approval, until:
 - (1) The police department and economic and community development departments have inspected the proposed location for compliance with all laws for which they are charged with enforcement and for compliance with the requirements of this article.
 - (2) The economic and community development department verifies the proposed location of the cannabis business complies with the zoning code.
 - (3) The economic and community development department confirms the proposed cannabis business meets applicable codes and this article.
 - (4) The city treasurer confirms the applicant and each stakeholder and the proposed location of the business are not in default to the city.
 - (5) The police department determines the applicant meets the requirements of this article with respect to the background check and security plan.

Sec. 18-286. – Initial application period

- (a) The city will accept applications for a license(s) for a cannabis business over a 30-day period, as established by resolution of the city council, after the effective date of this article. At the end of the 30-day period, all properly submitted and complete applications shall be subject to examination and review by the city.
- (b) After the initial application period closes, the city shall verify that any applications received in this initial application period are full and complete applications. The city shall consider an application full and complete if it includes all information requested by this article and the city application forms.
- (c) The city may, in its discretion, elect to issue or not issue licenses for any of the cannabis business types or issue licenses in any combination thereof, but in no instance shall issue more licenses than are permitted pursuant to the terms of this article and state law.
- (d) If, after the initial 30-day application period, the city does not receive more applications than the permitted number of licenses for a particular type of facility,

then the city may accept license applications for only those facilities, on an ongoing basis, until such time as the number of allowed licenses have been approved for those specific facilities.

Sec. 18 -287. - Preliminary denial of application.

- (a) The city shall reject any application that does not meet the requirements of the MMFLA, the MMMA, the administrative rules or this article. The city shall reject any application that does not contain an approved entity/individual prequalification issued by the state. The city shall reject any application that contains any false, misleading or incomplete information. The city shall reject any application that does not conform or comply with any of the following: International Fire Code; International Property Maintenance Code; Michigan Plumbing Code; Michigan Mechanical Code; National Electrical Code; Michigan Rehabilitation Code and the Michigan Building Code.
- (b) An applicant whose application is rejected or denied by the city shall not be entitled to review by the city or any board or commission thereof and the applicant shall waive any right to bring an action against the city for such a rejection or denial.

Sec. 18-288. - License application evaluation.

- (a) To evaluate applications, the city shall use a point-based system which shall be approved, and may be modified from time-to-time, by city council resolution, which shall take into account the application requirements set forth in Sec. 18-285, including but not limited to the following application evaluation criteria:
 - a. The content and sufficiency of the information contained in the application.
 - b. Whether the proposed plan has received approval from the police department and all other appropriate departments.
 - c. Whether the proposed facility will revitalize or redevelop property that has been vacant or unused for an extended period of time.
 - d. Planned outreach on behalf of the proposed business, and whether the applicant or its stakeholders have made, or plan to make, significant physical improvements to the building housing the cannabis business, including plans to control traffic, noise, and odor effects on the surrounding area.
 - e. 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 ever been convicted of operating an illegal business enterprise of any kind.

- f. Whether the applicant has reasonably and tangibly demonstrated it possesses adequate resources and experience to implement the submitted business plan.
 - g. Whether the proposed location in the city in relation to its proximity to other locations for cannabis businesses represents a reasonable and harmonious dispersion of cannabis businesses.
 - h. The proximity of the business to a school.
 - i. Whether adequate off street parking is provided or available.
 - j. Whether the size and nature of the use in relationship to previously approved and issued cannabis business licenses is reasonable.
 - k. Whether the applicant has business experience previously in the city and demonstrates that the applicant has sufficient business experience to operate the proposed cannabis business.
 - l. Whether the proposed plan incorporates sustainable infrastructure and energy efficient elements and fixtures.
 - m. Whether the proposed plan incorporates infrastructure that adequately addresses stormwater drainage.
 - n. Whether the proposed plan incorporates odor control systems to prevent odor dispersion to neighboring properties.
 - o. Whether an applicant has applied for a co-location of equivalent licenses at one location.
 - p. Other criteria as indicated important for consideration by any appropriate department of the city administration.
- (b) The city may engage professional expert consultant assistance in performing any of the duties and responsibilities under this article.
- (c) The point-based merit system, shall incorporate the evaluation criteria outlined within this article, and may include additional criteria intended to select licensees that provide the best outcome for the community as determined by the city.
- a. In the event of a tie among applicants through the merit system which would result in more approvals than available licenses, the tie will be resolved through a blind lottery drawing to determine which applicant will receive recommendation for approval.

- b. Any application receiving less than 80 percent of possible points outlined within the point-based merit system shall be automatically denied license approval.
 - c. Applications and evaluation points yielded from a point-based merit system shall be considered for up to 1 year following the publication of merit point system scores. The effective applications and points shall be used to recommend license approval should prior recommendations be declined or fail to receive license. Applications within the process may receive a one time extension not to exceed three months, approved by the city administrator with proper display of good cause shown.
- (d) Within 90 days of receiving the last completed application, the city administrator may recommend applications for site plan approval to the planning commission. The city administrator may only recommend a number of applications for consideration equal to or less than the number of remaining licenses available for issuance. All other applicants shall be sent a written notice of rejection setting forth specific reasons why the city administrator did not recommend their application for city council approval.
- (e) Upon receiving site plan approval from the planning commission, applicants shall move forward for final license approval from the city council as recommended by the city administrator.
- (f) Upon submittal of the city administrator's recommended applications to the city council, the city shall publish and provide public notice of the city council meeting when the city council will consider the license applications. Notice shall be given not less than 14 days prior to the city council meeting. All written feedback shall be presented to the city council.
- (g) The public notice shall be published in a newspaper of general circulation and posted at City Hall. The notice shall be sent by mail or personal delivery to the owners and occupants of property within 300 feet of the proposed cannabis business site. The public notice must include at minimum the following:
- a. Proposed location of the cannabis business; and
 - b. Name of the applicant(s) or organization; and
 - c. Intended cannabis business use; and
 - d. Information pertaining to methods of accepting public feedback; and

- e. Location, date, and time of the meeting in which city council will consider license approval.
- (h) All cannabis business licenses shall be effective for one year following its original issuance date. Annual renewal of the license shall follow the process as outlined within this article. The improvements made pursuant to site plan approval by the planning commission shall be commenced after license approval by the city council and be completed within one year after the license is approved by the city council. The city council may, in its sole and exclusive discretion, grant an extension of time not to exceed 180 days if an applicant submits a written request to the city administrator prior to the license expiration showing that its medical cannabis provisioning center facility application or adult use retail facility application with the state remains pending and that the applicant has diligently pursued approval of the state license and all other required permits, approvals and licenses without delay or inaction on applicant's part, and showing good cause for the extension of time.

Sec. 18-289. - License limit.

- (a) The city council finds and determines that it is in the public interest and serves a public purpose to limit the number of physical locations for retail and provisioning establishments to two (2) and safety compliance facilities to two (2). The city may allow the following licenses, as follows:
 - 1. Adult use cannabis retail establishments/Medical cannabis provisioning center establishments – two (2); In the event of collocated facilities as identified in Section 18-290 the City may issue two (2) adult use cannabis retail establishment licenses and two (2) medical cannabis provisioning establishment licenses. In the event that a retail establishment and provisioning center are collocated, one license may be granted for both. It is not the city's intent to grant four (4) individual licenses of any time.
 - 2. Cannabis safety compliance facilities – two (2).
- (b) The city council finds and determines that it is in the public interest and serves a public purpose to prohibit the following cannabis business uses from receiving a license from the city:
 - 1. Adult use and medical cannabis secured transporter establishments; and
 - 2. Designated consumption establishments; and
 - 3. Cannabis event organizer; and
 - 4. Temporary cannabis events; and
 - 5. Adult use and medical cannabis growing facility establishments; and
 - 6. Adult use and medical cannabis processing establishments, and
 - 7. Adult use cannabis microbusiness establishments.

- (c) Should a license for a cannabis business become available due to expiration, revocation, or non-renewal, the city, by resolution may set an application period and receive applications for a license(s) for a cannabis business over a 30 day period. At the end of the 30 day period, all properly submitted and complete Applications shall be subject to examination and review by the city. The city may elect to issue or not issue licenses for any of the permitted uses or issue licenses in any combination thereof, but in no instance shall issue more licenses than are permitted pursuant to the terms of this article.

Sec. 18-290. - Cannabis facility co-location and stacking.

Separate cannabis business uses, under common ownership, and with proper licensing issued by LARA for each use, shall be permitted to operate at the same location with license approval from city. Co-locating establishments must have license approval for each cannabis business type and use.

Sec. 18-291. - License renewal application.

- (a) Application for license renewal shall be made in writing to the City Clerk at least 30 days prior to the expiration of an existing license.
- (b) An application for a license renewal shall be made under oath on forms provided by the city.
- (c) An application for a license renewal shall be accompanied by a renewal fee in an amount of \$5,000.00, of which half will be returned if the license is not renewed. The renewal fee is established to defray the costs of the administration of this article.
- (d) Upon receipt of a completed application for a license renewal meeting the requirements of this article and the license renewal fee, the City Clerk shall refer a copy of the renewal application to appropriate city departments and officials for review,
- (e) An application for a license renewal shall be not be considered for approval unless:
 - a. The fire inspector has inspected the proposed location for compliance with all laws for which they are charged with enforcement within the past calendar year;
 - b. The manager of the economic and community development department has confirmed that the location complies with the zoning code and this article, at the time a license is granted;
 - c. The building official has confirmed that the cannabis business meets the city building code requirements;
 - d. The city treasurer has confirmed that the applicant and each stakeholder of the applicant and the location of the cannabis business are not currently in default to the city;

- e. The police department has reviewed the application and determined that the applicant has satisfied the requirements of this article with respect to the background check and security plan;
 - f. The applicant possesses the necessary state licenses or approvals, including those issued pursuant to the MMFLA;
 - g. The applicant has operated the cannabis business in accordance with the conditions and requirements of this article;
 - h. The cannabis business has not been determined to be a public nuisance; and
 - i. The applicant is operating the cannabis business in accordance with applicable federal, state, and local laws and regulations.
- (f) If written approval is given by each individual, department, or entity identified in subsection (e), and the renewal application is found to be compliant with this article by the community development director, the community development department shall issue a license renewal to the applicant. If no renewal license is issued, half of the renewal fee shall be returned. The renewal shall be deemed approved if the city has not issued formal notice of denial within 60 days of the filing date of the application, unless the applicant is advised of non-compliance with this article or incompleteness of information or any required inspection during such period.

Sec. 18-292. - Transfer of ownership, licenses generally.

- (a) No license issued pursuant to this article shall be transferred unless approved by the State and City.

Sec. 18-293. - Minimum operational standards of cannabis business.

Except as may conflict with state law or regulation the following minimum standards apply to all cannabis businesses:

- (a) The entire parcel where the cannabis business will be located must be properly zoned for that type of use, and the cannabis business operations must be entirely contained within the building.
- (b) The cannabis business shall be operated in compliance with the MMMA, the MMFLA, the MTA, MRTMA, and the state's administrative rules. Any violation of such laws or rules shall be deemed a violation of this article.
- (c) On-premises consumption of cannabis shall be prohibited at any cannabis business except testing standards as outlined by LARA.
- (d) In addition to security requirements pursuant to state laws and regulations and any other applicable city ordinances, the cannabis business shall continuously monitor the entire premises, interior and exterior, with surveillance systems that

include security cameras operating 24 hours a day, seven days a week. The video recordings shall be maintained in a secure, off-site location for a period of 180 days.

- (e) The cannabis business shall be contained within a lockable facility, including all interior doors, all windows and points of entry and exits with commercial grade non-residential locks and with an alarm system monitored. Cannabis shall not be permitted to be stored in trailers or sheds or other accessory structures to the principal building. Storage shall further be in accordance with the MRTMA, MMMA, MMFLA, MTA, and promulgated rules as amended.
- (f) A locking safe or secure locking cabinet system permanently affixed to the permitted premises that shall store any cannabis and all cash remaining in the facility overnight shall be used. For cannabis-infused products that must be kept refrigerated or frozen, the facility may lock the refrigerated container or freezer in a manner authorized by the MRTMA and promulgated rules as amended in place of the use of a safe so long as the container is affixed to the building structure.
- (g) No cannabis business shall be operated in a manner creating noise, dust, vibration, glare, fumes, or odors detectable to normal senses beyond the boundaries of the property where the cannabis business is operated; or any other nuisance adverse to the public health, safety and welfare of the residents of the city.
- (h) All activity related to the provisioning, transferring, testing, or transportation of all cannabis shall be done indoors and fully compliant with state law so that it is not visible to the public.
- (i) All cannabis businesses shall maintain an inventory and record keeping system and/or database identifying the amount of cannabis on the premises in accordance with the MRTMA, the MTA and the rules and regulations, as amended from time to time. This log shall be available to law enforcement personnel at anytime.
- (j) All marijuana located on premise shall be inventoried and tagged with unique RFID tag as required by MTA and promogulated rules as amended from time to time.
- (k) The state license and the city license required by this article shall be conspicuously displayed on the premises of a cannabis business.

- (l) All cannabis facilities shall apply for and obtain from the city, or other applicable government authority, all necessary building, mechanical, electrical, plumbing, sign, fence, soil erosion and city zoning compliance permits.
- (m) Floors, walls, and ceilings shall be constructed in such a manner that they may be kept adequately cleaned and in good repair.
- (n) There shall be adequate screening or other protection against the entry of pests. Waste shall be disposed of so as to minimize the development of odor and minimize the potential for waste development and minimize the potential for waste becoming an attractant, harborage or breeding place for pests.
- (o) Venting of cannabis odors into the areas surrounding the cannabis business is prohibited and deemed and declared to be a public nuisance. All facility ventilation methods shall comply with the MRTMA and administrative rules promulgated, as amended from time to time.
- (p) 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 in areas where cannabis is exposed. Disposal systems for spent water and spent soil shall be approved by the city and byproduct materials, soils, plant materials, and other materials shall be stored indoors until pickup for disposal and shall not be left outdoors for disposal pickup for longer than six hours. Disposal of cannabis or cannabis waste or byproducts by on-site burning or introduction into the sewer system is prohibited.
- (q) The interior and exterior of all buildings, fixtures and other accessories shall be maintained in a presentable and sanitary condition.
- (r) Cannabis businesses shall provide its occupants with adequate and accessible restroom facilities that are maintained in a sanitary condition and good repair.
- (s) Cannabis that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms.
- (t) Cannabis businesses shall be free from infestation by insects, rodents, birds, or vermin or any kind.
- (u) All cannabis shall be packaged and labeled as provided by MRTMA, MTA, and promulgated rules as amended.
- (v) The premises shall be open for inspection during hours of operation and as such other times as anyone is present on the premises.

- (w) No other accessory uses are permitted within the same facility other than those associated with the retailing of cannabis.
- (x) Advertising material that is misleading, deceptive, or false, or that is designed to appeal to minors is prohibited.

Sec. 18-294. - Additional operational standards for cannabis retail establishments.

Except as may conflict with state law or regulation, the following minimum standards for cannabis retail establishments shall apply:

- (a) Cannabis retail and medical cannabis provisioning center establishments may be open to the public only between 7:00 a.m. to 11:00 p.m..
- (b) Unless permitted by the MRTMA, public or common areas of the cannabis retail establishment must be separated from restricted or non-public areas of the retail establishment by a permanent barrier. Unless permitted by the MMMA, MMFLA, or the MRTMA, no cannabis may be stored, displayed, or transferred in an area accessible to the general public.
- (c) All cannabis storage areas within cannabis retail and medical cannabis provisioning center establishments must be separated from any customer/patient areas by a permanent barrier. Unless permitted by the MMMA, MMFLA, or MRTMA, no cannabis is permitted to be stored in an area accessible by the general public or registered customers/patients. Cannabis may be displayed in a sales area only if permitted by the MRTMA.
- (d) Drive-thru windows on the premises of a cannabis business establishment shall not be permitted.

Sec. 18-295. - License revocation, suspension and denial; basis for action; appeal.

- (a) Any city license issued under this article may be revoked or suspended by the city after written notice and an administrative hearing if a city official finds and determines that grounds for revocation or suspension exist. Any grounds for revocation or suspension must be provided to the licensee at least ten days prior to the date of the hearing by first class mail to the address given on the license application or any address provided to the City Clerk in writing subsequent to the filing of an application.
- (b) A license applied for or issued may be denied, revoked or suspended on any of the following grounds:
 - a. A violation of any provision of this article, including, but not limited to, the failure to provide the information required by this article;
 - b. Any conviction of a felony or any misdemeanor involving controlled substances, theft or dishonesty by the licensee, stakeholder, or any person holding an ownership interest in the license;

- c. Commission of fraud or misrepresentation or the making of a false statement by the applicant, licensee, or any stakeholder of the applicant or licensee while engaging in any activity for which this article requires a license;
 - d. Failure to obtain site plan approval from the planning commission;
 - e. Failure to obtain or maintain a license or renewed license from the city pursuant to this article;
 - f. Failure of the licensee or the cannabis business to obtain or maintain a state license or approval pursuant to the MRTMA, MMMA, or MMFLA;
 - g. The cannabis business is determined by the city to have become a public nuisance or otherwise is operating in a manner detrimental to the public health, safety or welfare;
 - h. Any default in the payment of any charges, taxes, or fees, to the city if not cured upon 45 days following notice sent by electronic means or mail to the address of the cannabis business;
 - i. Violation of any state law applicable to cannabis businesses.
- (c) Appeal of denial of an application, or revocation or suspension of a license: the community development department shall notify an applicant of the reason(s) for denial of an application for a license or license renewal or for revocation or suspension of a license or any adverse decision under this article and provide the applicant with the opportunity to be heard. Any applicant aggrieved by the denial or revocation or suspension of a license or adverse decision under this article may appeal to the city council, who shall appoint a hearing officer to hear and evaluate the appeal and make a report and recommendation to the city council. Such appeal shall be taken by filing with the City Clerk, within 14 days after notice of the action complained of has been mailed to the applicant's last known address on the records of the City Clerk, a written statement setting forth fully the grounds for the appeal. The city council shall review the report and recommendation of the hearing officer and make a decision on the matter.
- (d) Following the denial of a license and any subsequent appeal during the recommendation and issuance process, the city may move to recommend the application with the next highest number of merit points as determined in the application process.

Sec. 18-296. - Penalties; temporary suspension of a license.

- (a) The city may require an applicant or licensee of a cannabis business to produce documents, records, or any other material pertinent to the investigation of an application or alleged violation of this article. Failure to provide the required material may be grounds for application denial, or license revocation.
- (b) Any person in violation of any provision of this article, including the operation of a cannabis business without a license shall be responsible for a misdemeanor and shall be subject to a civil fine and costs. Increased civil fines may be imposed for

a repeat violation. As used in this section "repeat violation" shall mean a second or any subsequent infraction of the same requirement or provision committed by a person or Facility within any 24 month period. Unless otherwise specifically provided in this article, the penalty schedule is as follows:

- a. \$750.00, plus costs, for the first violation;
 - b. \$1,000.00, plus costs, for a repeat violation;
 - c. \$3,000.00, plus costs per day, plus costs for any violation that continues for more than one day.
- (c) The city may temporarily suspend a cannabis business license without a prior hearing if 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.
- (d) If the city temporarily suspends a license without a prior hearing, the licensee is entitled to a hearing within 30 days after the suspension notice has been served on the licensee or posted on the licensed premises. The hearing shall be limited to the issues cited in the suspension notice.
- (e) If the city does not hold a hearing within 30 days after the date the suspension was served on the licensee or posted on the licensed premises, then the suspended license shall be automatically reinstated and the suspension vacated.
- (f) The penalty provisions herein are not intended to foreclose any other remedy or sanction that might be available to, or imposed by the city, including criminal prosecution.

Sec. 18-297. - Disclaimer.

- (a) Nothing in this article shall be construed to authorize any person to engage in conduct that endangers others or causes a public nuisance, or to allow use, possession or control of cannabis for unlawful purposes or allow any other activity relating to cultivation, growing, distribution or consumption of cannabis that is otherwise illegal.
- (b) Except as may be required by law or regulation, it is not the intent of this article to diminish, abrogate, or restrict the protections for individual use of cannabis found in the Michigan Medical Marihuana Act, the Medical Marihuana Facilities Licensing Act, the Marihuana Tracking Act and the Michigan Regulation and Taxation of Marihuana Act.

Secs. 18-298—18-399. - Reserved.

Section 2. Repealer.

This Ordinance hereby repeals any ordinances in conflict herewith.

Section 3. Savings Clause.

That nothing in this Ordinance hereby adopted be construed to affect any just or legal right or remedy of any character nor shall any just or legal right or remedy of any character be lost, impaired or affected by this Ordinance.

Section 4. Severability.

The various parts, sections, and clauses of this Ordinance are declared to be severable. If any part, sentence, paragraph, section or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the Ordinance shall not be affected.

Section 5 of Ordinance. Publication and Effective Date.

This ordinance shall be effective not be earlier than ten days after enactment nor before publication thereof. The City Clerk is hereby ordered and directed to cause this ordinance or a summary of this ordinance to be published in the manner required by law.

Section 6 of Ordinance. Introduction and Adoption.

That this ordinance was introduced by the City of Lathrup Village City Council at its regular meeting called and held on June 21, 2021, and was duly adopted by the City of Lathrup Village City Council at its regular meeting called and held on _____, 2021 and ordered given publication in the manner required by law.

CITY OF LATHRUP VILLAGE

YVETTE TALLEY, City Clerk

Introduction Date: June 21, 2021
Adoption Date: _____, 2021
Publication Date: _____, 2021
Effective Date: _____, 2021