

**CITY OF MADISON HEIGHTS
ELECTRONIC COUNCIL AGENDA REQUEST FORM**

SUBMITTED TO: Honorable Mayor and City Council

SUBMITTED BY: Tim Burns, Assistant City Attorney DATE: 04/05/22

FOR CONSIDERATION AT THE COUNCIL MEETING OF: 04/25/22

ACTION REQUESTED

| | |
|-----------------------------------------|------------------------------|
| PRESENTATION _____ | FUTURE PUBLIC HEARING _____ |
| PUBLIC HEARING – SPECIAL APPROVAL _____ | BID AWARDS / PURCHASES _____ |
| PUBLIC HEARING – OTHER _____ | ORDINANCE - FIRST <u>✓</u> |
| COMMUNICATION _____ | ORDINANCE - SECOND _____ |
| REPORT _____ | OLD BUSINESS _____ |

DESCRIPTION OF ITEM

Ordinance 2181 - Medical Marijuana Ordinance Amendment

IF ORDINANCE, CITE TITLE/CHAPTER SECTIONS

POLICY CONSIDERATION

Sec 7-406(b) of the City's Ordinances, Council may adopt a resolution to establish the periods for accepting new applications for combined medical and adult-use marihuana establishments where such licenses are available to be issued. At Council's direction, City staff are working to initiate a new application period for the remaining license for a combined and co-located medical and adult-use marihuana facility. Scoring and selection of such a facility according to Section 7-408 of Article XVII Marihuana Establishments shall be determined by the criteria provided for in Article XVI Medical Marihunan Facilities Sec 7-308

FINANCIAL IMPACT

| | |
|-------------------------------------------------|---------------------------|
| No Impact _____ | Fee Waiver Proposed _____ |
| Budgeted Fund Name(s) _____ | Department Name _____ |
| Appropriated in Acct. No. _____ | Budget Amount _____ |
| Amount Available in Acct. <u>0</u> | |
| Second Account Number _____ | Budget Amount _____ |
| Amount Available in 2 nd Acct. _____ | Revenue Generated _____ |
| Other Comments _____ | |

REVIEW CHECKLIST

DEPARTMENT Tim Burns, Assistant City Attorney DATE 04/14/22

DEPARTMENT _____ DATE _____

CITY MANAGER Melissa R.Marsh, City Manager DATE 04/19/22

ORDINANCE NO. 2181

**CITY OF MADISON HEIGHTS,
OAKLAND COUNTY,
MICHIGAN**

**AMENDMENT TO THE CODE OF
ORDINANCES**

An Ordinance to amend Ordinance No. 571, being an Ordinance codifying and adopting a new Code of Ordinances for the City of Madison Heights by amending Article XVI, Chapter 7, Section 7-308 of the Code of Ordinances, City of Madison Heights, Michigan, to set the number of licenses for allowed Medical Marihuana Facilities and to amend the community outreach provisions for Medical Marihuana Facilities, to protect the public health, safety and welfare.

THE CITY OF MADISON HEIGHTS

ORDAINS: SECTION 1. Amendment.

That Article XVI, Chapter 7, Section 7-308 of the Code of Ordinances, City of Madison Heights, Michigan, is amended in their entirety to read as follows:

ARTICLE XVI. – MEDICAL MARIHUANA

FACILITIES

Sec. 7-308. – Scoring and Selecting Applicants.

- (a) In the event the City receives more eligible applications for a specific type of city license than is authorized by the City, the City shall select the Applicant or Applicants most suitable to operate its facility based on an objective and competitive process. This process is subject to the provisions of this Section. This process is only necessary if the City receives more eligible applications than is authorized for any given type of Medical Marihuana Facility.
- (b) The City shall assess, evaluate, score, and rank all impacted applications and issue city licenses to those Applicants receiving the highest score. In its application assessment, evaluation, scoring, ranking, and deliberations, the City shall assess, evaluate, score, and rank each application based upon a scoring and ranking procedure developed by the City consistent with the requirements, conditions, and provisions of this Section. The detailed scoring and ranking system shall be provided to each Applicant and included in the application materials developed by the City.
- (c) Initial scoring and ranking shall be conducted and applied by the City on the basis of assigned points from zero (0) points to two hundred (200) points with the lowest overall total score as zero (0) points and the highest possible total score being two hundred (200) points. Following this process, if no application receives a score higher than one-hundred and seventy (170) points in this process, the City reserves the right to reject all applications. Scoring categories include, and are limited to the following scoring points and criteria:

- (1) The content and sufficiency of the information provided by Applicant in the application. The maximum number of scoring points in this category shall be ten (10) points;
- (2) Whether the Applicant's proposed use is consistent with the land use for the surrounding neighborhood and will not have a detrimental effect on traffic patterns, health, welfare or safety of residents or abutting properties. The maximum number of scoring points in this category shall be ten (10) points;
- (3) Planned neighborhood outreach on behalf of the Applicant, and whether the Applicant or its stakeholders have made, or plan to make, significant physical improvements to the area around the property or other areas contiguous to the property that would include, but not be limited to, plans to eliminate or minimize traffic, noise, and odor effects on the surrounding neighborhood and improve the surrounding neighborhood and area. Planned outreach may also include plans to make significant physical improvements to other local private or public roads, right of ways, alleys, parks or any other private or public property that would benefit the surrounding area. The maximum number of scoring points in this category shall be twenty (20) points.
- (4) The business probity, moral reputation, and relevant criminal history of Applicant or any of its stakeholders; Whether the Applicant or any of its stakeholders have a clean record of acts detrimental to the public health, security, safety, morals, good order, or general welfare prior to the date of the application. The maximum number of scoring points in this category shall be ten (10) points.
- (5) Whether Applicant and its stakeholders have made or plan to make significant capital improvements to the proposed facility and/or City. This includes, but is not limited to:
 - (A) The total overall capital investment in funds to be invested in the renovations to the property that will house the proposed marijuana business including the increase in taxable value, the overall investment in equipment, fixtures, and other related items;
 - (B) The total number of years that a property or site, to be renovated by the Applicant, has been vacant;
 - (C) How significant the upgrades or renovations to the property are, such as, but not limited to: the extent of renovations to an existing building or buildings; the extent of new construction of a building or buildings; the extent of renovation to a location or site that may involve a derelict property; the overall size of the site and building or buildings of the proposed renovations;
 - (D) Whether or not the property to be improved has an environmentally friendly design and environmentally friendly production and stormwater management design and plans that improve green infrastructure of the city;

- (E) The extent of, and additions to or extra security measures taken above the minimum security measures required under state law; the extent of, and additions to or other extra measures taken above the state minimum requirements for growing, processing, testing, transporting or selling medical marihuana;
- (F) The extent of upgrades and renovations to the landscaping, parking, lighting and similar to the site and surrounding area.

The maximum number of scoring points in this category shall be fifty (50) points.

- (6) Whether Applicant and its stakeholders have reasonably and tangibly demonstrated that it possesses sufficient financial resources to fund, and the requisite business experience to execute its business plan and proposed operations in its application; Whether Applicant and its stakeholders have reasonably and tangibly disclosed its funding sources and relevant background of those funding sources. Whether the applicant and or any of its stakeholders own similar marihuana industry businesses in the nation with solid business practices. The maximum number of scoring points in this category shall be thirty (30) points;
- (7) The number of full-time and part-time positions anticipated by Applicant, and whether Applicant has articulated plans or strategies to attract, hire and retain employees that are residents of the City. The maximum number of scoring points in this category shall be ten (10) points;
- (8) Whether Applicant has obtained, is likely to obtain, or plans on obtaining additional City Licenses and State operating licenses, under the MMFLA, at its proposed location in the City to co-locate a Class C Grower, a Processor and Provisioning Center at a single location or site within the City. Applications that incorporate, or co-locate, a licensed Class-C grower, licensed processor and licensed provisioning center in the same location, in strict compliance with the conditions and provisions of the MMFLA, the Administrative Rules and this Article for the operation of these three separate licenses at the same location, for each type of license, shall be considered more preferential than single license locations for these specific types of licenses. The maximum number of scoring points in this category shall be forty (40) points;
- (9) Whether the planned signage meets the City ordinance and enhances appearance of property and/or contributes to the streetscape.

The maximum number of scoring points in this category shall be ten (10) points.

- (10) Whether Applicant agrees that if selected, issuance and renewal of Licenses is contingent on joining and participation in the City's Marihuana Community Advisory Committee. Licensees agree to donate \$25,000 annually and provide 1% of annual net profits for use by the Marihuana Community Advisory Committee payable to the City of Madison Heights. The maximum number of scoring points in this category shall be ten (10) points.
- (d) The City may engage professional expert assistance in performing the City's duties and responsibilities under this Section.
- (e) After the City has processed and scored all eligible applications, the City shall prepare a summary and report listing the overall score and basis for this determination for all eligible applications. The City shall then notify the selected Applicants of the granting or denial of a license.
- (f) The City may establish additional application periods for Applicants seeking new licenses for eligible medical marihuana facilities within the City, as needed, via resolution of City Council.
- (g) Any City license issued under this Article must be established and a Certificate of Occupancy issued within six months of issuance, unless extended for good cause shown, or the licensee shall surrender the license if the use is not established within the required time.

SECTION 2. Repealer.

All ordinances or parts of ordinances, in conflict with this ordinance are repealed only to the extent necessary to give this ordinance full force and effect.

SECTION 3. Severability.

Should any section, subdivision, clause, or phrase of this ordinance be declared by the courts to be invalid, the validity of the ordinance as a whole, or in part, shall not be affected other than the part invalidated.

SECTION 4. Savings.

All proceedings pending and all rights and liabilities existing, acquired or incurred at the time this ordinance takes effect, are saved and may be consummated according to the law in force when they were commenced.

SECTION 5. Effective Date.

This ordinance as ordered shall take effect ten (10) days after its adoption and upon

publication.

SECTION 6. Inspection.

A copy of this ordinance may be inspected or purchased at the City Clerk's office between the hours of 8:00 a.m. and 11:30 a.m. and between the hours of 12:30 p.m. and 4:30 p.m. on regular business days.