

Bartley, Landon

From: Bartley, Landon
Sent: Thursday, January 24, 2019 8:17 AM
To: Bartley, Landon
Subject: Marijuana in Grand Rapids - January 23 update
Attachments: Good Neighbor Plan Template_fill.pdf

Good morning,

I'm including you on this email because you have contacted me or another Planning staff member at some point about medical marijuana in Grand Rapids. If you no longer want to be on this list, please respond to let me know. If there are others that you think might want to be on the list, please forward this to them and have them contact me directly with questions or to be added to the list. Thank you.

I'm writing today to address a few questions that came up at the informational meeting on 1/3/19 (video and handouts on [the City's marijuana webpage](#)). FYI we will be redesigning the webpage soon to be more user-friendly. Look for changes to take place by the end of this month.

FOIA

There have been many questions about what kinds of information can be shielded from potential FOIA (Freedom Of Information Act) requests. We appreciate concerns you have expressed about the security of your plans and information, are committed to protecting applicants' sensitive information where possible.

In general, the following items will be **exempted** from FOIA requests:

- Security Plan;
- Facility Plan
- CPTED Plan;
- Parts of the Operations & Management plan directly dealing with security;
- Anything submitted to LARA for prequalification;
- Documentation supporting MIVEDA claims.

Other items submitted should generally **not** be considered exempt. If you have a specific concern about a particular item, please bring it to our attention and we will review the request on a case-by-case basis. I would suggest clearly labeling every attachment as it is titled in the application and supplemental application checklist to facilitate protection of sensitive information.

Prequalification

Our ordinance requires that "the applicant has successfully completed the prequalification step of the application for a state operating license" for growers, processors, and provisioning centers. For safety compliance facilities or secure transporters, the Phase I application must be *submitted* to the State by the time of local application. A few questions about this have come up.

- 1) Because prequalification technically has a term of one year unless extended by LARA, there is a possibility that an applicant that was prequalified early in 2018 may have their prequalification expire by the time they apply for local approval in Grand Rapids. **This is OK.** As a policy decision, we have determined that this hypothetical applicant would have still **completed** the prequalification step, even if it has since expired, and as such would be eligible to apply. If this is the case, you will still need to demonstrate that prequalification has previously been granted by the State.
- 2) There are some applicants who are currently in the queue at the State level for prequalification, but may not be prequalified by March 15, which is the closing date of the window for applications that will go into the April 12 draw.

If the application is otherwise complete at the time of submittal, we will accept applications that are not prequalified if there is a reasonable expectation that prequalification will be received prior to April 12. If by April 12 prequalification has not been received, the application will not be entered into the draw.

The prequalified entity must be the applicant, which in the case of corporate applicants is made up of individuals that must submit personal information to become prequalified. Our understanding is that the State recently modified the statute change the prequalification requirements for applicants filing with the State after 1/1/19. As long as the entity has been prequalified by the State, we will consider that entity prequalified for our purposes. If the entity's ownership has changed in a way that would make it no longer prequalified by the State (i.e. an owner of more than 10% not being prequalified), then it would no longer be prequalified to us. I hope this makes sense.

Insurance

I've received several questions about the insurance requirement of the ordinance, which reads as follows:

"Sec. 5.9.19.E.4. Proof of Insurance. Evidence of a valid and effective policy for general liability insurance within minimum limits of \$1,000,000 per occurrence and a \$2,000,000 aggregate limit issued from a company licensed to do business in Michigan having an AM Best rating of at least B++ shall be produced that includes the name/s of the insured, effective and expiration dates, and policy number. The City of Grand Rapids and its officials and employees shall be named as additional insureds. The City shall be notified of any cancellation, expiration, reduction in coverage, or other policy changes within five business days of the event."

We will not require a policy to have been purchased and active at the time of application. Rather, you can submit a Letter of Intent for a policy meeting the requirements of the ordinance, and if approved by the Planning Commission will be required to demonstrate that a policy has been purchased and is in effect before a license is received and operations begin. Insurance should be in the name of the business entity, not the property.

MIVEDA

Residency Eligibility: For the residency condition, if at least 25% of the entity's total ownership is made up of people that reside in a given area, that point/points may be awarded.

For example: Joe, Curly, Moe, Larry and Shemp are the five owners of prequalified entity, broken down like this. Joe (24%), Curly (9%), Moe (9%), Larry (9%), Shemp (49%).

- Shemp lives in the City's General Target Area ("GTA"). 4 points are awarded (even though only 20% of the *owners* live in the GTA).
- Joe lives in the GTA, but everyone else lives in the City but outside the GTA. 3 points are awarded.
- Curly and Moe live in the GTA. Everyone else lives in Kent County but outside Grand Rapids. 2 points are awarded (even though 40% of the *owners* live in the GTA).
- Curly, Moe, and Larry live in the GTA. Shemp and Joe live in Detroit. 4 points are awarded (because 27% of *ownership* is by residents of the GTA).

Proving Residency: The MIVEDA form calls for a copy of driver's license and affidavit stating when the applicants (which are being used to prove residency) have lived within whatever area for at least 1 of the last 5 years. Therefore, you should submit those items. However, we recognize that a current driver's license may not reflect the residency for which you're claiming eligibility. In this case, you should **also submit other supporting documentation** that includes relevant dates to demonstrate that the condition is satisfied. Such documentation might include utility bills, tax returns, passports, leases, mortgage paperwork, etc. This information can be shielded from FOIA requests.

Proving Share of Ownership: Since the MIVEDA residency conditions rely on proving the percentage of company ownership by certain individuals, applicants should submit **Disclosure 2A and supporting documentation** for that disclosure from the State Phase I application. This information can be shielded from FOIA requests.

30 Employees: There was a question at the informational meeting about whether companies with at least 30 employees (@ 30 hours/week) would be eligible for this point if those employees were spread across multiple locations. The answer

is **NO**. This point will be available to applicants that will have 30+ employees **at the single location** for which the application is being submitted. For applications seeking co-location of two or more license types on a single property, if the entire project has at least 30 employees working across all co-located uses at the site, we will consider that eligible for this condition.

Good Neighbor Plans

I have attached the final Good Neighbor Plan template to this email, which is also available on [the City's marijuana webpage](#). No changes have been made to the form since it was handed out at the informational meeting earlier this month. This is a template, and is not required to be used. In fact, given the limited amount of space provided on the template, we expect most GNPs to be submitted separately from the template. However, any GNP, regardless of form, should still contain **all** the information within the template. Several of you have let me know that you are in the process of contacting neighborhood associations (and/or business associations or corridor improvement districts) to set up meetings. This is good to know and I am happy to help if you are having trouble locating contact information, etc. I suggest starting with http://cridata.org/Neighb_GR.aspx to find the neighborhood association for your proposed location(s).

A Final, Important Request

Please email me at your earliest convenience to let me know 3 things:

- 1) If you believe that the location for which you'll be applying will require a **waiver**;
- 2) **How many applications** you intend to submit (co-located facilities would use one application), and;
- 3) **What kind** of facility/facilities you plan to open within the City of Grand Rapids **and** with **how many licenses** (for example, co-located or stacked grow applications would have multiple licenses).

Some of you have already done this, and I appreciate it. If you have not, please take a moment to email me with this information. This will greatly help us with planning ahead. You do not need to tell me addresses or any other information... we would just **really** appreciate having some kind of general idea of what to expect. Thank you in advance.

As always, thank you for your continued comments and questions. And of course, I encourage you to visit [the City's medical marijuana webpage](#) often, to be sure to stay as up-to-date as possible.

Best wishes,

Landon Bartley, AICP
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