



CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: September 24, 2019

TO: Mark Washington, City Manager

COMMITTEE: Committee of the Whole

LIAISON: Mark Washington, City Manager

FROM: Joel H. Hondorp, City Clerk
City Clerk's Office

SUBJECT: **Resolution setting the date to consider adoption of Chapter 105 of Title VII of the Code of the City of Grand Rapids entitled "Marihuana Related Municipal Licensing"**

The attached resolution will provide for the publication of the proposed ordinance entitled Marihuana Related Municipal Licensing. This ordinance will establish the local licensing and regulation of marihuana establishments and facilities as authorized under the Medical Marihuana Facilities Licensing Act (MMFLA) and the Michigan Regulation and Taxation of Marijuana Act (MRTMA). The City Commission must have an ordinance in effect no later than November 1, 2019, in order to avoid a default opt-in status while lacking reasonable regulations on marihuana uses.

The proposed ordinance will effectively permit all marihuana facilities licensed under MMFLA and MRTMA to operate within the City once the entire regulatory framework is in place, subject to current and future zoning requirements, including:

Medical Marijuana Facilities (MMFLA)	Recreational Marijuana Facilities (MRTMA)
Provision Center	Retailer
Processor	Processor
Grower	Grower
Safety Compliance Facility	Safety Compliance Facility
Secure Transporter	Secure Transporter
	Microbusiness
	Designated Consumption Establishment
	Temporary Marijuana Event
	Marijuana Event Organizer

Under the existing Zoning Ordinance, as adopted and amended in 2018, medical marihuana facilities are all currently allowed within the City of Grand Rapids with the appropriate zoning approval and in line with buffer requirements.

In addition to serving as a formal action by the City to opt in on recreational marijuana, the licensing ordinance will provide an important tool by which the City can follow up on agreements made by the applicant during the application and review process, for enforcement actions if needed, and also to help support the City's sustainability and accessibility goals.

The growing of cannabis requires a significant amount of energy and water usage. Growing 4 cannabis plants to maturity has been found to have an equivalent energy consumption as 29 refrigerators. In Denver, with a population of 700,000, 4% of the total amount of electricity used across the entire city is attributable to marijuana growing. Given these findings, City staff from the Planning, Sustainability, and Environmental Services departments worked with representatives from cannabis growers as well as local power and water utilities to introduce reasonable energy efficiency and reporting requirements into the proposed marijuana licensing ordinance. Several other communities have reported similar usage trends. Under the proposed licensing ordinance, all marijuana establishments are required to report basic energy usage data to the Grand Rapids 2030 District, which will help us to better understand the energy and water needs for this industry. As proposed, energy efficiency requirements are applicable only to marijuana uses that involve the growing of cannabis – that is, any class of grower (A, B, C, and Excess) and microbusinesses.

Additionally, Universal Design requirements are also proposed. Universal Design allows for true accessibility to marijuana facilities, both for customers and employees. Accessibility advocates point to trends that nearly 20% of the nation's population has or experiences a disability, and as such are often profoundly restricted by lack of access to many kinds of buildings, regardless of the land use within. Further, at a time when one focus area by the City is to plan ahead for a rapidly aging population with its Age-Friendly Grand Rapids initiative, introducing the proposed accessibility requirements is both timely and desired by the community. While the building code requires compliance with the Michigan barrier free code, this is considered a minimum standard, and is not required in all circumstances. Universal Design has been found to offer far more adequate accommodations to those in need. City staff developed the proposed ordinance language in collaboration with Disability Advocates as well as representatives in the cannabis industry.

In late 2018, both requirements were proposed as incentive items in the Marijuana Industry Voluntary Equitable Development Agreement (MIVEDA). However, City Commissioners decided to remove both from the MIVEDA and instead proposed inclusion in the pending licensing ordinance. City staff has been in ongoing discussions with industry representatives and applicants about both energy/water efficiency as well as accessibility and universal design and has found little concern from the industry regarding up-front costs associated with meeting these regulations. Rather, the proposals have been welcomed, with a recognition that initial costs associated with compliance will translate into long-term benefits for the business, consumers, and the City as a whole.

Once approved, there will be a six (6) month waiting period before the City will begin accepting applications. Medical marijuana facilities licensed under the MMFLA that

have already obtained special land use approval will be allowed to continue to operate medical marihuana related operations under their existing SLU permit until the six (6) month period has expired at which point a license application will need to be submitted. The six (6) month waiting period will provide for time to draft license applications, assess the application and review process, establish license fees, review enforcement policies and amend the Zoning Ordinance to provide a regulatory structure for marihuana facilities licensed under the MRTMA.

YOUR COMMITTEE OF THE WHOLE recommends adoption of the following resolution providing for the publication of a proposed ordinance adopting Chapter 105 of Title VII of the Code of the City of Grand Rapids entitled Marihuana Related Municipal Licensing and setting the date of October 8, 2019, to consider adoption of the ordinance.

WHEREAS:

1. The Medical Marihuana Facilities Licensing Act (MMFLA) was adopted by the Michigan Legislature in 2016 and allows for a commercial supply chain of medical marihuana, including growing, processing and retail sales through provisioning centers, secure transport and safety compliance testing; and
2. The City of Commission adopted a set of zoning ordinance amendments on July 24, 2018, which opted Grand Rapids in as a participating municipality in the MMFLA, followed by subsequent amendments adopted on December 18, 2018; and
3. The Michigan Regulation and Taxation of Marijuana Act (MRTMA) was passed by voters in 2018 allowing for the consumption, possession and both personal and commercial production of recreational marihuana; and
4. The State of Michigan's Regulatory Agency (MRA) published a set of rules on July 3, 2019, that clarified license types and set procedures for regulating recreational marihuana uses which are intended to assist with local implementation of MRTMA; and
5. The City Commission may choose to opt out or use another reasonable alternative for regulating marihuana facilities and establishments such as licensing, but must have an ordinance in effect no later than November 1, 2019, in order to avoid a default opt-in status while lacking reasonable regulations on marihuana uses; therefore

RESOLVED:

1. That the City Commission approve a resolution to set the date to consider adoption of Chapter 105 of Title VII of the Code of the City of Grand Rapids entitled Marihuana Related Municipal Licensing on October 8, 2019; and
2. Pursuant to Section 10 of Title V of the City Charter, the City Clerk shall publish the attached ordinance in a newspaper of general circulation in the City.

Prepared by Amanda Bradshaw

CORRECT IN FORM

DEPARTMENT OF LAW