

**CITY OF THE VILLAGE OF DOUGLAS  
JOINT MEETING OF THE PLANNING COMMISSION & CITY COUNCIL  
DOUGLAS CITY HALL - 86 W. CENTER STREET, DOUGLAS, MI  
WEDNESDAY, JANUARY 10<sup>TH</sup>, 2018 - 7:00 P.M.**

**AGENDA**

- 1. Call to Order**
- 2. Roll Call**
- 3. Agenda Changes/Additions/Deletions** - Motion to approve the Planning Commission Agenda of January 10, 2018 as presented (or as amended by the Planning Commission)
- 4. Approval of Minutes:** Motion to approve the Planning Commission minutes of Wednesday, December 13<sup>th</sup>, 2017.
- 5. Written Communications**
- 6. Public Comment related to agenda items only** (limit 2 minutes per person)
- 7. New Business:**
- 8. Old Business:**
  - A. Medical Marijuana Ordinance Review**
- 9. Hear from the Audience** (Limit of 5 minutes for general comments)
- 10. Staff Report**
- 11. Commissioner Comments**
- 12. Adjournment**

**Please Note:** The City of the Village of Douglas is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of this meeting or the facilities, are requested to contact Jean E. Neve, City Clerk (269-857-1438) promptly to allow the City of the Village of Douglas to make reasonable accommodations for those persons.

**THE CITY OF THE VILLAGE OF DOUGLAS**  
**REGULAR MEETING OF THE PLANNING COMMISSION**  
**DOUGLAS CITY HALL- 86 W CENTER STREET, DOUGLAS, MI**  
**WEDNESDAY, DECEMBER 13<sup>TH</sup>, 2017- 7:00 P.M.**  
**MINUTES**

1. **Call to Order:** Chairperson Burdick called the meeting to order at 7:04 P.M.

2. **Roll Call:** Members present: Burdick, Kenny, Barrone, Pattison, Tischleder

Also present: Lisa Imus, city planner; Members absent: Sapita, Heneghan

3. **Agenda Changes/Additions/Deletions**

Motion by Pattison with support from Tischleder to approve the Planning Commission Agenda of December 13, 2017 as presented. Motion carried by unanimous voice vote.

4. **Approval of Minutes**

Motion by Kenny with support from Barrone to approve the Planning Commission minutes of Wednesday, November 8, 2017 as presented. Motion carried by unanimous voice vote.

5. **Written Communications: None**

6. **Public Comment: None**

7. **New Business: None**

8. **Old Business**

A. **Medical Marijuana Ordinance Review**

Imus advised members that council looked over the Draft Medical Marijuana Ordinance on December 4<sup>th</sup>. Council wants to focus on the zoning and what can be regulated. Members went through draft ordinance page by page. Changes and updates were made and will be condensed with council's changes. Joint meeting with council will be in January. Application fee costs are being looked at by Imus and Chief of Police. Imus will check on special use permit. Discussion about the Issuance of City Marijuana Facility Operating Licenses and whether to do a first come first serve, lottery system or point system. Imus will make changes to draft and present at joint meeting in January.

9. **Hear from Audience: None**

10. **Staff Report**

Imus advised members that there will be a site plan review in January on a possible new restaurant. Land purchased in the township needs to be annexed in February.

11. **Commissioner Comments: None**

12. **Adjournment**

Motion by Kenny with support from Barrone to adjourn meeting. Meeting adjourned at 9:21 P.M.

CITY OF DOUGLAS, MICHIGAN ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE TO REPEAL AND REPLACE CHAPTER 113 AS THE  
“MEDICAL MARIHUANA LICENSING ORDINANCE” TO THE “MEDICAL  
MARIHUANA PERMITTING ORDINANCE, TO THE CITY OF DOUGLAS CODE  
OF ORDINANCES

THE CITY OF DOUGLAS ORDAINS:

**Section 1.** The Douglas City Code of Ordinances is amended by the revisions and additions of Chapter, 113 “Medical Marihuana Facilities” to read as follows:

“ARTICLE I General Provisions

§ 113.01 Title.

This chapter shall be known and may be cited as the “Medical Marihuana Permitting Ordinance” of the City of the Village of Douglas.

113.02 Purpose and Intent.

A. **Purpose.** The purpose of this Chapter is to implement the provisions of Public Act 281 of 2016, being the Michigan Medical Marihuana Facilities Licensing Act, so as to protect the public health, safety, and welfare of the residents and patients of the City by setting forth the manner in which medical marihuana facilities can be operated in the City. Further, the purpose of this Chapter is to:

- (1) Provide for a means for the distribution of marihuana to patients who qualify to obtain, possess, and use marihuana for medical purposes under the Michigan Medical Marihuana Act, (MCL 333.26421 et seq.), the Medical Marihuana Facilities Licensing Act (MCL 333.27101 et seq.) and the Marihuana Tracking Act (MCL 333.27901 et seq.);
- (2) Protect public health and safety through reasonable limitations on marihuana commercial entity operations as they relate to noise, air and water quality, neighborhood and patient safety, security for the facility and its personnel, and other health and safety concerns;
- (3) Protect residential neighborhoods by limiting the location and the concentration of types of marihuana commercial entities to specific areas of the City;
- (4) Impose fees to defray and recover the cost to the City of the administrative and enforcement costs associated with medical marihuana facilities; coordinate with laws and regulations that may be enacted by the State addressing medical marihuana; and
- (5) The ability to comply with this chapter and all applicable state and local regulations with minimal monitoring by City officials.

**B. Legislative Intent.** This Chapter authorizes the establishment of medical marihuana facilities within the City of Douglas consistent with the provisions of the Michigan Medical Marihuana Facilities Act; and subject to the following:

(1) The regulations for medical marihuana commercial entities are not adequate at the state level to address the impacts on the City of the commercialization of medical marihuana, making it appropriate for local regulation of the impact of medical marihuana commercial entities on communities.

(2) Nothing in this Chapter is intended to promote or condone the production, distribution, or possession of marihuana in violation of any applicable law.

(3) This Chapter is to be construed to protect the public over medical marihuana facility interests. Operation of a medical marihuana facility is a revocable privilege and not a right in the City. There is no property right for an individual or facility to engage or obtain a license to engage in medical marihuana as a commercial enterprise in the City.

(4) Use, distribution, cultivation, production, possession, and transportation of medical marihuana remains illegal under Federal law and State law, and marihuana remains classified as a "controlled substance" by federal law and State law

(5) Because medical marihuana is a heavily regulated industry in the City, all licensees are assumed to be fully aware of the law; the City shall not therefore be required to issue warnings before issuing citations for violations of this Chapter.

**C. Relationship to Federal Law.** As of the effective date of this ordinance, marihuana is classified as a Schedule 1 controlled substance under Federal law which makes it unlawful to manufacture, distribute, cultivate, produce, possess dispense or transport marihuana. Nothing in this ordinance is intended to grant immunity from any criminal prosecution under Federal law.

**D. Relationship to State Law.**

(1) Except as otherwise provided by the MMFLA and this Chapter, a licensee and its employees and agents who are operating with the scope of a valid State-issued operating license are not subject to criminal or civil prosecution under City ordinances regulating marihuana.

(2) Except as otherwise provided by the MMFLA and this Chapter, a person who owns or leases real property upon which a marihuana facility is located and who has no knowledge that the licensee is violating or violated the MMFLA or a provision of this Chapter, is not subject to criminal or civil prosecution under City ordinances regulating marihuana.

(3) Nothing in this ordinance is intended to grant immunity from criminal or civil prosecution, penalty or sanction for the cultivation, manufacture, possession, use, sale, distribution or transport of marihuana in any form, that is not in strict

compliance with the Michigan Medical Marihuana Act, the Medical Marihuana Facilities Licensing Act, the Marihuana Tracking Act, and all applicable rules promulgated by the State of Michigan and the City of the Village of Douglas regarding medical marihuana. Strict compliance with any applicable State law or regulation shall be deemed a requirement for the issuance or renewal of any license issued under this Chapter, and noncompliance with any applicable State law or local regulation shall be grounds for revocation or nonrenewal of any license issued under the terms of this Chapter.

(4) A registered qualifying patient or registered primary caregiver is not subject to criminal prosecution or sanctions for purchasing marihuana from a provisioning center if the quantity purchased is within the limits established under the Michigan medical marihuana act. A registered primary caregiver is not subject to criminal prosecution or sanctions for any transfer of 2.5 ounces or less of marihuana to a safety compliance facility for testing.

(5) In the event of any conflict, the terms of this Chapter are preempted and the controlling authority shall be the statutory regulations set forth by the MMFLA or the rules adopted by the Board to implement, administer or enforce the MMFLA.

#### **E. City Liability and Indemnification**

(1) By accepting a permit issued pursuant to this Chapter, the permit holder waives and releases the City, its officers, elected officials, and employees from any liability for injuries, damages or liabilities of any kind that result from any arrest or prosecution of medical marihuana facility owners, operators, employees, clients or customers for a violation of state or federal laws, rules or local regulations.

(2) By accepting a permit issued pursuant to this Chapter, all permit holders, agree to indemnify, defend and hold harmless the City, its officers, elected officials, employees, and insurers, against all liability, claims or demands arising on account of bodily injury, sickness, disease, death, property loss or damage or any other loss of any kind, including, but not limited to, any claim of diminution of property value by a property owner whose property is located in proximity to a licensed operating facility, arising out of, claimed to have arisen out of, or in any manner connected with the operation of a medical marihuana facility or use of a product cultivated, processed, distributed or sold that is subject to the permit, or any claim based on an alleged injury to business or property by reason of a claimed violation of the federal Racketeer Influenced and Corrupt Organizations Act (RICO), 18 U.S.C. §1964(C).

(3) By accepting a permit issued pursuant to the Chapter, a permit holder agrees to indemnify, defend and hold harmless the City, its officers, elected officials, employees, and insurers, against all liability, claims, penalties, or demands arising on account any alleged violation of the federal Controlled Substances Act, 21 U.S.C. §801 et seq. or Article 7 of the Michigan Public Health Code, MCL 333.7101 et seq.

#### **§ 113.03 Definitions**

A. "Applicant" means a person who applies for a state operating license. With respect to disclosures in an application, or for purposes of ineligibility for a license, the term applicant includes an officer, director, and managerial employee of the applicant and a person who holds any direct or indirect ownership interest in the applicant.

B. "Board" means the medical marihuana licensing board created pursuant to Part 3 of the MMFLA.

C. "City" shall mean the City of the Village of Douglas.

D. "Cultivate" or "Cultivation" means (1) all phases of marihuana growth from seed to harvest; and (2) the preparation, packaging, and labeling of harvested usable marihuana.

E. "Department" means the Michigan department of licensing and regulatory affairs, or its successor agency.

F. "Grower" means a licensee that is a commercial entity that cultivates, dries, trims, or cures and packages marihuana for sale to a processor or provisioning center.

G. "Licensee" means a person holding a state operating license issued under the Medical Marihuana Facilities Licensing Act, MCL 333.27101 et seq.

H. "Marijuana" or "marihuana" means that term as defined in the Public Health Code, MCL 333.1101 et seq.; the Michigan Medical Marihuana Act, MCL 333.26421 et seq.; the Medical Marihuana Facilities Licensing Act, MCL 333.27101 et seq.; and the Marihuana Tracking Act, MCL 333.27901 et seq.

I. "Marihuana commercial entity" means any and all of the following marihuana facilities:

- (1) a grower
- (2) a processor
- (3) a secure transporter
- (4) a provisioning center
- (5) a safety compliance facility

I. "Marijuana facility" means enterprise at a specific location at which a licensee is licensed to operate under the Medical Marihuana Facilities Licensing Act, MCL 333.27101 et seq. The term does not include or apply to a "primary caregiver" or "caregiver" as that term is defined in the Michigan Medical Marihuana Act, MCL 333.26421 et seq.

J. "Marihuana plant" means any plant of the species *Cannabis sativa L indica*.

K. "Marihuana-infused product" means a topical formulation, tincture, beverage, edible substance, or similar product containing any usable marihuana that is intended for human consumption in a manner other than smoke inhalation. Marihuana-infused product shall not be considered a food for purposes of the food law, 2000 PA 92, MCL 289.1101 et seq.

L. "Medical cannabis dispensary" means a provisioning center operated and whose license to operate is held solely by one or more registered qualifying patients and/or registered primary caregivers operating at a fixed location.

M. "Michigan medical marihuana act" or "MMMA" means 2008 IL 1, MCL 333.26421 et seq., as may be amended.

N. "Michigan medical marihuana facilities licensing act" or "MMFLA" means Public Act 281 of 2016, MCL 333.27101 et seq., as may be amended.

O. "Michigan marihuana tracking act" means Public Act 282 of 2016, MCL 333.27901 et seq., as may be amended.

P. "Paraphernalia" means any equipment, product, or material of any kind that is designed for or used in growing, cultivating, producing, manufacturing, compounding, converting, storing, processing, preparing, transporting, injecting, smoking, ingesting, inhaling, or otherwise introducing into the human body, marihuana that is designed or used solely for medical use.

Q. "Permit" means a current and valid Permit for a Commercial Medical Marihuana Facility issued under this Ordinance, which shall be granted to a Permit Holder only for and limited to a specific Permitted Premises and a specific Permitted Property.

R. "Permit holder" means a person holding a City of the Village of Douglas operating Permit issued under the provisions of this Ordinance.

S. "Permit Holder" means the Person that holds a current and valid Permit issued under this Ordinance.

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

U. "Plant" means any living organism that produces its own food through photosynthesis and has observable root formation or is in growth material.

V. "Processor" means a licensee that is a commercial entity that purchases marihuana from a grower and that extracts resin from the marihuana or creates a marihuana-infused product for sale and transfer in packaged form to a provisioning center.

"Provisioning center" means a licensee that is a commercial entity that purchases marihuana from a grower or processor and sells, supplies, or provides marihuana to registered qualifying patients, directly or through the patients' registered primary caregivers. Provisioning center includes any commercial property where marihuana is sold at retail to registered qualifying patients or registered primary caregivers *and includes medical cannabis dispensaries*. A noncommercial location used by a primary caregiver to assist a qualifying patient connected to the caregiver through the Department's marihuana registration process in accordance with the Michigan medical marihuana act is not a provisioning center for purposes of this article.

."Registered primary caregiver" means a primary caregiver who has been issued a current registry identification card under the MMMA.

W. "Registered qualifying patient" means a qualifying patient who has been issued a current registry identification card under the MMMA or a visiting qualifying patient as that term is defined in the MMMA.

X. "Registry identification card" means that term as defined in the MMMA.

Y. "Rules" means rules promulgated by the Department in consultation with the Board to implement this act.

Z. "Secure transporter" means a licensee that is a commercial entity that stores marihuana

and transports marihuana between marihuana facilities for a fee.

AA. "State operating license" or, unless the context requires a different meaning, "license" means a license that is issued under the MMFLA and this Chapter that allows the licensee to operate as 1 of the following marihuana commercial entities, as specified in the license:

- (1) A grower.
- (2) A processor.
- (3) A secure transporter.
- (4) A provisioning center.
- (5) A safety compliance facility.

BB. "Statewide monitoring system" or, unless the context requires a different meaning, "system" means an internet-based, statewide database established, implemented, and maintained by the Department under the marihuana tracking act, that is available to licensees, law enforcement agencies, and authorized state departments and agencies on a 24-hour basis for all of the following:

- (1) Verifying registry identification cards.
- (2) Tracking marihuana transfer and transportation by licensees, including transferee, date, quantity, and price.
- (3) Verifying in commercially reasonable time that a transfer will not exceed the limit that the patient or caregiver is authorized to receive under section 4 of the Michigan medical marihuana act, MCL 333.26424.

DD. "Usable marihuana" means the dried leaves, flowers, plant resin, or extract of the marihuana plant, but does not include the seeds, stalks, and roots of the plant.

## **ARTICLE II Licensing of Medical Marihuana Facilities**

### **§113.20 Authorized Marijuana Facilities.**

A. The following types of marijuana facilities may be established and operated by a licensee in the City, subject to compliance with Act 281, the Rules promulgated thereunder and this ordinance:

- 1) Secure Transporter - Not more than 2 (two) Secure Transporters shall be established, operated or permitted in the City.
- 2) Provisioning center - Not more than 2 (two) Provisioning Centers shall be established, operated or permitted in the City.

B. A marijuana facility shall be established and operated only by a person who has been issued both a city permit and state operating license. The facility shall be operated only so



long as the city permit and state operating license remain in effect and only in accordance with the terms of the permit and license.

C. A current City Employee or Official is not eligible to hold a city medical marijuana permit.

D. A marijuana facility shall comply with the applicable provisions of the City's required construction codes. Permits under such codes shall be obtained if required.

E. A marijuana facility shall not be a home occupation under the terms of the zoning ordinance.

F. A medical marijuana facility may not be located in any facility that has a residential use by right, special use or variance.

### **§ 113.21 Prohibited Locations.**

A. No medical marijuana facility shall be eligible to be issued a City permit unless at the time of application for such license, the location of the proposed facility complies with the zoning and separation distances from other uses as set forth in the City Zoning Ordinance as required for the specific type of medical marijuana facility for which licensure is being sought. (C-2 and L-1)

B. A Permit Holder shall not operate a marijuana facility at any place in the City other than the address provided in the application on file with the City Clerk.

C. A medical marijuana facility shall not be located:

1. Within 50 feet of any residential zoning districts.
2. Within 1,000 feet of the property line of any public or private school, college or university, any nursery school, day nursery, licensed day care center or any other building or location either rented or used in any way for the care or instruction of children under 18 years of age
3. Within 500 feet of the property line of any church, house of worship or other religious facility or institution.
4. Within 500 feet of any public park, publically owned building or recreational area commonly used by minor children.
5. Within 500 feet of a public library.
6. In an area that has been designated as an historic area by the city, county or state.
7. Within 500 feet of another medical marijuana growing operation business.

D. The distance measurement provided for in this section shall be a straight line from the boundary line of the medical marijuana growing operation business to the boundary line of

the location from which it is to be separated.

### **§ 113.22 License and Annual Fee Required**

A. No person shall establish or operate a medical marihuana commercial entity in the City without first having obtained a City permit and State operating license for each facility to be operated. License and Permit certificates shall be kept current and publically displayed within the facility. Failure to maintain or display a current license and permit shall be a violation of this Chapter.

B. An annual non-refundable fee to defray the administrative and enforcement costs associated with medical marihuana facilities will be set by resolution and adopted by the City Council. The fee will not exceed \$5,000.

C. The annual non-refundable fee required under this Section shall be due and payable with the application for a City permit and upon the application for renewal of any such permit under this Chapter.

D. The permit fee requirement set forth in this ordinance shall be in addition to, and not in lieu of, any other licensing and permitting requirements imposed by any other federal, state, or City ordinance, including, by way of example any applicable zoning or building permits.

E. The issuance of any permit pursuant to this ordinance does not create an exception, defense, or immunity to any person in regard to any potential criminal liability the person may have for the production, distribution, or possession of marihuana under federal law.

F. A separate permit shall be required for each premise from which a medical marihuana facility is operated.

G. There must be a minimum of a one-hour fire separation wall between a medical marihuana facility and any adjacent business.

### **§ 113.23 General License Application Requirements**

A. A person seeking a permit pursuant to the Medical Marihuana Facilities Licensing Act and the provisions of this Chapter shall submit an application to the City Clerk on forms provided by the City. At the time of application submission, each applicant shall pay a nonrefundable application fee to defray the costs incurred by the City for inspections of the proposed premises, as well as any other costs associated with the processing of the application.

B. The applicant shall also provide the following information, under the penalty of perjury:

(1) If the applicant is an individual, the applicant's name, date of birth, physical address including residential and any business address(s) attached to the individual, copy of government issued photo identification, email address, and one or more phone numbers, including emergency contact information, and if applicable Federal EIN

(2) If the applicant is not an individual, the names, date of birth, physical addresses, including residential and any business address(s), copy of government issued photo identification, email addresses, and one or more phone numbers of each stakeholder and/or general partners of the applicant, including designation of the highest ranking stakeholder and/or general partner as an emergency contact person and contain

information for the emergency contact person, articles of incorporation, assumed name registration documents, Internal Revenue Service SS-4, EIN confirmation letter(s), and a copy of the operating agreement of the applicant, if a limited liability company copy of the partnership agreement, if a partnership, or a copy of the by-laws or shareholder agreement, if a corporation; its legal status, and proof of registration with, or a certificate of good standing from the State of Michigan, as applicable;

(3) One of the following: (a) proof of ownership of the entire premises wherein the Medical Marihuana Facility is to be operated; or (b) written consent from the property owner for use of the premises in a manner requiring a permit under this Ordinance along with a copy of the lease for the premises;

(4) The name and address of the proposed Medical Marihuana Facility and any additional contact information deemed necessary and requested by the City.

(5) Both an electronic copy and a "to scale" diagram of the proposed licensed premises, no smaller than eighteen (18) inches by twenty-four (24) inches, showing, without limitation, building layout, all entryways and exits to the proposed licensed premises, loading zones, available parking spaces, and specifying which parking spaces, if any, are handicapped-accessible,;

(6) A comprehensive facility operation plan for the marihuana commercial entity which shall contain, at a minimum, the following:

a. A description of the security plan for the Medical Marihuana Facility, including, but not limited to, any lighting, alarms, barriers, recording/monitoring devices, and/or security guard arrangements proposed for the facility and premises. The security plan must contain the specification details of each piece of security equipment;

b. A lighting plan showing the lighting outside of the medical marihuana facility for security purposes and compliance with applicable City requirements;

c. A plan for disposal of any medical marihuana or medical marihuana-infused product that is not sold to a patient or primary caregiver in a manner that protects any portion thereof from being possessed or ingested by any person or animal.

d. A plan for ventilation of the medical marihuana facility that describes the ventilation systems that will be used to prevent any odor of medical marihuana off the premises of the business.

(7) Prior to making a modification to a structure that would require a building permit or which would alter or change items required by this subsection, the permit holder shall submit to the City and have approved a completed application for modification of premises in the form provided by the City.

(8) A description of the type of marihuana facility; and the anticipated or actual number of employees.

(9) A description of all toxic, flammable, or other regulated materials, including the location of such materials, and how such materials will be stored. All materials



regulated by a federal, state, or local authority that would have jurisdiction over the business if it was not a marihuana business must be included in the list.

(10) Any additional information that the City Clerk or Police Chief reasonably determines to be necessary in connection with the investigation and review of the application.

(11) Consistent with the MMFLA and Freedom of Information Act, MCL 15.231 *et seq.*, the information provided to the City Clerk pursuant to this section relative to licensure is exempt from disclosure. If the City finds that such documents are subject to disclosure, it will attempt to provide at least 2 business days' notice to the applicant prior to such disclosure.

B. All marihuana commercial entities shall obtain all other required permits of licenses related to the operation of the marihuana commercial entity, including, without limitation, any development approvals or building permits required by any applicable code or ordinance.

C. If the City Clerk identifies a deficiency in an application, the applicant shall have fifteen (15) business days to correct the deficiency after notification by the City Clerk. If the correction has not been acted upon by the 16<sup>th</sup> day, the application is closed.

D. Upon an applicant's completion of the above-provided form and furnishing of all required information and documentation, the City Clerk shall accept the application and assign it an application number by facility type.

E. Upon receipt of a completed application, the City Clerk may circulate the application to all affected service areas and departments of the City to determine whether the application is in full compliance with all applicable laws, rules and regulations.

F. No application shall be approved unless:

1. The Fire Department or designee and the Building Department have inspected the plans of the proposed location for compliance with all laws for which they are charged with enforcement;
2. The Zoning Administrator has confirmed that the proposed location complies with the Zoning Ordinance;
3. The City Treasurer or their designee has confirmed that the applicant and each Stakeholder of the applicant are not in default to the City;
4. The City Attorney or their designee has completed a detailed review of the Medical Marihuana Facility application from compliance with the applicable state laws and City Ordinances;

E. If written approval is given by each individual or department identified in subsection 1-5, the City Clerk shall submit the application to the Zoning Administrator for Planning Commission review of the Special Use Permit where a Public Hearing will be held. Upon approval of the Planning Commission, the final approval for a permit will go before the City Council. All Permits issued are contingent upon the State of Michigan issuing a license for the operation under State law.

F. Permit holders shall report any other change in the information required by 4 (B) above, to the City within ten days of the change.

### **§ 113.23 Special Use.**

The use of property as a medical marijuana growing operation shall require submittal of a special use permit application and approval of a special use permit, pursuant to the city's zoning ordinance.

### **§ 113.24 Denial of Application**

A. The City Clerk shall reject any application that does not meet the requirements of the Medical Marihuana Facilities Licensing Act or this Chapter. The City Clerk shall reject any application that contains any false, misleading or incomplete information.

B. An applicant is ineligible to receive a license under this Chapter if any of the following circumstances exist regarding a true party of interest of the applicant:

(1) The applicant has knowingly submitted an application for a license that contains false, misleading or fraudulent information, or who has intentionally omitted pertinent information on the application for a license..

(2) If the application is denied, appeals will go directly to the Allegan Circuit court.

### **§ 113.25 License Forfeiture**

In the event that a medical marihuana facility does not commence operations within one year of issuance of a City operating permit, the license shall be deemed forfeited; the business may not commence operations and the license is not eligible for renewal.

### **§ 113.26 License Renewal**

A City marihuana facility operating license shall run concurrently with the State operating marijuana license issued for the facility, unless revoked as provided by law.

A. A valid marihuana facility license may be renewed annually by completing a renewal application payment of the annual license fee. Upon the expiration of an existing Permit, a Permit will be renewed by the City of the Village of Douglas for one (1) year if (1) there are no uncured administrative and/or legal violations in the prior year, including no taxes owed; (2) the applicant has paid the annual City Permit fee for the renewal period; (3) any Stakeholder changes have been fully disclosed to the City of the Village of Douglas; and (4) the applicant has paid and received the renewal of its State license.

B. Prior to the issuance of a renewed marihuana facility license by the City, the premises shall be inspected to assure that it and its systems are in compliance with the requirements of this Chapter.

### **§113.27 Transfer, sale or purchase of permit not allowed.**

A. A medical marihuana permit is valid only for the owner named thereon, the type of business disclosed on the application for the license, and the location for which the permit is issued. The medical marihuana business permits are only those persons disclosed in the

application or disclosed to the City in accordance with this chapter.

B. Each operating license is exclusive to the licensee. No transfer, sale, or other conveyance of an interest in a permit is allowed.

### **§113.28 Permit as revocable privilege**

An operating permit is a revocable privilege granted by the City and is not a property right. Granting a permit does not create or vest any right, title, franchise, or other property interest. Each permit is exclusive to the permit holder. A permit holder or any other person shall not lease, pledge, or borrow or loan money against a permit.

### **§113.29 Nonrenewal, suspension or revocation of permit.**

A. The City may refuse to renew a permit for any of the following reasons:

(1) the applicant or permit holder, or his or her agent, manager or employee, has violated, does not meet, or has failed to comply with, any of the terms, requirements, conditions or provisions of this Chapter or with any applicable state or local law or regulation;

(2) the applicant or permit holder, or his or her agent, manager or employee, has failed to comply with any special terms or conditions of its permit pursuant to an order of the state or local licensing authority, including those terms and conditions that were established at the time of issuance of the permit and those imposed as a result of any disciplinary proceedings held subsequent to the date of issuance of the permit or failure to comply to laws changing subsequent to permit; or

(3) the marihuana commercial entity has been operated in a manner that adversely affects the public health, safety or welfare.

B. Evidence to support a finding under this Section may include, without limitation, a continuing pattern of criminal conduct within the premises of the marihuana commercial entity or in the immediate area surrounding such business, a continuing pattern of criminal conduct directly related to or arising from the operation of the marihuana commercial entity, or an ongoing nuisance condition emanating from or caused by the marihuana commercial entity. Criminal conduct shall be limited to the violation of a state law or regulation or city ordinance.

## **ARTICLE III Specific Marihuana Facility Requirements**

### **§ 113.40 Secure Transporter License**

A. A secure transporter license authorizes the storage and transport of marihuana, marihuana-infused products and money associated with the purchase or sale of marihuana and marihuana-infused products between marihuana facilities at the request of a person with legal custody of the marihuana, marihuana-infused products, or money. It does not authorize transport to a registered qualifying patient or registered primary caregiver who is not a licensee.



B. A secure transporter which operates from a marihuana facility located within the City shall secure a permit from the City. A State-licensed secure transporter which does not have a facility located in the City, may, without securing a permit from the City, operate on public streets and highways within the City.

C. Consumption and/or use of Marihuana shall be prohibited at a storage facility of a Secure Transporter.

D. A Secure Transporter licensee and each stakeholder shall not have an interest in a Grower Processor, Provisioning Center or State Compliance facility and shall not be a registered qualifying patient or a registered primary caregiver.

E. A secure transporter is subject to administrative inspection by a law enforcement officer at any point during the transportation of marihuana or marihuana-infused products to determine compliance with this act.

F. A secure transporter shall comply with all of the following:

(1) Each driver transporting marihuana must have a chauffer's license issued by the state.

(2) Each vehicle shall be operated with a 2-person crew with at least 1 individual remaining with the vehicle at all times during the transportation of marihuana or marihuana-infused products.

(3) The marihuana and marihuana-infused products shall be transported in 1 or more sealed containers and shall not be accessible while in transit.

(4) A secure transporting vehicle shall not bear markings or other indication that it is carrying marihuana or a marihuana-infused product.

(5) When determining and reporting the route to take, a secure transporter shall select the most direct route that provides efficiency and safety

(6) All Secure Transporters shall comply with all applicable requirements of the City of the Village of Douglas Zoning Ordinance.

(7) The storage facility shall be continuously monitored with a surveillance system that includes security cameras. The video recordings shall be maintained in a secure, offsite location for a period of fourteen (14) days. The storage facility shall not be used for any other commercial purposes.

(8) The storage facility shall not be open or accessible to the general public.

(9) 3. The storage facility shall be maintained and operated so as to comply with all state and local rules, regulations and ordinances.

#### **§ 113.41 Provisioning Center License**

A. A licensed provisioning center is authorized:

(1) To purchase or transfer marihuana only from a grower;

(2) To purchase or transfer marihuana and marihuana-infused products from a processor; and

(3) Sell or transfer marihuana and marihuana-infused products only to registered qualifying patients and registered primary caregivers.

B. All transfers of marihuana and marihuana-infused products to a provisioning center from a separate marihuana facility shall be by means of a secure transporter.

C. A provisioning center license authorizes the provisioning center to transfer marihuana to or from a safety compliance facility for testing by means of a secure transporter.

D. An applicant and each investor in a provisioning center cannot have an interest in a secure transporter or safety compliance facility.

E. A provisioning center shall comply with all of the following:

(1) Sell or transfer marihuana to a registered qualifying patient or registered primary caregiver only after it has been tested and bears the label required for retail sale.

(2) Not allow a physician to conduct a medical examination or issue a medical certification document on the premises for the purpose of obtaining a registry identification card.

F. No Provisioning Center shall be open between the hours of 7 p.m. and 7 a.m.;

G. Consumption of Marihuana shall be prohibited on the premises of a Provisioning Center, and a sign shall be posted on the premises of each Provisioning Center indicating that consumption is prohibited on the premises;

H. Provisioning Centers shall continuously monitor the entire premises on which they are operated with surveillance systems that include security cameras. The video recordings shall be maintained in a secure, off-site location for a period of 14 days;

I. Unless permitted by the MMMA and Medical Marihuana Facilities Licensing Act or applicable state law:

(1) public or common areas of the Provisioning Center must be separated from restricted, storage, or non-public areas of the provisioning center by a permanent and locked barrier.

(2) no Marihuana is permitted to be stored, displayed, or transferred in an area accessible to the general public;

(3) Any usable Marihuana remaining on the premises of a Provisioning Center while the Provisioning Center is not in operation shall be secured in a safe that is permanently affixed to the premises;

J. Drive-through window on the premises of a Provisioning Center shall not be permitted;

K. No marihuana plants shall be located in a provisioning center.



- L. Provisioning Center shall not allow the sale, consumption, or use of alcohol or tobacco products on the premises;
- M. No Provisioning Center shall be operated in a manner creating noise, dust, vibration, glare, fumes, or odors detectable to normal senses beyond the boundaries of the building on which the Provisioning Center is operated;
- N. The Permit and State License required by this Ordinance shall be prominently displayed on the premises of a Provisioning Center;
- O. Disposal of Marihuana shall be accomplished in a manner that prevents its acquisition by any person who may not lawfully possess it and otherwise in non-conformance with local and state laws and regulations;
- P. All Marihuana delivered to a patient shall be packaged and labeled as provided by state laws;
- Q. All registered patients must present both their Michigan Medical Marihuana patient/caregiver identification card and a government issued photo identification prior to entering restricted/limited areas or non-public areas of the Provisioning Center, and if no restricted/limited area is required, then promptly upon entering the Provisioning Center;
- R. Certified laboratory testing results that meets the MMMA and Medical Marihuana Facilities Licensing Act or applicable state laws must be available to all Provisioning Center patients/customers upon request.
- S. All Provisioning Centers shall comply with all applicable requirements of the City of the Village of Douglas Zoning Ordinance.

#### **ARTICLE IV General Requirements**

##### **§ 113.50 Compliance with rules; inspections**

- A. A licensee shall strictly comply with the rules and emergency rules that may from time to time be promulgated by the Department.
- B. A marihuana facility and all articles of property in the facility are subject to inspection, search and examination at any time by a member of the Saugatuck Douglas Police Department, the Allegan County Sherriff's Department, or the Department of State Police.
- C. Any failure by a licensee to comply with Department rules or the provisions of this Chapter is a violation of this Chapter and any infraction or violation, however slight, is sufficient grounds for suspension and revocation of licensure under this Chapter.

##### **§ 113.51 Signage and advertising.**

All signage and advertising for a medical marihuana facility shall comply with all applicable local laws or regulations and state laws. It shall be prohibited to:

- A. use advertising material that is misleading, deceptive, or false, or that is designed to appeal to minors.

B. use signage or advertising with the word "marihuana", "marijuana" or "cannabis" or any other word, phrase or symbol commonly understood to refer to marihuana unless such word, phrase or symbol is immediately preceded by the word "medical" in type and font that is at least as readily discernible as all other words, phrases or symbols;

C. place or maintain, or cause to be placed or maintained, an advertisement of Marihuana in any form or through any medium within one thousand feet of the real property comprising a public or private elementary, vocational or secondary school.

D. Advertise in a manner that is inconsistent with the medicinal use of medical marihuana or use advertisements that promote medical marihuana for recreational or any use other than for medicinal purposes;

### **§ 113.52 Warning Signs**

There shall be posted in a conspicuous location in each facility a legible sign containing the content of this section warning that:

A. The possession, use or distribution of marihuana is a violation of federal law;

B. It is illegal under state law to drive a motor vehicle or to operate machinery when under the influence of, or impaired by, marihuana; and

C. No one under the age of eighteen (18) years is permitted on the premises.

### **§ 113.53 Security requirements.**

A. Security measures at all licensed premises shall comply with the requirements of all applicable rules and regulations promulgated by state law.

B. A description of the security plan shall be submitted with the application for a City operating permit. The security system, shall be maintained in good working order and provide twenty-four hours per day coverage. A separate security system is required for each facility.

C. The security plan must include, at a minimum, the following security measures:

(1) Cameras. The medical marihuana business shall install and use security cameras to monitor and record all areas of the premises (except in restrooms) where persons may gain or attempt to gain access to marihuana or cash maintained by the medical marihuana business entity. Cameras shall record operations of the business to the off-site location, as well as all potential areas of ingress or egress to the business with sufficient detail to identify facial features and clothing. Recordings from security cameras shall be maintained for a minimum of forty-five (45) days in a secure offsite location in the City or through a service over a network that provides on-demand access, commonly referred to as a "cloud." The offsite location shall be included in the security plan submitted to the City and provided to the Department of Public Safety upon request, and updated within seventy-two hours of any change of such location.

(2) Use of Safe for Storage. The medical marihuana business shall install and use a

safe for storage of any processed marijuana and cash on the premises when the business is closed to the public. The safe shall be incorporated into the building structure or securely attached thereto. For medical marijuana-infused products that must be kept refrigerated or frozen, the business may lock the refrigerated container or freezer in a manner authorized by the city in place of use of a safe so long as the container is affixed to the building structure.

(3) Alarm System. The medical marijuana business shall install and use an alarm system that is monitored by a company that is staffed twenty-four hours a day, seven days a week. The security plan submitted to the city shall identify the company monitoring the alarm, including contact information, and updated within seventy-two hours of any change of monitoring company.

#### **§ 113.54 Visibility of activities; control of emissions.**

A. All activities of marijuana commercial entities, including, without limitation, the displaying, selling, and storage of marijuana and marijuana-infused products shall be conducted indoors and out of public view.

B. No medical marijuana or paraphernalia shall be displayed or kept in a business so as to be visible from outside the licensed premises.

C. Sufficient measures and means of preventing smoke, odors, debris, dust, fluids and other substances from exiting a marijuana commercial entity must be provided at all times. In the event that any odors, debris, dust, fluids or other substances exit a marijuana commercial entity, the owner of the subject premises and the licensee shall be jointly and severally liable for such conditions and shall be responsible for immediate, full clean-up and correction of such condition. The licensee shall properly dispose of all such materials, items and other substances in a safe, sanitary and secure manner and in accordance with all applicable federal, state and local laws and regulations.

#### **§ 113.55 Reports of crime**

Reports of all criminal activities or attempts of violation of any law at the medical marijuana facility or related thereto shall be reported to Saugatuck Douglas Police Department within twelve hours of occurrence, or its discovery, whichever is sooner.

#### **§ 113.56 Inspection of licensed premises**

A. During all business hours and other times when the premises are occupied by the licensee or an employee or agent of the licensee, all licensed premises shall be subject to examination and inspection by the Saugatuck Douglas Police Department and all other City departments for the purpose of investigating and determining compliance with the provisions of this Chapter and any other applicable state and local laws or regulations.

B. Consent to Inspection. Application for a medical marijuana business license or operation of a medical marijuana business, or leasing property to a medical marijuana business, constitutes consent by the applicant, and all owners, managers, and employees of the business, and the owner of the property to permit the City Manager or his/her designee to conduct routine examinations and inspections of the medical marijuana business to ensure compliance with this chapter or any other applicable law, rule, or regulation. For purposes of

this Chapter, examinations and inspections of medical marihuana businesses and recordings from security cameras in such businesses are part of the routine policy of enforcement of this chapter for the purpose of protecting the public safety, individuals operating and using the services of the medical marihuana business, and the adjoining properties and neighborhood.

C. Application for a medical marihuana business license constitutes consent to the examination and inspection of the business as a public premise without a search warrant, and consent to seizure of any surveillance records, camera recordings, reports, or other materials required as a condition of a medical marihuana license without a search warrant.

D. A licensee, or an employee or agent of the licensee, shall not threaten, hinder or obstruct a law enforcement officer or a City inspector or investigator in the course of making an examination or inspection of the licensed premises and shall not refuse, fail, or neglect to cooperate with a law enforcement officer, inspector, or investigator in the performance of his or her duties to enforce this Chapter, the MMFLA, or applicable state administrative rules.

**§ 113.57 Other laws remain applicable.**

To the extent the State adopts in the future any additional or stricter law or regulation governing the sale or distribution of medical marihuana, the additional or stricter regulation shall control the establishment or operation of any marihuana commercial entity in the City. Compliance with any applicable state law or regulation shall be deemed an additional requirement for issuance or denial of any license under this Article, and noncompliance with any applicable state law or regulation shall be grounds for revocation or suspension of any license issued hereunder.

**§ 113.58 Grant of administrative authority.**

The City Clerk is granted the power and duty to fully and effectively implement and administer the permit application process and issuance of Operating Permit under this Chapter. The City Clerk, after consultation with other City departments, shall promulgate such rules as necessary to implement and administer this Chapter.

**§ 113.59 Required Review.**

Ordinance XX-2018 shall be reviewed by the Planning Commission within two years of the date of adoption. Evaluation of the effect of caregiver operations upon surrounding land uses, the community in general and changes in state law shall factor into consideration of any proposed changes.

**Section 2. Repealer.** All former ordinances or parts of ordinances conflicting or inconsistent with the provisions of this ordinance are repealed.

**Section 3. Severability.** If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, said portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity and enforceability of the remaining portions of this ordinance.

**Section 4. Effective Date.** The provisions of this ordinance shall become effective

and only if an ordinance is adopted by the City Council amending the City Zoning Code to permit the location of medical marihuana facilities in the City.

DRAFT

**CITY OF THE VILLAGE OF DOUGLAS  
JOINT MEETING OF THE PLANNING COMMISSION & CITY COUNCIL  
DOUGLAS CITY HALL - 86 W. CENTER STREET, DOUGLAS, MI  
WEDNESDAY, JANUARY 10<sup>TH</sup>, 2018 - 7:00 P.M.**

**AGENDA**

- 1. Call to Order**
- 2. Roll Call**
- 3. Agenda Changes/Additions/Deletions** - Motion to approve the Planning Commission Agenda of January 10, 2018 as presented (or as amended by the Planning Commission)
- 4. Approval of Minutes:** Motion to approve the Planning Commission minutes of Wednesday, December 13<sup>th</sup>, 2017.
- 5. Written Communications**
- 6. Public Comment related to agenda items only** (limit 2 minutes per person)
- 7. New Business:**
- 8. Old Business:**
  - A. Medical Marijuana Ordinance Review**
- 9. Hear from the Audience** (Limit of 5 minutes for general comments)
- 10. Staff Report**
- 11. Commissioner Comments**
- 12. Adjournment**

**Please Note:** The City of the Village of Douglas is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of this meeting or the facilities, are requested to contact Jean E. Neve, City Clerk (269-857-1438) promptly to allow the City of the Village of Douglas to make reasonable accommodations for those persons.

**2018 CITY OF DOUGLAS SUBMITTAL DEADLINES**

Planning Commission Submittal Deadlines for Rezoning, Site Plan review, Special Land Use, etc.

*Note that if a public hearing is required, projects may need to be submitted one week prior to the stated submittal deadline. Only projects determined complete will be scheduled to appear for consideration before the Planning Commission.*

<b>PC Meeting Date, 7pm</b>	<b>Submittal Deadline by 10am</b>
1/10/18	12/11/17
2/14/18	1/8/18
3/14/18	2/5/18
4/11/18	3/12/18
5/09/18	4/09/18
6/13/18	5/14/18
7/11/18	6/11/18
8/08/18	7/09/18
9/12/18	8/13/18
10/10/18	9/10/18
11/14/18	10/08/18
12/12/18	11/12/18

Zoning Board of Appeals Submittal Deadlines for Appeals, Variances, etc.

*Note that if a public hearing is required, projects may need to be submitted one week prior to the stated submittal deadline. Only projects determined complete will be scheduled to appear for consideration before the Zoning Board of Appeals.*

<b>ZBA Meeting Date, 7pm</b>	<b>Submittal Deadline by 10am</b>
1/23/18	12/11/17
2/27/18	1/2/18
3/27/18	2/05/18
4/24/18	3/05/18
5/22/18	4/02/18
6/26/18	4/30/18
7/24/18	6/04/18
8/28/18	7/02/18
9/25/18	8/06/18
10/22/18	9/04/18
11/27/18	10/01/18
12/26/18	11/05/18