

**CITY OF FERNDALE
REQUEST FOR COUNCIL ACTION**

FROM: Justin Lyons

SUBJECT: Consideration of the Recommendation to Award Three Marihuana Retailer Permits

INTRODUCTION

In accordance with Article XX, Chapter 7, Business Regulation and Licenses, City staff reviewed applications for marihuana retailer permits and is presenting a recommendation for City Council's consideration to award three (3) conditional permits. The City received seven (7) applications between December 1, 2019 and March 1, 2020. As outlined in Sec. 7-214 (7), the completed applications were forwarded to City Council on March 1, 2020. City staff is making the recommendation that the three (3) conditional permits be awarded to 2625 Hilton (LIV Wellness), 1921 Hilton (4D Mar, LLC), and 1551 Academy (AEY Capital). The ordinance provides: "Council shall consider and authorize a permit as prescribed in 7-142(f) until the number of permits authorized for marihuana retailers provided in the zoning ordinance, Sec. 24-165(A)(2) is met." Further background regarding the recommendation for the three (3) permits is included in the Summary and Background, below.

SUMMARY & BACKGROUND

In response to the Michigan Regulation and Taxation of Marihuana Act (MRTMA, 2018), City Council amended the City's zoning and regulatory ordinances in October 2019. The Michigan Regulatory Agency (MRA) began accepting marihuana retailer licensing applications on November 1, 2019 from persons holding a state operating license pursuant to the medical marihuana facilities licensing act (2016 PA 281, MCL 333.27101 to 333.27801). The City began accepting marihuana retailer applications on December 1, 2019 through March 1, 2020.

The City received seven (7) applications during the review period and had Police, Fire, Building, and Planning departments conduct a preliminary review for application completeness. The Planning Manager collected feedback from each department and then completed the rest of the review in alignment with the application criteria listed in Sec. 7-412. Application criteria was influenced by the MRA's emergency rules and incorporated into City ordinance. A copy of the application and associated criteria is attached to the packet.

The seven (7) marihuana retailer applicants include:

- The three (3) existing medical marihuana provisioning centers currently located in the City (2625 Hilton, 1921 Hilton, and 1551 Academy);
- Two (2) locations that were previously medical marihuana facilities. These locations had special land use approval with conditions under prior ordinances and MMMA, but were not licensed through the State as provisioning centers (1916 E 9 Mile, 1521 E 8 Mile); and
- Two (2) applicants (2141 Hilton, 642 E 9 Mile) who do not have any present marihuana business in the City.

After a complete review of each application, staff recommends City Council consider the following three (3) applicants for permits: 2625 Hilton (LIV Wellness), 1921 Hilton (4D Mar, LLC), and 1551 Academy (AEY Capital). When reviewing the applications, each of the seven (7) applicants generally met basic criteria in Sec. 7-412, including having marihuana licenses in the state, proper location and distance requirements in the



permitted zoning districts, etc.. However, the three (3) recommended applicants stood out based on criteria (12):

-(12) Whether the applicant has business experience previously in the city and demonstrates that the applicant has sufficient experience and requisite business experience in the operation of the proposed marihuana establishment.

Each of the recommended applicants provided full details required by the application and ordinance, demonstrated recent redevelopment of property that was previously vacant or unused, and most importantly, operated medical marihuana provisioning centers (specifically in Ferndale).

If City Council selects applicants for the three (3) available marihuana retailer permits, conditional permits would be issued on April 28, 2020, pending a final Certificate of Occupancy. Applicants would have nine (9) months to obtain a state operating license. Similar to the recent marihuana provisioning center report, City staff would provide City Council a report six (6) months after the opening and operation of a marihuana retailer.

BUDGETARY CONTEXT

N/A

CIP#

N/A

ATTACHMENTS

[20190420-Marihuana Retailer Presentation.pptx](#)

[Marihuana Retailer Application.pdf](#)

[CC Supplemental Marihuana Retailer Brief.docx](#)

[Retailer Application Checklist-FINAL.pdf](#)

STRATEGIC PLANNING CONTEXT

Economic Prosperity

RECOMMENDED ACTION

Approve the Recommendation to award three marihuana retailer permits to the recommended applicants, as set forth in the Planning Manager’s report and recommendation, finding the recommended applicants, based on the established competitive application process, are the applicants who are best suited to operate in compliance with the Michigan Regulation and Taxation of Marihuana Act, Initiated Law 1 of 2018, and City’s code of ordinances within the City of Ferndale, with particular emphasis based on the selected applicants’ prior business experience in the City of Ferndale and prior business experience in the operation of licensed marihuana provisioning centers in the City of Ferndale.