



### ***Planning Commission Agenda***

**213 S. Marquette Street, Ironwood, MI 49938  
Memorial Building, Women's Club Room, 2<sup>nd</sup> Floor**

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1. Recording of the Roll
2. Approval of the July 12, 2017 Meeting Minutes.
3. Approval of the Agenda
4. Citizens wishing to address the Commission regarding Items on the Agenda (Three-minute limit)
5. Citizens wishing to address the Commission regarding items not on the Agenda (Three-minute limit)
6. Items for Discussion and Consideration
  - A. Public Listening Session to hear comment on the Medical Marijuana Facilities Licensing Act (2016 PA 281-283) and whether or not the City of Ironwood should consider adopting an ordinance to allow any of the Marijuana Facilities identified in PA 281.
7. Other Business
8. Next Meeting: September 7, 2017
9. Adjournment



**PROCEEDINGS OF THE IRONWOOD PLANNING COMMISSION**  
Thursday, July 12, 2017

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A Regular Meeting of the Planning Commission was held on Thursday, July 12, 2017 in the Women's Club Room, Second Floor of the Municipal Memorial Building in the City of Ironwood, Michigan.

1. Call to Order: Chair Davey called the meeting to Order at 5:00 p.m.

Recording of the Roll:

MEMBER	PRESENT		EXCUSED	NOT EXCUSED
	YES	NO		
Ryan Wood	X			
Burchell, Bob		X	X	
Cayer, Joseph Sr.	X			
Davey, Sam	X			
Lemke, Joseph		X		
Nancy Korpela	X			
Brandon Tauer, ex-officio, non-voting member		X	X	
Silver, Mark	X			
	<b>5</b>	<b>3</b>	<b>Quorum</b>	

Also present: Community Development Director Tom Bergman and Community Development Assistant Tim Erickson

2. Approval of the June 1, 2017 Meeting Minutes:

**Motion** by Silver to accept the June 1, 2017 Minutes. **Second** by Korpela. **Motion Carried 5 to 0.**

3. Approval of the Agenda:

**Motion** by Cayer to accept the Agenda. **Second** by Korpela. **Motion Carried 5 to 0.**

4. Citizens wishing to address the Commission regarding Items on the Agenda (three-minute limit): None.
5. Citizens wishing to address the Commission regarding Items not on the Agenda (three-minute limit): None.
6. Items for Discussion and Consideration:

- A. Public Hearing and Consideration of PC Case 2017-005 Site Plan review for MMHP Dog Park: Davey read the public hearing rules upon opening the public hearing. Bergman introduced the project and stated that the site plan review process doesn't apply to this case. Bergman stated that he followed up on insurance requirements and stated that nothing new would need to be added.

Public comment was opened and Marion True from the City of Ironwood Parks and Recreation Committee addressed the Commission and asked about the potential to build a well for water at the park. The Commission discussed the potential to get a water line in the future.

**Motion** by Silver to the Site Plan. **Second** by Wood. **Motion Carried 5 to 0.**

- B. Comprehensive Plan Implementation Status of Priority Action Items:

- I. Strategy 3.1(a) Update the Zoning Ordinance
  1. Director Bergman stated that the City is waiting for funding to come through the Michigan Economic Development Corporation through the Redevelopment Ready Communities program.
- II. Strategy 3.1(b) Update the Zoning Map
  1. Director Bergman stated the zoning map update will wait until funding comes through for the zoning ordinance.
- III. Strategy 4.2 Prepare a Wayfinding Master Plan
  1. Director Bergman stated that the City was unsuccessful with obtaining a grant for entrance signs to the City but, also stated that the City has budgeted for one sign to be placed for the current year.
- IV. Strategy 4.4 Prioritize, plan for and construct pedestrian system improvements.
  1. Director Bergman stated that the City Commission will be doing a workshop to discuss the policy.

7. Other Business: Director Bergman stated that the next meeting will discuss the new Medical Marijuana Laws. Cayer discussed his frustration with a current Pure Michigan ad that left the Western UP out of the picture.
8. Next Meeting: August 3, 2017 at 5:00 p.m.
9. Adjournment:

**Motion** by Cayer to adjourn the meeting. **Second** by Silver. **Motion Carried 5 to 0.**

Adjournment at 5:32 p.m.

Respectfully submitted

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Sam Davey, Chair

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Tim Erickson, Community Development Assistant

Notice of Public Listening Session  
Ironwood Planning Commission

Notice is hereby given that a Public Listening Session will be held by the Ironwood Planning Commission on Thursday, August 3, 2017 beginning at 5:00 P.M., 213 S. Marquette Street, Ironwood, Michigan 49938, Conference Room #1, 2<sup>nd</sup> Floor.

The purpose of the session is to hear comment on the Medical Marijuana Facilities Licensing Act (2016 PA 281-283) and whether or not the City of Ironwood should consider adopting an ordinance to allow any of the Marijuana Facilities identified in PA 281.

Interested persons will have the opportunity to be heard at the time and place in this notice. Written comments can be submitted to the Ironwood Planning Commission, 213 S. Marquette Street, Ironwood, Michigan 49938, prior to the scheduled Public Listening Session. Pertinent information is on file and available in the Community Development Office, Memorial Building, Ironwood, MI during normal business hours.

**Please Run ad on July 24, 2017**

## Medical Marihuana Facilities Licensing Act

### Introduction

On September 21, Governor Snyder signed a package of bills (2016 PA 281-283) that significantly expand the types of medical marihuana facilities permitted under state law, and establishes a licensing scheme similar to the scheme for liquor licenses. Notably, these bills do not require a state license to operate as a primary caregiver under the Michigan Medical Marihuana Act, nor do they allow municipalities to prohibit operation as a primary caregiver. The existing regulatory scheme regarding primary caregivers remains in effect.

### Requirements under the new Act

Among other things, the legislation:

1. Legalizes the medical use of marihuana-infused products, commonly known as “edibles,” for purposes of state law.
2. Creates the Medical Marihuana Licensing Board within the Michigan Department of Licensing and Regulatory Affairs (LARA) to issue licenses for various medical marihuana facilities.
3. Requires an annual license for any of the following entities to operate a marihuana facility:
  - Growers—licensees that cultivate, dry, trim, or cure and package marihuana for sale to a processor or provisioning center. Registered patients and primary caregivers who lawfully cultivate marihuana in the quantities and for the purposes permitted under the Medical Marihuana Act are not considered “growers” under the new legislation.
  - Processors—licensees that purchase marijuana from a grower and extract resin from the marijuana or create a marijuana-infused product for sale and transfer in packaged form to a provisioning center.
  - Provisioning centers—licensees that purchase marihuana from a grower or processor and sell, supply, or provide marihuana to patients, directly or through the patient’s caregiver.
  - Secure transporters—licensees that store marihuana and transport it between marihuana facilities for a fee.
  - Safety compliance facilities—licensees that receive marihuana from a marihuana facility or primary caregiver and test it for contaminants and other substances.
4. Allows municipalities to choose whether to allow any of these marijuana facilities within their jurisdictions. If the municipality takes no action, none of the facilities are allowed. A municipality that wishes to allow these facilities must enact an ordinance explicitly authorizing them.
5. Authorizes municipalities to charge an annual fee of up to \$5,000 on licensed marihuana facilities to defray administrative and enforcement costs.
6. Authorizes municipalities to adopt ordinances relating to marihuana facilities within their jurisdiction, including zoning ordinances.
7. Prohibits municipalities from imposing regulations regarding the purity or pricing of marihuana or interfering or conflicting with statutory regulations for licensing marihuana facilities.
8. Requires municipalities to provide to the Medical Marihuana Licensing Board within 90 days after notice that a license application was filed: (a) a copy of any ordinance authorizing the marihuana facility, (b) a copy of any zoning regulation applicable to the facility, and (c) a description of any previous medical-marihuana related ordinance violation.
9. Exempts from FOIA disclosure any information a municipality obtains in connection with a license application.
10. Requires the state to establish a “seed to sale” computer tracking system to compile data regarding marihuana plants throughout the chain of custody from grower to patient. The system will be able to provide this data in real-time to local law enforcement agencies.

This publication was written by the law firm of Dickinson Wright.



## Medical Marijuana in Michigan

### WHAT HASN'T CHANGED?

Initiated Law 1 of 2008, the Michigan Medical Marijuana Act, MCL 333.26421 et seq., is unaffected by the new legislation. Patients and qualifying caregivers, as defined by the Act, continue to be protected from "arrest, prosecution, or penalty in any manner, or denial of any right or privilege, including, but not limited to civil penalty or disciplinary action by a business or occupational or professional licensing board or bureau for medicinal use or possession of marijuana." Medicinal use means:

*The acquisition, possession, cultivation, manufacture, use, internal possession, delivery, transfer, or transportation of marihuana or paraphernalia relating to the administration of marihuana to treat or alleviate a registered patient's debilitating medical condition or symptoms associated with the debilitating medical condition.*



Nonetheless, marijuana continues to be classified as a Schedule 1 drug under the Michigan Public Health Code, i.e. one that has high potential for abuse and has no accepted medical use in treatment in the United States or lacks accepted safety for use in treatment under medical supervision. Federal law continues to construe the possession and/or distribution of marijuana as a crime. The United States Supreme Court has ruled that, under the Constitution's Commerce Clause, Congress may ban the use of cannabis, even where states approve of its use. However, the current Department of Justice targets marijuana distributors only when they violate state and federal law.

### WHAT HAS CHANGED?

On September 22, 2016, Governor Snyder signed three new bills that expand the regulatory framework affecting medical marijuana in Michigan. These are Public Acts 281-283 of 2016, which provide, respectively, for the licensing of "marijuana facilities," as defined therein, for the creation and use of marijuana-infused products (such as "edibles" and oils), and the tracking of medical marijuana from seed to sale. Of these, PA 281, the Medical Marijuana Facilities Licensing Act, MCL 333.27101 et seq., is the one which will be of particular interest to local units of government, both because it provides a range of land uses that the state will be licensing, which a municipality may choose to allow within its jurisdiction, and because there are license fees, and potential tax-sharing revenue, available to municipalities related to those facilities. PA 281 will become effective on December 20, 2016, and it provides that licensing of marijuana facilities, by the State, will begin 360 days after its effective date, i.e. in December of 2017. Thus, municipalities also have about that long to consider what actions they

would like to take in response to it, though proprietors will certainly want to be securing sites in anticipation.

## **MARIJUANA FACILITIES**

PA 281 authorizes five kinds of marijuana facilities:

1. Class A-C Growers (500-1,500 plants);
2. Processors;
3. Secure Transporters;
4. Provisioning Centers (commonly called dispensaries); and
5. Safety Compliance Facilities (testing labs).

## **LOCAL REGULATION**

A municipality may adopt an ordinance to authorize one or more of the five types of marijuana facilities within its boundaries and to limit the number of each type of marijuana facility, but shall not impose regulations regarding the purity or pricing of marijuana or interfering or conflicting with statutory regulations for licensing marijuana facilities.

## **TAXES AND FEES**

Act 281 imposes a 3% excise tax on the retail sale of medical marijuana by licensed provisioning centers. This tax goes into a single fund administered by the State Treasury, with 60% being returned to municipalities and counties as follows:

- 25% to municipalities in which a marijuana facility is located;
- 30% to counties in which a marijuana facility is located;
- 5% to counties in which a marijuana facility is located, to be used exclusively to support the county sheriffs.

The "shared funds" to a municipality or county will be allocated in proportion to the number of facilities within its boundaries compared to the total number of facilities in the state, without regard for the size or sales of each facility.

Based upon the estimates of the Senate Fiscal Agency, municipalities in Michigan are expected to receive \$5.3 million annually in revenue from the excise tax, shared in proportion to the relative number of facilities that they have. In addition, the State has indicated its intention to apply the sales tax to the retail sales of medical marijuana.

Municipalities that choose to regulate marijuana facilities are also authorized to charge up to a \$5,000 annual license fee per facility to administer their regulatory program.

## **POLICY CONSIDERATIONS**

Michigan municipalities face a host of policy considerations in response to the new law. The medical marijuana industry is likely to generate a great deal of economic activity. Communities must consider whether any of the newly licensed land uses fit the character of the community, and the values of its residents and other key stakeholders. Are there facilities in your community that might be rehabilitated if they are made available for marijuana facilities, which would otherwise not? Do you, as a community, feel that medical marijuana products should be readily accessible, at retail, to qualifying patients and caregivers in your community? Do you want to share in the excise tax revenue that the state will collect?

At the same time, there are unanswered questions regarding the interrelationship between the new law and the Michigan Zoning Enabling Act. Under the latter's exclusionary zoning prohibitions, will municipalities have a duty to provide for marijuana facilities if there is a demonstrated need? Regardless, if those facilities are to be allowed, where do they belong?



We are recommending that communities have an informed policy discussion regarding the approach they will take to the regulation of land uses associated with the new medical marijuana distribution system. Our planners are considering thoughtful ways for communities to address this new legislation and will assist you with that process. Contact Greg Elliott, AICP, or your McKenna planner for more information.

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## Scott Erickson

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**From:** Dean Law Office, P.C. <tmdean@westernuplaw.com>  
**Sent:** Wednesday, October 5, 2016 11:33 AM  
**To:** Scott Erickson  
**Subject:** Medical Marijuana Facilities Licensing Act

Scott:

This is just a brief overview of the licensing act effective 12/20/16. The purpose of the act is to license and regulate medical marijuana growers, processors, centers, transporters, and facilities. It establishes a licensing board.

Section 205(1) provides that a facility shall not operate in a municipality unless the municipality has adopted an ordinance that authorizes that type of facility. Facility means a location at which a license holder is licensed to operate under the act.

A municipality may adopt an ordinance to authorize one or more types of facilities within its boundaries and to limit the number of such facilities. A municipality may adopt other ordinances relating to such facilities including zoning regulations.

A municipal ordinance may establish an annual nonrefundable fee of not more than \$5,000 on a licensee to help defer costs associated with the operation of a facility in the municipality.

Information a municipality obtains from an applicant related to licensure under the act is exempt from FOIA.

A municipality shall provide certain information to the licensing board within 90 days after it receives notice from the applicant that she or he has applied for a license under the act.

Beginning 360 days after the 12/20/16 effective date of the act a person may apply to the board for licenses as a grower, processor, center, transporter, and facility. Information to be provided in the application includes a copy of the notice informing the municipality by registered mail that the applicant has applied for a license plus certification that applicant has delivered the notice to the municipality or will do so by 10 days after the application is submitted.

An applicant is ineligible to receive a license if any of certain circumstances exist including the board's determination that the applicant is not in compliance with section 205(1). Again, that section provides that a facility shall not operate in a municipality unless the municipality has adopted an ordinance authorizing that type of facility. A medical marijuana facility simply means a location at which a license holder is licensed to operate under the act.

The state will impose a 3% tax on a provisioning center's gross retail profits. The tax only applies to a commercial entity that buys from a grower or processor and sells it at retail to patients or caregivers. The money is allocated 25% to a municipality, 30% to the county, 5% to the sheriff, 30% to the state, 5% to police training, and 5% to the MSP.

I'm sure the MML and MTA will provide lots of information as we get closer to the effective date. Feel free to contact me if you have any questions.

Tim  
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