



**ACME TOWNSHIP ADULT USE MARIHUANA
COMMITTEE MEETING
Remote Zoom Meeting
Wednesday, October 28, 2020 7:00 a.m.**

CALL TO ORDER WITH PLEDGE OF ALLEGIANCE at 7:10 a.m.

ROLL CALL: Members present: D. White, A. Jenema, D. Hoxsie

Staff present: J. Jocks, Legal Counsel (called in), L. Wolf, Planning & Zoning Administrator

A. LIMITED PUBLIC COMMENT: Open at 7:11 am

Greg Klinger, Redbud Roots, thanked the committee for their attention to recreational marihuana use.

Brian Kelley, Acme resident, voiced his concerns on processing marihuana in the agriculture district, he feels it should be an industrial use. He also felt there could be contamination from the discharge of wastewater from these operations into the ground water. Too many provision centers in the corridor, could dominate the look and change the tone of a small community.

Tony Goff, Nature’s Releaf, thanked the committee for addressing the ordinance for recreational marihuana use.

Public comment closed at 7:13 am

B. APPROVAL OF AGENDA:

Motion by Jenema to approve the agenda as presented, supported by Hoxsie. Roll call motion carried unanimously.

C. INQUIRY AS TO CONFLICTS OF INTEREST: None

D. CORRESPONDENCE:

- 1. Greg Klinger – MRA Municipal Guide

E. OLD BUSINESS: None

F. NEW BUSINESS:

1. Discussion and recommendation of adult use licenses: type, number, fees

Jenema informed there is a spreadsheet in the packet to summarize what there is with medical marihuana facilities in the township and what the potential could be if allowed in each district.

For medical marihuana in Commercial there is 1 provision center, in A-1 processor 2 licenses out but not in operation, B-4 provision center, 3 licenses out only one in operation, B-4 processor 3 licenses 2 now have renewed and none in operation, B-4 Transporter 3 licenses 1 now renewed and none in operation. B-4 Safety Compliance 3 licenses only one renewed.

White said they need to figure out for recreational how many of each category and classes of licenses to allow for the board to discuss.

Jenema reported there is different classes that limit the amounts of plants grown and what type of space in a building is needed. She asked Redbud Roots to help clarify.

Alex Leonowicz, Redbud Roots, said their first grow of 1,500 plants was in a space of roughly 10,000 square feet with a medical license in Class C. The amount of plants for a medical license for each class is A 500, B 1000, and C 1500. Recreational adult use for plants are A 100,

B 500, and C 2000.

Jenema asked if there were certain times when there is a stronger odor coming from the buildings when in use then other times. Alex said there is, carbon filters can be used to cut down the smell significantly but not all municipalities required this in their ordinance. In certain times like when it rains the smell can be stronger.

Jenema's had concerns in the agriculture districts, she felt there should be additional setbacks because of the impact they could have.

Wolf said the amount for setbacks, filtration and screening would need to be in the zoning ordinance.

Jenema asked in the agriculture district what would be the things that would give owners a comfort level to have processors and growers of marihuana facilities in their district. White thought it would be the filtration and further setbacks.

Alex said the ventilation systems in the buildings run 24/7. There are stand-alone ones and independent H-back units with filters in them that move the air within the room.

Wolf said sounds and light requirements would need to be looked at too.

White wondered on the wastewater running off and asked Alex what amount of water they use when watering the plants.

Alex informed when watering plants it takes up to 500 to 1000 gallons a day for their Class C 1500 plant operation. Most of the run-off water evaporates in the rooms creating moisture that ultimately ends up in the sewer system. He would be surprised if someone open a cultivation facility without first looking at the water system. The first thing his company does when looking for a spot, is to look for a good water supply. It is most crucial for the plants.

Jenema said realistically a Class C grower would look for an area with water and sewer system, where potentially the smaller facilities with 100-500 plants could work with a septic system and well. Alex said a smaller facility could get away with that but not a larger one.

Jenema felt since there are two medical growers in the agriculture district, they could allow two for recreational and change the medical classes to match up with them. She contacted Jeff Jocks to call in to verify if they could restrict the licenses for classes A & B in the agricultural district or would they be opening themselves up to problems by modifying the already licensed medical. They could apply some restrictions on class A & B in the agriculture district with filtration, air and where the wastewater is going.

Wolf would like this as a special use instead of as a zoning ordinance site plan review. It would give the township more protection, the neighbors would have the opportunity to speak out their concerns at a public hearing and gives the board final authority for approval.

Jenema said with medical recreation licenses currently do not have these restrictions.

Jeff Jocks called in and Jenema asked if they could with a special use in the agriculture district allowed for two licenses for growers and two for processors in only Class A & B for recreational marihuana? Currently they allow Classes A, B & C for medical. Can they modify the medical to matched up with recreational even though licenses have already been issued? Jocks said he didn't see anything that would restrict or prevent the township from limiting a recreational grower to Class A or B licensing only in the Agriculture District. Because the medical licenses have been issued, he felt there could be trouble with restricting the current medical licenses from having Class C.

Jenema informed him because they have already issued the medical licenses, the zoning ordinance

currently does not even have a special use or site plan review for the growers on their filtration, air and wastewater which can cause issues. Can the township now have both medical and recreational go through a special use process before they actually open? Even for the medical licenses that have been issued? Jocks will work on this with the committee.

Jenema said to verify their discussion, would be to have restrictions be for Class A & B in agriculture district with special use permit to cover any issues. She asked Alex as a processor what do they need as far as water and sewer? Does a processor use less than a grower?

Alex said with processing the water usage depends on the extraction method they use. There are two ways to do it, butane propane or co2. Their facility is 2500 square feet which is large for processing, the area doesn't need to be this big. There is nothing different in the electrical draw, just the butane propane which a lot of farmers already have so it is not foreign.

Jenema said she knew growing and processing are separate licenses but wondered if they could be done by the same company, or if they needed to be in different facilities.

Alex said they do both at theirs, but some facilities do only either growing or processing. The larger companies have both, those that are just getting into the business would go with just one to start. They are totally different skill sets, facilities, and usages.

Jenema asked since he is also a grower, do they process other people's plants too? Alex said they take in from other growers and it doesn't matter how the plant looks. You can process it to be used for edibles, lotions, and vapor cartridges.

White asked if the growing and processing can be done in the same building?

Alex said there is an advantage to doing that. Michigan doesn't require to have a secured transporter if you are moving it from a grower to a processor. The building needs to be tried together but does need to have separate entrances and exits. That is why a lot of companies are doing it in the same space.

The committee agreed a special use in the agriculture would be needed.

Growers and processors in B-4 would be more regulated because they need water and sewer.

The committee felt the Secure Transporters and Safety Compliance would not be an issue to allow. The safety compliance is a testing facility. Jenema asked Alex do they test other products other than marihuana?

Alex thought possibly except it could have the potential of contamination. There is very sensitive testing standards for cannabis safety. He explained they test per pound and have a transport fee. The more testing they do the more beneficial it is. Everything that comes through needs to be tested both from the grower and processing side.

The committee was comfortable with allowing three of each Transporter and Safety Compliances in B-4 districts for licenses.

Jenema stated the provision centers was the most controversial with the board for recreational use. Currently with medical, there is one allowed in the commercial district and three in B-4, with none in agriculture or residential. She felt her comfort level would be to allow one in the commercial district. The concern is there is a whole different system to follow when choosing for recreational licenses than there was for medical. Jeff Jocks has given them requirements from the Department of Licensing and Regulatory Affairs Marihuana Regulatory Agency Marihuana Licenses. Jocks will help write an ordinance that will work with the medical and not open the township up to having them all along the commercial corridor.

Alex informed the medical portion of their sales is 25% with many of their stores having both medical and recreational use. Some cities and townships require to have a medical license for them to get an adult use recreational one. This is to prevent someone coming in that doesn't have medical already to take one of the recreational licenses and creating additional marihuana facilities in their towns.

White asked him to verify that people were not able to apply because it was in their ordinances.

Alex told White he should check to be sure, but he thought that was the case. Traverse City allowed recreational licenses that were not medical and now they have numerous facilities of both around the area.

Brian Chouinard, Natures Releaf, made a comment there is more traffic with recreational marihuana then with medical.

Jenema said the board felt on the medical side there was a need in the community that it helped.

The Committee agreed that a facility should have a medical license already when applying for a recreational one.

Jenema wondered if the ones chosen for recreational, could be done by using a merit system by already being open for medical business and in good standing.

Wolf said Jocks could do the police power ordinance and have a special use. She said there is a fee of \$500 to apply for licenses. White felt that was low. Jenema suggested to figure out how many hours it took to work on the initial application and renewals and base the fee accordingly. They could then give those recommendations to the board.

The committee's summary of recommendations to the board, was to have one recreational license in commercial provision center using a site plan review with the criteria of filtration, water, and sewer. Two A-1 Processors only in class A & B with special use permit and the criteria. With the B-4 Provision Center, Hoxsie and Jenema agreed to allow three with White only one, all agreed with a site plan review, criteria adding traffic concerns. B-4 Processor to allow three licenses with site plan review and criteria. Transporter and Safety Compliance to allow three.

Cost of fees, White and Hoxsie recommended \$5000 and \$2000 and Jenema felt \$3000 and \$1500. They all agreed to work with Jocks on establishing a merit base system and setbacks in the zoning ordinance.

G. PUBLIC COMMENT: Open at 9:10 am

Brian Kelley, Acme resident, stated the calendar on the township website is not being updated with cancellations and new meetings.

White informed Brian they are working on the problem and will have it corrected.

ADJOURN: Motion by Jenema to adjourn, supported by Hoxsie. Roll call motion carried unanimously. Meeting adjourned at 9:12 am.



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