

ORDINANCE NO. 2181
CITY OF MADISON HEIGHTS
OAKLAND COUNTY, MICHIGAN

AMENDMENT TO THE CODE OF ORDINANCES

An Ordinance to amend Ordinance No. 571, being an Ordinance codifying and adopting a new Code of Ordinances for the City of Madison Heights by amending Article XVI, Chapter 7, Section 7-308 of the Code of Ordinances, City of Madison Heights, Michigan, to set the number of licenses for allowed Medical Marihuana Facilities and to amend scoring criteria for Medical Marihuana Facilities, to protect the public health, safety and welfare.

THE CITY OF MADISON HEIGHTS ORDAINS:

SECTION 1. Amendment.

That Article XVI, Chapter 7, Section 7-308 of the Code of Ordinances, City of Madison Heights, Michigan, are amended in their entirety to read as follows:

ARTICLE XVI. – MEDICAL MARIHUANA FACILITIES

Sec. 7-308. – Scoring and Selecting Applicants.

- (a) In the event the City receives more eligible applications for a specific type of city license than is authorized by the City, the City shall select the Applicant or Applicants most suitable to operate its facility based on an objective and competitive process. This process is subject to the provisions of this Section. This process is only necessary if the City receives more eligible applications than is authorized for any given type of Medical Marihuana Facility.
- (b) A three person panel consisting of the City Manager, City Attorney, and Chairperson of the City's Planning Commission, or their designees, on behalf of the City shall assess, evaluate, score, and rank all impacted applications and authorize the City's issuance of all Marihuana licenses to those Applicants receiving the highest score. In its application assessment, evaluation, scoring, ranking, and deliberations, the City shall assess, evaluate, score, and rank each application based upon a scoring and ranking procedure developed by the City consistent with the requirements, conditions, and provisions of this Section. The detailed scoring and ranking system shall be provided to each Applicant and included in the application materials developed by the City.
- (c) Initial scoring and ranking shall be conducted and applied by the City on the basis of assigned points from zero (0) points to two hundred (200) points with the lowest overall total score as zero (0) points and the highest possible total score being two hundred (200) points. In the City's selection process, If no application receives a score higher than 170 in this process, the City reserves the right to reject all applicants.

Scoring categories include, and are limited to the following scoring points and criteria:

- (1) The content and sufficiency of the information provided by Applicant in the application. The maximum number of scoring points in this category shall be ten (10) points;
- (2) Whether the Applicant's proposed use is consistent with the land use for the surrounding neighborhood and will not have a detrimental effect on traffic patterns, health, welfare or safety of residents or abutting properties. All proposals must be entirely located in the designated "green" zone from the map approved by City Council. The maximum number of scoring points in this category shall be ten (10) points;
- (3) Planned neighborhood physical area improvement on behalf of the Applicant, and whether the Applicant or its stakeholders have made, or plan to make, significant physical improvements to the area around the property or other areas contiguous to the property that would include, but not be limited to, plans to eliminate or minimize traffic, noise, and odor effects on the surrounding neighborhood and improve the surrounding neighborhood and area. Planned outreach may also include plans to make significant physical improvements to other local private or public roads, right of ways, alleys, parks or any other private or public property that would benefit the surrounding area. The maximum number of scoring points in this category shall be twenty (20) points.
- (4) The business probity, moral reputation, and relevant criminal history of Applicant or any of its stakeholders; Whether the Applicant or any of its stakeholders have a clean record of acts detrimental to the public health, security, safety, morals, good order, or general welfare prior to the date of the application; Whether the Applicant or any of its stakeholders have owned similar marihuana industry businesses in the nation with solid business practices. The maximum number of scoring points in this category shall be twenty (20) points.
- (5) Whether Applicant and its stakeholders have made or plan to make significant capital improvements to the proposed facility, the surrounding neighborhood, and/or the City. This includes, but is not limited to:
 - (A) The total overall capital investment in funds to be invested in the renovations to the parcel that will house the proposed marijuana business including the increase in taxable value, including the overall investment in equipment, fixtures, and other related items;
 - (B) The total number of years that a property or site, to be renovated by the Applicant, has been vacant;

- (C) How significant the upgrades or renovations to the property and surrounding area are, such as, but not limited to: the extent of renovations to an existing building or buildings; the extent of new construction of a building or buildings; the extent of renovation to a location or site that may involve a derelict property involved site or other like condition on the property; the overall size of the site and building or buildings of the proposed renovations;
- (D) Whether or not the property to be improved has an environmentally friendly design and environmentally friendly production and stormwater management design and plans that improve green infrastructure of the city;
- (E) The extent of, and additions to or extra security measures taken above the minimum security measures required under state law; the extent of, and additions to or other extra measures taken above the state minimum requirements for growing, processing, testing, transporting or selling medical marihuana;
- (F) The extent of upgrades and renovations to the landscaping, parking, lighting and similar to the site and surrounding area.

The maximum number of scoring points in this category shall be fifty (50) points.

- (6) Whether Applicant and its stakeholders have reasonably and tangibly demonstrated that it possesses sufficient financial resources to fund, and the requisite business experience to execute its business plan and proposed operations in its application; Whether Applicant or its stakeholders have disclosed the total investment dollar amount and supplied supporting documentation to support the estimate; Whether Applicant and its stakeholders have reasonably and tangibly disclosed its funding sources and relevant background of those funding sources; The maximum number of scoring points in this category shall be twenty (20) points;
- (7) The number of full-time and part-time positions anticipated by Applicant, and whether Applicant has articulated plans or strategies to attract, hire and retain employees that are residents of the City. Whether Applicant has articulated plans or strategies in providing competitive compensation, benefits or educational programs to its employees. The maximum number of scoring points in this category shall be ten (10) points;
- (8) Whether Applicant has obtained, is likely to obtain, or plans on obtaining additional City Licenses and State operating licenses, under the MMFLA and Michigan Regulation and Taxation of Marihuana Act (MRTMA), at its proposed location in the City to co-locate a Medical Marihuana Facility Class C Grower, a

Processor and Provisioning Center and Adult-Use Marihuana Establishment Class C Grower, Processor and Retailer at a single location or site within the City. Applications that incorporate, or co-locate, a licensed Class-C grower, licensed processor and licensed provisioning center and retailer in the same location, in strict compliance with the conditions and provisions of the MMFLA, MRTMA the Administrative Rules and this Article and Article VII in Section 7 of the City's Code of Ordinances for the operation of these separate licenses at the same location, for each type of license, shall be considered more preferential than single license locations for these specific types of licenses. The maximum number of scoring points in this category shall be forty (40) points;

- (9) Whether the planned signage for the proposed location is detrimental to the public health, security, safety, morals, good order, general public welfare or image of the City or is of a nature that is consistent with the land use for the surrounding neighborhood and of such a design and location that is in harmony with the purpose and intent of this Article. This includes, but is not limited to, the size, location, construction materials of the sign and/or design of the sign, logos, or lighting. The maximum number of scoring points in this category shall be ten (10) points.
- (10) Applicant agrees that is selected, issuance and renewal of Licenses is contingent on joining and participating in the city's Marihuana Community Advisory Committee. Licenses agree to donate \$25,000 annually plus provide 1% of annual net profits for the Marihuana Community Advisory Committee payable to the City of Madison Heights. Further the applicant will appoint one-member to serve on the Community Advisory Committee for the review and consideration of funding awards and community outreach. The maximum number of scoring points in this category shall be ten (10) points.
- (d) The City may engage professional expert assistance in performing the City's duties and responsibilities under this Section.
- (e) After the City has processed and scored all eligible applications, the City shall prepare a summary and report listing the overall score and basis for this determination for all eligible applications. The City shall then notify the selected Applicants of the granting or denial of a license.
- (f) The City may establish additional application periods for Applicants seeking new licenses for eligible medical marihuana facilities within the City, as needed, via resolution of City Council.
- (g) Any City license issued under this Article must be established, a Certificate of Occupancy issued, and full compliance achieved in accordance with its application for such license and any relevant City ordinances regulating Marihuana Licensees within six months of issuance. Licensees delinquent in satisfying the requirements of this

Section within the required time shall either post a surety bond of fifty thousand (\$50,000.00) dollars to assure imminent compliance or immediately surrender the license. Upon filing a surety bond, Licensee has an additional ninety (90) days to achieve compliance with the requirements of this Section or the surety bond amount shall be forfeited to the City and the license revoked. Licensee may appeal such a revocation to a hearing officer appointed by the City Council as allowed under Sec 7-33. The surety bond amount will be returned to the Licensee within twenty (20) days of compliance with this Section if it has not been forfeited. The City may extend the time periods for Licensee compliance of this Section at sole discretion of City Manager for extraordinary circumstances. Failure by a Licensee to post a surety bond or relinquish a license in accordance with the provisions of this Section are punishable pursuant to Sec 1-7.

SECTION 2. Repealer.

All ordinances, or parts of ordinances, in conflict with this ordinance are repealed only to the extent necessary to give this ordinance full force and effect.

SECTION 3. Severability.

Should any section, subdivision, clause, or phrase of this ordinance be declared by the courts to be invalid, the validity of the ordinance as a whole, or in part, shall not be affected other than the part invalidated.

SECTION 4. Savings.

All proceedings pending and all rights and liabilities existing, acquired or incurred at the time this ordinance takes effect, are saved and may be consummated according to the law in force when they were commenced.

SECTION 5. Effective Date.

This ordinance as ordered shall take effect ten (10) days after its adoption and upon publication.

SECTION 6. Inspection.

A copy of this ordinance may be inspected or purchased at the City Clerk's office between the hours of 8:00 a.m. and 11:30 a.m. and between the hours of 12:30 p.m. and 4:30 p.m. on regular business days.

Roslyn Grafstein, Mayor

Cheryl Rottmann, City Clerk

CERTIFICATION:

I, Cheryl Rottmann, the duly appointed City Clerk of the City of Madison Heights, County of Oakland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the Madison Heights City Council at their Regular Meeting held on June 13, 2022.

Cheryl Rottmann, City Clerk

Ordinance 2181

City Council First Reading: May 9th, 2022

City Council Second Reading: June 13th, 2022

Adopted: June 13, 2022

Published: MPN June 22, 2022

Effective: June 22, 2022

First Reading 5/9/22
Second Reading 6/13/22
Effective: 6/22/22