

**CITY OF EVART
SPECIAL COUNCIL MEETING
Wednesday, October 14, 2020 @ 7:30PM
(Virtual and in person)**

The meeting was called to order by Mayor John Joyce at 7:30pm.

Present (via roll call): Ralph Carlson, Dan Elliott, Matt Hildebrand, Mayor Joyce, Sandy Szeliga (Mayor Joyce attended via Zoom, all others in person)

Present (in person): City Manager Sarah Dvoracek, Assistant City Manager Mark Wilson, City Attorney Jessica Wood, City Clerk Kathy Fiebig

Present (via Zoom): Finance Director/Meeting Host Pepper Lockhart

Guests (in person): Bre Grabill, Carol Wojak, Angela Hunter, Chris Emerick, Sean Duffy, Ken Wirth, Jessica Kolenda, Jim Schwab, Karen Higgins, Lynn Salinas, Eric Schmidt, Shannon Schmidt, Dan Kleeves, Rebecca Tea, Police Chief John Beam, Sheriff's Deputy Mark Cool

Guests (via Zoom): Mechelle Farrell, Molly Cataldo, Victoria Martin, Chuck Strange, Kevin Keuthe, Kate Wilson, Jenny, phone # ending 3960, Scott Farrell, Laurie Chase, Kenzie Wirth, Jason O'Dell, Connie Douglas, Sandra Kelle, Mallas

PUBLIC HEARING – To hear citizens' comments regarding amending the marijuana facilities ordinance and addressing the following items:

- a. Require all applicants to be pre-qualified by the State of Michigan before they apply to the city
- b. Adopt a competitive process by a point system
- c. Increase the number of licenses allowed in the city for the following types of licenses:
 - Grower Facility: Increase from two (2) to six (6)
 - Excess Grower Facility: Increase from 2 (two) to 6 (six)
 - Processor Facility: Increase from 2 (two) to 6 (six)
 - Provisioning Center/Marihuana Microbusiness: NO CHANGE
 - Safety Compliance Facility: NO CHANGE
 - Secure Transporter: NO CHANGE

Citizens Comments (edited for space):

Eric Schmidt: "I know that a lot of work has been put into this and I know that a lot of folks find it confusing. There's a lot of lawyer talk. In my opinion, there are a lot of things in the current ordinance that aren't even being followed. The facility we have have now hasn't even been perfected yet you want to allow four more facilities. The odor is a problem and a lot of people are tired of it. Sarah, City Manager, has mentioned that the laws are constantly changing. I would say give it a rest. Let's go 365 days and see how this works out. Marijuana is still against federal law. There's nothing saying that someone can't come in three years from now and shut down the whole operation. Then we have a bunch of empty buildings. I feel like you're rushing things. I'm happy you've had a public hearing, but I feel like you've already made up your minds. Listen to the people. Your constituents voted marijuana down."

Rebecca Tea: "I'm a business owner in town. I just have a couple of questions about some of your language of your proposed changes. On one of your papers you call it a "provisioning

center” and on another you call it a “provisioning center/marihuana microbusiness.” Which one is correct? I would also like to know what an “adult use establishment” is. I’m assuming that’s a smoke place where you can go and consume it? Can you explain these differences?”

Ms. Wood stepped in to explain that there would not be any back and forth during public comments. Ms. Tea said she understood that and made the request that her questions be answered later in the hearing. Ms. Wood agreed to do so.

Dan Kleeves: “We all have kids and we’ve all taught them that marijuana is bad. And as far as revenue is concerned, do you have a number? I’m curious. I know that some of you tonight are going to vote in favor of this because you’re seeing dollars. The rest of us, the citizens of Evart, have not gotten one single vote on this. We need a voice. We might want to say “wait a minute. Maybe this isn’t the best thing for Evart”. I don’t like passing that place very day. It breaks my heart to see young kids in line there. I know they’re not using it medically. I have nothing against medical marijuana. I have no problem with people using it in your own home. That’s your own business. But when you put it on a street corner, when you put it on my street corner, that’s gotta affect you. Lume doesn’t care about us. Lume doesn’t care about the city. They’re the ones making the money. We’re not.”

Pepper Lockhart (meeting host) reading for Mechelle Farrell: I live at 510 N Cedar Street and am a business owner on Main St. I’ve had a theft increase in my store the past few months and I cannot believe this is even up for a vote. I’m appalled this is even on the table. Thank you.”

Ms. Lockhart reading for Connie Douglas: “There are billboards on 131 coming from Traverse City and Grand Rapids advertising Evart and marijuana. We don’t need to be known as the marijuana spiral of the world. Please consider leaving it as it is now. Sorry, marijuana capital of the world.”

Lynn Salinas: “I own a business downtown and have a rental building downtown. I understand you’re rewriting portions of the first ordinance. The question I have is why at this time do you feel the need to change the number of licenses? Thank you.”

Carol Wojack: “I’m a concerned citizen. How has this already affected the city with law enforcement? Have there been changes? More people coming into the town? Has there been more crime? We have law enforcements officers here—I’d like to hear how you feel about it. It’s disgusting to see the lines around the buildings. Vehicles are almost getting hit by cars leaving the building. Medical marijuana I thought was helpful. Recreational—people can grow their own. We have a facility now growing strains that are stronger, more potent. What’s it doing to our youth? We need to think seriously about what’s happening to our community. I don’t live right in the community here but I’ve seen it on the outskirts.”

Ms. Lockhart reading for Chuck Strange: “What measures are available to provide revenue directly for the city aside from property tax revenue?”

Shannon Schmidt: “I just want to ask what’s the rush? What’s the rush? You’re smart, intelligent people and sometimes, given time, you’re able to see the bigger picture. We have time. We don’t have to rush into figuring out what our city needs, how can it best be utilized, what can we get from it? There are so many questions right now. What is our rush right now?”

Motion by Mayor Joyce to close the public hearing. Support by Mr. Elliot. Motion passed with a roll call vote; all were in favor.

A. Require all applicants be pre-qualified by the State of Michigan before they apply to the City Ms. Wood explained to council that the process to pre-qualify for a marijuana license at the state level is an onerous process. Pre-qualification will ensure that the City does not waste time on an application that cannot move forward. Mr. Hildebrand asked how many applicants had

asked for a license without being pre-qualified. Ms. Dvoracek stated there have been two: one was interested in a provisioning Center and the other wanted a processor license. Another gentleman was interested in some of the industrial property and did not actually fill out an application. The current license holders were pre-qualified. Overall, council agreed that requiring pre-qualification would be of benefit to the city.

B. Adopt a competitive process by a point system.

Ms. Wood advised council that this can be applied to both medical and recreational licenses, or just to one or the other, noting that it is used less often for medical licenses. It is a good tool when licenses are capped, as they are in the City. Mr. Hildebrand stated that he sees no downside to this and Mayor Joyce agreed. Both feel this would help to streamline the application process. Mr. Elliott has felt that this should have been in place from the beginning and strongly favors this. Mr. Hildebrand asked if this would apply all licenses (grow, excess grower, etc.) as well as to businesses applying for renewal. Ms. Wood stated that council can choose which licenses this would apply to. It would not have to apply to renewals and that would again be at council's discretion. Ms. Dvoracek recommends that council apply this to both medicinal and recreational licenses. Mr. Hildebrand feels that the process of getting a license should be as rigorous as possible. Ms. Dvoracek asked how this process would be implemented. Ms. Woods explained that this would not affect those already holding licenses and would only apply to new applicants. Ms. Dvoracek asked about application windows, and Ms. Wood said that is often done. The number of application windows and the time frame is at council's discretion. Mayor Joyce pointed out that putting a competitive process in place would answer some of the questions raised during the public comment section: it could increase direct revenue to the city, allay neighbor's concerns, allow for community beautification, increase jobs not only at the facility but in other areas such as snow removal, and make more resources available for the schools and the community to address issues arising from marijuana.

Ms. Wood and Mayor Joyce addressed the questions that were asked in the public comment section, giving the audience an overview of the revenue currently coming in from the marijuana industry, as well as projected revenue in the future.

Ms. Wood explained that a provisioning center has a license to sell marijuana products, whether medicinal or recreational. They cannot grow any product on site. A Micro-business could be likened to a micro-brewery, as this business can both grow and sell a limited amount of plants at the same site.

"Adult use" is synonymous with "recreational use" and the terms are used interchangeably.

C. Increase the number of licenses allowed in the city for the following types of licenses:

- Grower Facility: increase from two (2) to six (6)
- Excess Grower Facility: increase from two (2) to six (6)
- Processor Facility: increase from two (2) to six (6)
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Mr. Elliott: "I can't think of any other industry that is limited by law in what they can produce. GM is not told how many cars they can produce. An automotive manufacturer isn't told how many parts they can produce. If I were an investor why would I put out millions of dollars to buy property and build a building when I couldn't be sure of getting a permit to grow and sell the product? If we want to be competitive, we have to accommodate growth. If I made a

recommendation it would be to have no limits on licenses. Let the market decide." Mr. Carlson agreed.

Ms. Szeliga did not agree. She stated that she doesn't think you can compare GM to the marijuana industry. GM doesn't affect our kids or our community. She has talked to a lot of people and she believes they don't want marijuana in Evart. They don't want more businesses or more licenses.

Mr. Hildebrand questioned whether these objections are to the provisioning center or to the grow facilities. He does not believe Evarts need more provisioning centers, and pointed out that this issue under discussion here is the industrial end: production, not direct sales. There are still concerns to be addressed, particularly the odor. Mr. Elliott agreed and reminded everyone that this is about manufacturing, not retail.

Mr. Joyce clarified that council is not considering adding more licenses for Provisioning Centers, Safety Compliance Facilities, or Secure Transporters. The proposed licenses would increase production of product but would not add any more retail locations.

Ms. Dvoracek did question the fact that currently processor facilities are allowed in C-2 zoning and she wonders if moving forward, these should be moved to I-2. C-2 properties are closer to residential properties and so odor may be a concern. Ms. Wood said this could be easily addressed.

Mr. Hildebrand asked to discuss why the council is considering increasing the number of licenses, feeling that was asked earlier by audience members and has not been answered. Ms. Wood stated that it is in anticipation of future need and to allow the City to remain competitive within the industry. Ms. Dvoracek stated that it is about economic development.

Per another earlier question, Mayor Joyce invited Chief of Police John Beam to address the issue. Chief Beam stated that he has had complaints about erratic driving from autos leaving the Lume facility. He believes the schools have had more of an influx of marijuana paraphernalia and smells, but noted that it's difficult to identify if this is due to Lume or home grown. Business owners have made complaints about shop lifting. There have been no issues with the facility itself.

Citizens' Comments:

Jim Schwab: "I appreciate all the hard work that you've put in to try to bring in more businesses. I think that's commendable. I just feel that this particular business, especially the manufacturing and processing of marijuana, is just...I'm not a fan. It's against the law federally and the government's ideas change every day, every hour, including our state. I don't think we really know what might happen and I don't think we need to go forward right now. Thank you."

Rebecca Tea: "You answered my question on the Micro-businesses but I'm concerned about these being allowed in C-2. It was not previously in the ordinance. They can grow up to 150 plants and then process and sell them there. I think these should be located in I-2 not C-2."

Ms. Lockhart reading for Mechelle Farrell: "Thank you, Sandy, for hearing the people."

Ms. Lockhart reading for Connie: "Thank you, Sandy, for expressing the concerns of the people."

Ms. Lockhart reading for Laurie Chase: "We agree with Sandy."

Ms. Lockhart reading for Molly Cataldo (two comments): "My take on this and please correct me if I am wrong in this, is that we have a manufacturing facility that has a larger demand for product than what the state allows: the 500 plants that Mr. Elliott mentioned. Are we looking to increase the number of licenses to six to accommodate this existing facility's growth

or do we in fact have additional companies interested in coming to our community? Why this number? I also want to clarify that council is in no way considering additional provisioning centers or micros"

"Also, thank you holding this meeting and helping to clarify the publics' questions. This is a very touchy and delicate subject. I appreciate the information and look forward to gaining more clarity with the next public hearing."

Mayor Joyce asked council if they prefer to vote on these issues now or if they would like to put these on the agenda for the next council meeting. It was agreed to put all items on the agenda for Monday, October 19.

Motion by Mayor Joyce to adjourn. Support by Mr. Hildebrand. Motion passed with a roll call vote; all were in favor.

The meeting was adjourned at 9:40pm.


Kathy Fiebig, City Clerk