



# CITY COUNCIL

CITY OF LATHRUP VILLAGE  
27400 Southfield Road, Lathrup Village, Michigan 48076

## STUDY SESSION AGENDA

MONDAY, DECEMBER 21, 2020  
6:00 P.M.

### ZOOM REMOTE MEETING INFORMATION

**Online:**

<https://zoom.us/j/99077902879?pwd=dHVZdWZBMVpwNUrS0tTMHB4Vzh5QT09>

**Telephone:** 646 558 8656 or 301 715 8592

**Webinar ID:** 990 7790 2879

**Password:** 706489

Sign up for Public Comment at: <https://www.surveymonkey.com/r/CouncilStudy12-21-20>

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### AGENDA ITEMS

1. **Call to Order** by Mayor Garrett
2. **Discussion Items:**
  - A. Historical Society
  - B. Marijuana Licensing & Application Process
  - C. Infrastructure Committee Update – Capital Improvements
  - D. Appointments:
    - Historic District Commission – Robin Roberts
    - Lathrup Village Community Foundation
  - E. Agenda Items
  - F. City Administrator Updates
3. **Mayor and Council Comments**
4. **Public Comments**
5. **Adjourn**

**NOTICE OF ELECTRONIC PUBLIC MEETING  
CITY OF LATHRUP VILLAGE  
CITY COUNCIL Meetings**

Monday, December 7, 2020 at 6pm – Study Session  
Monday, December 21, 2020 at 6:00pm – Study Session  
Monday, December 21, 2020 at 7:00pm – Council Meeting

In accordance with Emergency Orders issued by the Michigan Department of Health and Human Services, Oakland County, local officials, and State of Michigan legislation, which allows for electronic meetings of public bodies, notice is hereby given that the City of Lathrup's City Council will be meeting electronically using [www.Zoom.US](http://www.Zoom.US) for videoconference and public access.

The electronic public meeting will be held as a Zoom electronic webinar. The public can participate via the Zoom application, internet and/or telephone. The public will be able to listen to all discussion by City Council members and will be permitted to speak for up to 3 minutes during the public comment section of the agenda.

Please note that callers/viewers will automatically be muted. Public comments can be submitted via the Chat Room or during Public Comment, when viewers are unmuted on an individual basis. Comments may also be emailed in by 12noon of the date of the meeting to: [cityclerk@lathrupvillage.org](mailto:cityclerk@lathrupvillage.org),

CITY OF LATHRUP VILLAGE  
**CLICK FOR ZOOM WEBINAR SIGN IN INFORMATION**

**DECEMBER 7, 2020 AT 6PM – STUDY SESSION**

**Online:**

<https://zoom.us/j/93074010682?pwd=N09uekEyVVZUdEtjZDZmS1BFbXVqZz09>

**Telephone:** 646 558 8656 or 301 715 8592

**Webinar ID:** 930 7401 0682

**Password:** 337867

Click [LINK](#) to sign up for Public Comment – either written or live at the remote public meeting

**DECEMBER 21, 2020 AT 6PM – STUDY SESSION**

**Online:**

<https://zoom.us/j/99077902879?pwd=dHVZdWZBMVpwNUsrS0tTMHB4Vzh5QT09>

**Telephone:** 646 558 8656 or 301 715 8592

**Webinar ID:** 990 7790 2879

**Password:** 706489

Click [LINK](#) to sign up for Public Comment – either written or live at the remote public meeting

**DECEMBER 21, 2020 AT 7PM – COUNCIL MEETING**

**Online:**

<https://zoom.us/j/98420970318?pwd=eEYxRWNHADN6MzJLUFBJRTErMDdqQT09>

**Telephone:** 646 558 8656 or 301 715 8592

**Webinar ID:** 984 2097 0318

**Password:** 845598

Click [LINK](#) to sign up for Public Comment – either written or live at the remote public meeting

**ONLINE PARTICIPANTS** can “raise their hand” to be recognized by the moderator. The moderator will announce when it is your turn to speak. Audio for participants will be unmuted on an individual basis. There is a 3-minute time limit.

**NOTICE FOR TELEPHONE CALL IN ATTENDEES:** In order to “raise your hand” press \*9. In order to toggle between mute/unmute, press \*6 on your telephone key pad

# memorandum

**DATE:** November 25, 2020  
**TO:** City of Lathrup Village Planning Commission  
**FROM:** Jill Bahm, Giffels Webster  
**SUBJECT:** Zoning Discussion - Cannabis

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## Recent Action

- **October 20, 2020 Planning Commission Meeting.** The Planning Commission discussed a general concept and the background considerations for cannabis regulation in the City.

The remainder of the memo that follows includes that background as well as a summary of the proposed draft ordinance language and discussion questions.

## Introduction

### *What prompted this discussion?*

- On November 6, 2018, Michigan voters approved Proposal 18-1, which legalized recreational marijuana and created the Michigan Regulation and Taxation of Marihuana Act (MRTMA). The law required all Michigan communities to decide if it would allow or prohibit state-licensed recreational marijuana establishments.
- The city of Lathrup Village held an informational town hall meeting in January 2019 and the city, along with many other communities across the state, opted out of the MRTMA. City Council included a “sunset” on the opt-out, to encourage discussion on the issue.
- A subcommittee has been researching how other communities regulate cannabis facilities and, in August 2020, recommended that the city allow a limited number of facilities.
- City Council extended the sunset on the opt-out through August 2021, allowing for time to create ordinances that are appropriate to the city of Lathrup Village. This will include general code and zoning amendments.

### *What types of facilities are permitted by the MRTMA?*

The MRTMA and its associated administrative rules define the following uses:

- **“Designated consumption establishment”** means a commercial space that is licensed by the agency and authorized to permit adults 21 years of age and older to consume marihuana products at the location indicated on the state license issued under the Michigan regulation and taxation of marihuana act.
- **“Grower”** means a licensee that is a commercial entity located in this state that cultivates, dries, trims, or cures and packages marihuana for sale to a processor, provisioning center, or another grower.

- **“Microbusiness”** means a person or entity licensed to cultivate not more than 150 marihuana plants; process and package marihuana; and sell or otherwise transfer marihuana to individuals who are 21 years of age or older or to a Marihuana Safety Compliance Facility, but not to other marihuana establishments.
- **"Processor"** means a licensee that is a commercial entity located in this state that purchases marihuana from a grower and that extracts resin from the marihuana or creates a marihuana-infused product for sale and transfer in packaged form to a provisioning center or another processor.
- **"Provisioning center"** means a licensee that is a commercial entity located in this state that purchases marihuana from a grower or processor and sells, supplies, or provides marihuana to registered qualifying patients, directly or through the patients' registered primary caregivers. Provisioning center includes any commercial property where marihuana is sold at retail to registered qualifying patients or registered primary caregivers. A noncommercial location used by a registered primary caregiver to assist a qualifying patient connected to the caregiver through the department's marihuana registration process in accordance with the Michigan medical marihuana act is not a provisioning center for purposes of this act.
- **"Safety compliance facility"** means a licensee that is a commercial entity that takes marihuana from a marihuana facility or receives marihuana from a registered primary caregiver, tests the marihuana for contaminants and for tetrahydrocannabinol and other cannabinoids, returns the test results, and may return the marihuana to the marihuana facility.
- **"Secure transporter"** means a licensee that is a commercial entity located in this state that stores marihuana and transports marihuana between marihuana facilities for a fee.
- **“Temporary marihuana event license”** means a state license held by a marihuana event organizer under the Michigan regulation and taxation of marihuana act, for an event where the onsite sale or consumption of marihuana products, or both, are authorized at the location indicated on the state license.

*What is the difference between cannabis, marihuana and marijuana?*

According to the Michigan Marihuana Regulatory Agency (MRA), Michigan’s spelling with an “h” was chosen for the Marihuana Tax Act of 1937. As governing state laws spell marihuana with an “h,” MRA legal communication and references to statutes in relation to the Michigan Medical Marihuana Act or the Michigan Medical Facilities Licensing Act or the Michigan Regulation and Taxation of Marihuana Act – and the corresponding administrative rules will use an “h” in the spelling of Marihuana. In non-formal communication, “j” will generally be used.

Regardless of the spelling, there are some people who consider the word marijuana to be pejorative and racist, due to the classification given by drug enforcement agencies during and after prohibition and again in the 1960’s. We recommend using the term cannabis to refer to the industry from a more objective perspective that removes any historical stigma and negative connotations coming from the use of the word marijuana.

## Current Language

*What does the Zoning Ordinance say?*

- Since cannabis facilities are not currently permitted in the city, the zoning ordinance does not address them. If the city did permit them without specific zoning standards, the Planning

Commission would determine which permitted uses are the most similar and those standards would apply.

- For example, a provisioning center is essentially a retail use and would be permitted wherever retail uses are permitted and any standards, such as parking, etc. that apply to retail establishments would apply to provisioning centers. Other establishments, such as a transporter, may be more industrial in nature and be permitted as such.

## Potential impacts and considerations

The MRTMA allows communities to select which types of facilities and how many it wishes to permit. The recent petitions submitted vary from two provisioning centers to as many as seven provisioning centers and each of the other facilities. Zoning standards may be developed to protect the public health, safety, and welfare. The city may wish to consider potential impacts of cannabis facilities to determine if any specific standards should apply to mitigate those impacts. Some of those issues may include:

- Safety. Are there safety concerns for employees of the facilities, patrons of the facilities or the public in surrounding areas? What about the appearance of security measures like shutters, bars and the like?
- Parking and traffic. Are there any unusual parking or traffic considerations associated with these uses?
- Energy and water consumption. In particular, grow and processing facilities can be high-demand uses for energy and water. Are there any areas of the city in which this could be problematic? Could this be mitigated by including renewable energy and water re-use in the scoring criteria and rewarding businesses that address these issues effectively with additional points?
- Nuisances. What nuisances are typically associated with these facilities? These concerns generally include odor, but are there other concerns?

These concerns may be addressed through some of the following approaches:

- Location. Where in the community should such uses be permitted?
  - Facilities are generally grouped as follows:
    - Grow, processing, testing and transport facilities, in urban areas, are mainly indoor uses, and are generally industrial in nature.
    - Microbusinesses have a grow component but also may sell to the public, similar to a micro-brewpub.
    - Provisioning centers are retailers and designated consumption establishments are similar to bars. Many communities recognize that these centers may be perceived as safer when located in a standard retail-type setting, rather than in an industrial setting.
  - Issues to be explored:
    - Are there any compatibility issues with existing uses?
    - State law requires uses to be located at least 1,000 ft from schools, which precludes several areas of the city, including most of downtown – but should these uses be permitted downtown? Should there be setbacks from residentially zoned areas? Is a

setback from residential zoning practical given that nearly all non-residential properties in the city abut residential zoning?

- Is there a concern about concentration of such uses or should they all be located together?
- Are there any accessory uses that should be considered, like drive-through facilities, or the sales of other products, including alcohol?
- Trash. How is waste handled? Where is it stored?
- Hazardous materials. Specific standards related to the storage of hazardous materials should apply.
- Hours of operation. Should any of these uses be limited in their hours of operation?
- Parking. How is visitor parking accommodated? What should the standards be? How are deliveries accommodated?
- Outdoor activities. Should any outdoor sales, storage or seating be permitted?
- Signage. Signs will be regulated through the city's sign ordinance; any cannabis-related facilities should be treated the same way in terms of time, place and manner. While the MRTMA does allow some content-based regulation, it is unclear if this is consistent with general sign-based case law.
- Lighting. How is the site lit to ensure safety while limiting an overly bright site, glare and excessive energy usage?
- Building design. Are there standards for building design and/or form that should be included? Should facilities have any energy-related standards?
- Fencing/screening and landscaping. Are there any additional site improvements needed to screen or buffer any of these facilities from surrounding uses?
- Permitted uses. With use and site standards in place, should these uses be permitted by-right or as special land uses (which require public hearings)?

## Recommendation

- Two ordinances are presented: 1) Chapter 18 – Cannabis Businesses (addition to the City Code) that provides for licensing and regulation of cannabis businesses in the City, and 2) Zoning Ordinance Amendments to provide standards for location, use and site development.
- The ordinances limit cannabis facilities to two (2) provisioning centers and two (2) testing facilities. The types and number of facilities may be changed in the future as appropriate.
- It should be noted that the draft ordinances use the term cannabis over the otherwise used marijuana/marihuana. This is consistent with a modern approach to consider this industry without any historical stigma and negative connotations coming from the use of the word marijuana.
- The ordinances are clear in their anticipation and mitigation for negative impacts of such uses but note that uses can make a positive contribution to the economic vitality of the city.
- It is anticipated that the process would follow the steps below:

- Application for license/zoning approval submitted to city
- Initial review by city for completeness and prioritization based on yet to be determined point system.
- Once ranked the top applicants will be referred to PC for site plan/ zoning approval
- Successful PC applicants will move to city council for additional public hearing and approval decision.
- The Zoning Ordinance Amendment proposes buffer distances (illustrated in the attached draft map – note the map shows a 500 ft distance from shelters):
  - K through 12 public or private school building or licensed child care center
  - A government or nonprofit facility that offers regular, on-site programs and services primarily to persons 18 years of age and under and is used for said programs and services for a minimum of three (3) days a week year-round. Programs and services may include, but are not limited to, social, training, cultural, artistic, athletic, recreational or advisory services and activities and includes private youth membership organizations or clubs and social service teenage club facilities.
  - A publicly owned park or playground
  - A facility is licensed by the State of Michigan as a Substance Use Disorder Program
  - A facility that serves as a temporary emergency shelter
  - Another provisioning center

## Discussion

The Planning Commission will discuss the Zoning Ordinance amendment at their upcoming meeting, while City Council will consider the municipal code additions. The following questions will help inform discussions for both bodies:

- Are testing and provisioning centers appropriate cannabis uses for the city? Are there other license types that are appropriate?
- Is the proposed buffer distance adequate? Are there any additional uses to consider or remove? Should the distance from shelters be 500 or 1,000 ft?

## Chapter 18 – Businesses

### ARTICLE VI- Cannabis Businesses

#### Sec. 18-281. - Purpose.

The purpose of this article is to exercise the City of Lathrup Village's regulatory authority to locally license and regulate cannabis businesses, including cannabis retail establishments, cannabis provisioning centers, cannabis microbusinesses, cannabis grower facilities, cannabis safety compliance facilities, cannabis secure transporters, cannabis processor facilities, designated consumption establishments, cannabis event organizers, and temporary cannabis events to the extent permissible under state and federal laws and regulations, and to protect and promote the public health, safety, and welfare of the city and its residents.

#### Sec. 18-282. - Definitions.

Except as expressly defined differently, words and phrases in this article shall have the same meanings ascribed to them as in the Michigan Medical Marihuana Act, Michigan Medical Marihuana Facilities Licensing Act, Marihuana Tracking Act, Michigan Regulation and Taxation of Marihuana Act, Michigan Zoning Enabling Act, and the administrative rules and regulations promulgated by the State of Michigan and the Michigan Department of Licensing and Regulatory Affairs, as amended.

*Applicant* means an individual, person, corporation, limited liability company, partnership, limited partnership, limited liability partnership, limited liability limited partnership, trust, or other legal entity or other business entity who applies for a license to operate a cannabis business in the city.

*City* means the City of Lathrup Village, Michigan.

*Cultivate* means to propagate, breed, grow, harvest, dry, cure, or separate parts of the cannabis plant by manual or mechanical means.

*Co-locate* or *co-location* means any combination of growers, processors, and/or cannabis retail establishments that may operate as separate cannabis businesses at the same physical location.

*Industrial hemp* means a plant of the genus cannabis and any part of that plant, whether growing or not, with a delta-9 tetrahydrocannabinol concentration that does not exceed 0.3% on a dry-weight basis, or per volume or weight of cannabis-infused product, or the combined percent of delta-9-tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant of the genus cannabis regardless of moisture content.

*LARA* means the Michigan Department of Licensing and Regulatory Affairs.

*Cannabis* means all parts of the plant of the genus cannabis, growing or not; the seeds of the plant; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds or resin, including cannabis concentrate and cannabis-infused products. Cannabis does not



include: (i) the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks, except the resin extracted from those stalks, fiber, oil, or cake, or any sterilized seed of the plant that is incapable of germination; (ii) industrial hemp; or (iii) any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other products.

*Cannabis accessories* means any equipment, product, material, or combination of equipment, products, or materials, which is specifically designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, ingesting, inhaling, or otherwise introducing cannabis into the human body.

*Cannabis concentrate* means the resin extracted from any part of the plant of the genus cannabis.

*Cannabis business* means a cannabis grower, cannabis safety compliance facility, cannabis processor, cannabis microbusiness, cannabis retailer, cannabis provisioning center, cannabis secure transporter, or any other type of cannabis establishment or facility licensed by LARA.

*Cannabis grower* means a person licensed to cultivate cannabis and sell or otherwise transfer cannabis to cannabis establishments.

*Cannabis-infused product* means a topical formulation, tincture, beverage, edible substance, or similar product containing any usable cannabis that is intended for human consumption in a manner other than smoke inhalation. Cannabis-infused product shall not be considered a food for purpose of the Food Law, MCL 289.1101 to 289.8111.

*Marihuana Tracking Act or MTA* means Public Act 282 of 2016, MCL 333.27901, et seq., as amended and all future amendments.

*Cannabis microbusiness* means a person licensed to cultivate not more than 150 cannabis plants, process and package cannabis, and sell or otherwise transfer cannabis to individuals who are 21 years of age or older or to a cannabis safety compliance facility, but not to other cannabis establishments.

*Cannabis processor* means a person licensed to obtain cannabis from cannabis establishments; process and package cannabis; and sell or otherwise transfer cannabis to cannabis establishments.

*Cannabis provisioning center* means a licensee that is a commercial entity located in the city that purchases cannabis from a grower or processor and sells, supplies, or provides cannabis to registered qualifying patients, directly or through the patients' registered primary caregivers.

*Cannabis retailer* means a person licensed to obtain cannabis from cannabis establishments and to sell or otherwise transfer cannabis to cannabis establishments and to individuals who are 21 years of age or older.

*Cannabis safety compliance facility* means a person licensed to test cannabis, including certification for potency and the presence of contaminants.

*Cannabis secure transporter* means a person licensed to obtain cannabis from cannabis establishments in order to transport cannabis to cannabis establishments.

*Michigan Medical Marihuana Act*, or *MMMA* means the initiated law of 2008, MCL 333.26421, et seq., as amended and all future amendments.

*Michigan Medical Marihuana Facilities Licensing Act*, or *MMFLA* means Public Act 281 of 2016, MCL 333.26421, et seq., as amended and all future amendments.

*Michigan Regulation and Taxation of Marihuana Act* or *MRTMA* means, the initiated law of 2018, MCL 333.27951, et. seq., as amended and all future amendments.

*Person* means an individual, partnership, corporation, limited liability company, trust, or other legal entity.

*Primary caregiver* or *registered primary caregiver* means a person who is at least 21 years old and who has agreed to assist with a registered qualifying patient's medical use of cannabis and who has not been convicted of any felony within the past ten years and has never been convicted of a felony involving illegal drugs or a felony that is an assaultive crime as defined in Section 9a of Chapter X of the Code of Criminal Procedure, 1927 PA 175, MCL 770.9a.

*Process* or *processing* means to separate or otherwise prepare parts of the cannabis plant and to compound, blend, extract, infuse, or otherwise make or prepare cannabis concentrate or cannabis-infused products.

*Qualifying patient* or *registered qualifying patient* means a person who has been diagnosed by a physician as having a debilitating medical condition and who has a valid registry identification card issued by LARA or an equivalent approval lawfully issued under the laws of another state or other entity of the United States which identifies the person as a registered qualifying patient.

*School* means and includes buildings and grounds used for school purposes to provide instruction to children and youth in grades pre-kindergarten through 12 by a public, private, charter, denominational, or parochial school.

*Stakeholder* means, with respect to a trust, the trustee and beneficiaries; with respect to a limited liability company, all members and managers; with respect to a corporation, whether profit or non-profit, all stockholders, directors, corporate officers or persons with equivalent titles; and with respect to a partnership or limited liability partnership, all partners and investors.

*State* means the State of Michigan.

*State license* means a license issued by LARA that allows a person to operate a cannabis business.

### **Sec. 18-283. - Operation without city license prohibited.**

A cannabis business in the city must be licensed by the state, licensed by the city pursuant to this article and obtain zoning approval pursuant to Section 4.17 of the City of Lathrup Village Zoning Ordinance. No person shall operate a cannabis business in the city without first obtaining a license to do so from the city. A cannabis business

operating without a city license under this article or without a state license is declared to be a public nuisance.

**Sec. 18-284. - No pre-existing non-conforming facilities**

No person or entity that was open or operating any facility purporting to produce, manufacture, test, transfer or transport medical marijuana or marijuana prior to the adoption of this ordinance, shall be a lawful use or lawful nonconforming use.

**Sec. 18-285. - License application.**

- (a) Applications for a city license shall be submitted to the City Clerk on an application form to be provided by the city accompanied by a fee in the amount of \$5,000.00 per each license sought. The applicant shall submit one printed and one electronic copy of the completed application and supporting information to the City Clerk. For a co-located facility, an applicant may apply for multiple licenses using one application that explicitly details the operation of the co-located facility. Each license sought will require an additional application fee of \$5,000.00 per license.
- (b) A complete application shall be made under oath and shall contain all of the following:
  - 1) The applicant shall identify an individual to act as primary responsible person for the applicant and point of contact for the application who shall be either a resident of the city, a resident of Oakland County or reside within 100 miles of the city;
  - 2) The applicants' and any stakeholders' names, dates of birth, mailing address, email address, and phone numbers, including emergency contact information, and a copy of a government-issued photo identification card of the applicant and stakeholders;
  - 3) For a privately held corporation, all corporate officers or persons with equivalent titles and their spouses, all directors and their spouses, and all stockholders, not including those holding a direct or indirect ownership interest of ten percent or less, and their spouses;
  - 4) For a partnership or limited liability partnership, all partners and their spouses;
  - 5) For a limited partnership and a limited liability limited partnership, all general and limited partners, not including a limited partner holding a direct or indirect ownership interest of ten percent or less and who does not exercise control over or participate in the management of the partnership, and their spouses;
  - 6) For a limited liability company, all members and managers, not including a member holding direct or indirect ownership interest of ten percent or less and who does not exercise control over or participate in the management of the company, and their spouses;
  - 7) If the applicant is not an individual, the articles of incorporation or organization, Internal Revenue Service SS-4 EIN confirmation letter, and the operating agreement or bylaws of the applicant, if a limited liability company or corporation;

- 8) The name and address of the proposed cannabis business and any additional contact information deemed necessary by the manager of community and economic development;
- 9) For the applicant and every stakeholder affirmation that each is at least 21 years of age;
- 10) Written consent authorizing the city's police department to perform a criminal background check to ascertain whether the applicant and stakeholders have any convictions involving dishonesty, theft, fraud, or controlled substances;
- 11) The name, date of birth, address, copy of photo identification, and email address for any operator or employee if other than the applicant;
- 12) An affirmation whether the applicant or operator has ever had a business license revoked or suspended, and if revoked or suspended, then the reason for such revocation or suspension;
- 13) For the applicant or for each stakeholder a resume that includes any prior experience with a cannabis business;
- 14) With respect to cannabis retail establishments, a description of any drug and alcohol awareness programs that will be provided or arranged for by the applicant and made available for the public;
- 15) A written description of the training and education that the applicant will provide to employees of the cannabis business;
- 16) A copy of the proposed business plan for the cannabis business, including, but not limited to:
  - a. The ownership structure of the business, including percentage ownership of each person or entity; and
  - b. Planned worker training programs; and
  - c. Financial structure and financing of the proposed cannabis business; and
  - d. Short and long-term goals and objectives; and
  - e. If co-location of cannabis businesses is proposed, provide an explanation of the integration of such businesses, including a drawing showing the relationship between the businesses being co-located, including floor area and the separation provided between such facilities, including identification of any points of entry, ingress or egress, and controls at each location; and
  - f. Any community outreach/education plans and strategies; and
  - g. Any charitable plans and strategies.
  - h. Plan outlining what supply chains will be used to provide product for the cannabis business, accompanied by any tentative supply agreements with state certified suppliers.
- 17) One of the following: (a) proof of ownership of the premises wherein the cannabis business will be operated; or (b) written consent from the property owner to use

the premises for a cannabis business requiring licensure under this article, together with a copy of any lease for the premises;

- 18) Security Plan. A security plan shall address security measures related to the transportation and disposal of product and employee and customer safety. Video surveillance is required, and the camera system shall be equipped with software allowing local authorities to login securely to cameras remotely. The Lathrup Village Police Department shall review the security plan prior to acceptance of the application and shall approve the plan prior to the Planning Commission public hearing. At a minimum, the security plan shall address the following:
- a. All cannabis waste shall be disposed of in a manner consistent with federal, state, and local laws so that the cannabis waste is destroyed properly and rendered unusable. All waste containers must be maintained within the secure facility and must be equipped with locks and tamper resistant seals until they are removed by an authorized waste disposal company.
  - b. To the extent applicable, the security plan should include additional strategies for onsite protection from power outages, fire, chemical spills, and address other applicable issues such as storage, access control, credentialing, security officers, cameras, alarms, and internal theft
  - c. The plan shall address surveillance methods, access control strategies, territorial reinforcement, maintenance, and target hardening; including the experience of customers, employees, and neighbors (residents, offices, businesses, etc.).
  - d. An explanation of how the video surveillance system will be operated, including who is responsible for monitoring the video footage and storing any video recordings.
  - e. A diagram showing where all cameras are located and assigning a number to each camera for identification purposes. The diagram shall be to scale and shall be correlated with a camera index for all assigned cameras. Each camera shall be placed in a location that allows the camera to clearly record activity occurring within 20 feet of all points of entry and exit on the licensed premises and allows for the clear and certain identification of any person and activities in all areas required to be recorded. Cameras must be placed in all rooms with exterior windows, exterior walls, and roof hatches. Entrances and exits to the premises or site shall be recorded from both indoor and outdoor vantage points. Recording distance/range of each camera should be identified on the site plan.

- f. Areas where cannabis products are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the licensed premises shall be recorded, as well as limited-access areas, security room(s) and area storing the surveillance system storage device.
  - g. Licensed retailers shall record point-of-sale areas and areas where cannabis products are displayed for sale on the video surveillance system. At each point-of-sale location, camera placement must allow for the recording of the facial features of any person purchasing or selling cannabis products, or any person in the retail area, with enough clarity to determine identity.
- 19)A scaled floor plan of the cannabis business, as well as a scale diagram illustrating the property upon which the cannabis business will be operated, including all available parking spaces, and specifying which parking spaces, if any, are handicapped-accessible;
- 20)Any proposed elevation drawings, and photographs or other depiction of materials to be visible on the exterior of the proposed cannabis business;
- 21)A scaled location area map containing all schools, child care centers, publicly owned parks or playgrounds, temporary emergency shelters, Substance Use Disorder Programs, Residential Districts, and any marijuana facilities within one-thousand (1,000) feet of the proposed location;
- 22)A sanitation plan designed to protect against any cannabis being ingested on the premises by any person or animal, indicating how the waste and byproduct will be stored and disposed of, and how any cannabis will be rendered unusable upon disposal;
- 23)A proposed recordkeeping plan that will track payment method, amount of payment, time of sale, product quantity, and other product descriptors;
- 24)An affirmation that neither the applicant nor any stakeholder is in default to the city and that the applicant or stakeholder has not failed to pay any past-due property taxes, special assessments, fines, fee or other financial obligation to the city;
- 25)A copy of the applicant's notice of prequalification status issued by the Michigan Cannabis Regulatory Agency of LARA to operate a medical cannabis facility or adult-use cannabis establishment. This shall include a full and complete copy of the prequalification application materials, together with any and all supporting documents and attachments, that were submitted to the State of Michigan,

Department of Licensing and Regulatory Affairs, Bureau of Marijuana Regulation, Medical Marijuana Facilities, in the application for an entity/individual prequalification application packet under the MMFLA and the administrative rules. If the applicant does not have a prequalification from the state, the application will not be processed by the city;

26) An estimate of the number and type of jobs that the cannabis business is expected to create, the compensation expected to be paid for such jobs, and the projected annual budget and revenue of the cannabis business;

27) A signed acknowledgment that the applicant is aware and understands that all matters related to cannabis, growing, cultivation, possession, dispensing, testing, safety compliance, transporting, distribution, and use are currently subject to state and federal laws, rules, and regulations, and that the approval or granting of a license hereunder will not exonerate or excuse the applicant from abiding by the provisions and requirements and penalties associated therewith;

28) Proof of insurance covering the business and naming the City of Lathrup, its elected and appointed officials, employees, and agents, as additional insured parties, primary and non-contributory available for the payment of any damages arising out of an act or omission of the applicant or its stakeholders, agents, employees, or subcontractors, in the amount of:

- a. At least \$2,000,000.00 for property damage;
- b. At least \$2,000,000.00 for injury to one person; and
- c. At least \$2,000,000.00 for injury to two or more person resulting from the same occurrence. The insurance policy underwriter must have a minimum A.M. Best Company insurance ranking of B+, consistent with state law. The policy shall provide that the city shall be notified by the insurance carrier 30 days in advance of any cancellation or reduction in coverages.

29) Any other information requested by the city considered to be relevant to the processing or consideration of the application.

(c) Upon receipt of a completed application and application fee, the City Clerk shall refer a copy of the application to appropriate city departments for their review.

(d) An application shall not be eligible to be considered for approval, until:

- (1) The police department and economic and community development departments have inspected the proposed location for compliance with all laws for which they are charged with enforcement and for compliance with the requirements of this article.

- (2) The economic and community development department verifies the proposed location of the cannabis business complies with the zoning code.
- (3) The economic and community development department confirms the proposed cannabis business meets applicable codes and this article.
- (4) The city treasurer confirms the applicant and each stakeholder and the proposed location of the business are not in default to the city.
- (5) The police department determines the applicant meets the requirements of this article with respect to the background check and security plan.

**Sec. 18-286. – Initial application period**

- (a) The city will accept applications for a license(s) for a cannabis business over a 30 day period, as established by the city manager after the effective date of this article. At the end of the 30 day period, all properly submitted and complete applications shall be subject to examination and review by the city.
- (b) After the initial application period closes, the city shall verify that any applications received in this initial application period are full and complete applications. The city shall consider an application full and complete if it includes all information requested by this article and the city application forms.
- (c) The city may, in its discretion, elect to issue or not issue licenses for any of the cannabis business types or issue licenses in any combination thereof, but in no instance shall issue more licenses than are permitted pursuant to the terms of this article and state law.
- (d) If, after the initial 30-day application period, the city does not receive more applications than the permitted number of licenses for a particular type of facility, then the city shall accept license applications for only those facilities, on an ongoing basis, until such time as the number of allowed licenses have been approved for those specific facilities.

**Sec. 18-287. - Preliminary denial of application.**

- (a) The city shall reject any application that does not meet the requirements of the MMFLA, the MMMA, the administrative rules or this article. The city shall reject any application that does not contain an approved entity/individual prequalification issued by the state. The city shall reject any application that contains any false, misleading or incomplete information. The city shall reject any application that does not conform or comply with any of the following: International Fire Code; International Property Maintenance Code; Michigan Plumbing Code; Michigan Mechanical Code; National Electrical Code; Michigan Rehabilitation Code and the Michigan Building Code.
- (b) An applicant whose application is rejected or denied by the city shall not be entitled to review by the city or any board or commission thereof and the applicant shall waive any right to bring an action against the city for such a rejection or denial.

**Sec. 18-288. - License application evaluation.**



- (a) To evaluate applications, the city shall use a point-based system which shall be approved, and may be modified from time-to-time, by city council resolution, and shall take into account the following application evaluation criteria:
- a. The content and sufficiency of the information contained in the application.
  - b. Whether the proposed plan has received approval from the police department and all other appropriate departments.
  - c. Whether the proposed facility will revitalize or redevelop property that has been vacant or unused for an extended period of time.
  - d. Planned outreach on behalf of the proposed business, and whether the applicant or its stakeholders have made, or plan to make, significant physical improvements to the building housing the cannabis business, including plans to control traffic, noise, and odor effects on the surrounding area.
  - e. Whether the applicant or any of its stakeholders have a record of acts detrimental to the public health, security, safety, morals, good order, or general welfare prior to the date of the application; and whether the applicant or any of its stakeholders have ever been convicted of operating an illegal business enterprise of any kind.
  - f. Whether the applicant has reasonably and tangibly demonstrated it possesses adequate resources and experience to implement the submitted business plan.
  - g. Whether the proposed location in the city in relation to its proximity to other locations for cannabis businesses represents a reasonable and harmonious dispersion of cannabis businesses.
  - h. The proximity of the business to a school.
  - i. Whether adequate off street parking is provided or available.
  - j. Whether the size and nature of the use in relationship to previously approved and issued cannabis business licenses is reasonable.
  - k. Whether the applicant has business experience previously in the city and demonstrates that the applicant has sufficient business experience to operate the proposed cannabis business.
  - l. Whether the proposed plan incorporates sustainable infrastructure and energy efficient elements and fixtures.

- m. Whether the proposed plan incorporates infrastructure that adequately addresses stormwater drainage.
  - n. Whether the proposed plan incorporates odor control systems to prevent odor dispersion to neighboring properties.
  - o. Whether an applicant has applied for a co-location of equivalent licenses at one location.
  - p. Other criteria as indicated important for consideration by any appropriate department of the city administration.
- (b) The city may engage professional expert consultant assistance in performing any of the duties and responsibilities under this article.
- (c) The point-based merit system, shall incorporate the evaluation criteria outlined within this article, and may include additional criteria intended to select licensees that provide the best outcome for the community as determined by the city.
- a. In the event of a tie among applicants through the merit system which would result in more approvals than available licenses, the tie will be resolved through a blind lottery drawing to determine which applicant will receive recommendation for approval.
  - b. Any application receiving less than 70 percent of possible points outlined within the point-based merit system shall be automatically denied license approval.
  - c. Applications and evaluation points yielded from a point-based merit system shall be considered for up to 180 days following the publication of merit point system scores. The effective applications and points shall be used to recommend license approval should prior recommendations be declined or fail to receive license. Applications within the process may receive a one time extension not to exceed three months, approved by the city manager with proper display of good cause shown.
- (d) Within 90 days of receiving the last completed application, the city manager shall recommend applications for site plan approval to the planning commission. The city manager may only recommend a number of applications for consideration equal to or less than the number of remaining licenses available for issuance. All other applicants shall be sent a written notice of rejection setting forth specific reasons why the city manager did not recommend their application for city council approval.

- (e) Upon receiving site plan approval from the planning commission, applicants shall move forward for final license approval from the city council as recommended by the city manager.
- (f) Upon submittal of the city manager's recommended applications to the city council, the city shall publish and provide public notice of the city council meeting when the city council will consider the license applications. Notice shall be given not less than 14 days prior to the city council meeting. All written feedback shall be presented to the city council.
- (g) The public notice shall be published in a newspaper of general circulation and posted at City Hall. The notice shall be sent by mail or personal delivery to the owners and occupants of property within 300 feet of the proposed cannabis business site. The public notice must include at minimum the following:
  - a. Proposed location of the cannabis business; and
  - b. Name of the applicant(s) or organization; and
  - c. Intended cannabis business use; and
  - d. Information pertaining to methods of accepting public feedback; and
  - e. Location, date, and time of the meeting in which city council will consider license approval.
- (h) All cannabis business licenses shall be effective for one year following its original issuance date. Annual renewal of the license shall follow the process as outlined within this article. The improvements made pursuant to site plan approval by the planning commission shall be commenced after license approval by the city council and be completed within one year after the license is approved by the city council. The city council may, in its sole and exclusive discretion, grant an extension of time not to exceed 180 days if an applicant submits a written request to the city manager prior to the license expiration showing that its medical cannabis provisioning center facility application or adult use retail facility application with the state remains pending and that the applicant has diligently pursued approval of the state license and all other required permits, approvals and licenses without delay or inaction on applicant's part, and showing good cause for the extension of time.

**Sec. 18-289. - License limit.**

- (a) The city council finds and determines that it is in the public interest and serves a public purpose to limit the maximum number of licenses that the city may issue, with the acceptable uses as follows:
  - 1. Adult use cannabis retail establishments/Medical cannabis provisioning center establishments – two (2);
  - 2. Adult use and medical cannabis safety compliance facilities – two (2).
- (b) The city council finds and determines that it is in the public interest and serves a public purpose to prohibit the following cannabis business uses from receiving a license from the city:
  - 1. Adult use and medical cannabis secured transporter establishments; and
  - 2. Designated consumption establishments; and
  - 3. Cannabis event organizer; and
  - 4. Temporary cannabis events; and
  - 5. Adult use and medical cannabis growing facility establishments; and
  - 6. Adult use and medical cannabis processing establishments, and
  - 7. Adult use cannabis microbusiness establishments.
- (c) Should a license for a cannabis business become available due to expiration, revocation, or non-renewal, the city manager shall set an application period and receive applications for a license(s) for a cannabis business over a 30 day period. At the end of the 30 day period, all properly submitted and complete Applications shall be subject to examination and review by the city. The city may elect to issue or not issue licenses for any of the permitted uses or issue licenses in any combination thereof, but in no instance shall issue more licenses than are permitted pursuant to the terms of this article.

**Sec. 18-290. - Cannabis facility co-location and stacking.**

Separate cannabis business uses, under common ownership, and with proper licensing issued by LARA for each use, shall be permitted to operate at the same location with license approval from city. Co-locating establishments must have license approval for each cannabis business type and use.

**Sec. 18-291. - License renewal application.**

- (a) Application for license renewal shall be made in writing to the City Clerk at least 30 days prior to the expiration of an existing license.
- (b) An application for a license renewal shall be made under oath on forms provided by the city.
- (c) An application for a license renewal shall be accompanied by a renewal fee in an amount of \$5,000.00, of which half will be returned if the license is not renewed. The renewal fee is established to defray the costs of the administration of this article.

- (d) Upon receipt of a completed application for a license renewal meeting the requirements of this article and the license renewal fee, the City Clerk shall refer a copy of the renewal application to appropriate city departments and officials for review,
- (e) An application for a license renewal shall be not be considered for approval unless:
  - a. The fire inspector has inspected the proposed location for compliance with all laws for which they are charged with enforcement within the past calendar year;
  - b. The manager of the economic and community development department has confirmed that the location complies with the zoning code and this article, at the time a license is granted;
  - c. The building official has confirmed that the cannabis business meets the city building code requirements;
  - d. The city treasurer has confirmed that the applicant and each stakeholder of the applicant and the location of the cannabis business are not currently in default to the city;
  - e. The police department has reviewed the application and determined that the applicant has satisfied the requirements of this article with respect to the background check and security plan;
  - f. The applicant possesses the necessary state licenses or approvals, including those issued pursuant to the MMFLA;
  - g. The applicant has operated the cannabis business in accordance with the conditions and requirements of this article;
  - h. The cannabis business has not been determined to be a public nuisance; and
  - i. The applicant is operating the cannabis business in accordance with applicable federal, state, and local laws and regulations.
- (f) If written approval is given by each individual, department, or entity identified in subsection (e), and the renewal application is found to be compliant with this article by the community development director, the community development department shall issue a license renewal to the applicant. If no renewal license is issued, half of the renewal fee shall be returned. The renewal shall be deemed approved if the city has not issued formal notice of denial within 60 days of the filing date of the application, unless the applicant is advised of non-compliance with this article or incompleteness of information or any required inspection during such period.

**Sec. 18-292. - Transfer of ownership, licenses generally.**

- (a) No license issued pursuant to this article shall be transferred unless approved by the State and City.

**Sec. 18-293. - Minimum operational standards of cannabis business.**

Except as may conflict with state law or regulation the following minimum standards apply to all cannabis businesses:

- (a) The entire parcel where the cannabis business will be located must be properly zoned for that type of use, and the cannabis business operations must be entirely contained within the building.
- (b) The cannabis business shall be operated in compliance with the MMMA, the MMFLA, the MTA, MRTMA, and the state's administrative rules. Any violation of such laws or rules shall be deemed a violation of this article.
- (c) On-premises consumption of cannabis shall be prohibited at any cannabis business except testing standards as outlined by LARA.
- (d) In addition to security requirements pursuant to state laws and regulations and any other applicable city ordinances, the cannabis business shall continuously monitor the entire premises, interior and exterior, with surveillance systems that include security cameras operating 24 hours a day, seven days a week. The video recordings shall be maintained in a secure, off-site location for a period of 180 days.
- (e) The cannabis business shall be contained within a lockable facility, including all interior doors, all windows and points of entry and exits with commercial grade non-residential locks and with an alarm system monitored. Cannabis shall not be permitted to be stored in trailers or sheds or other accessory structures to the principal building. Storage shall further be in accordance with the MRTMA, MMMA, MMFLA, MTA, and promulgated rules as amended.
- (f) A locking safe or secure locking cabinet system permanently affixed to the permitted premises that shall store any cannabis and all cash remaining in the facility overnight shall be used. For cannabis-infused products that must be kept refrigerated or frozen, the facility may lock the refrigerated container or freezer in a manner authorized by the MRTMA and promulgated rules as amended in place of the use of a safe so long as the container is affixed to the building structure.
- (g) No cannabis business shall be operated in a manner creating noise, dust, vibration, glare, fumes, or odors detectable to normal senses beyond the boundaries of the property where the cannabis business is operated; or any other nuisance adverse to the public health, safety and welfare of the residents of the city.

- (h) All activity related to the provisioning, transferring, testing, or transportation of all cannabis shall be done indoors and fully compliant with state law so that it is not visible to the public.
- (i) All cannabis businesses shall maintain an inventory and record keeping system and/or database identifying the amount of cannabis on the premises in accordance with the MRTMA, the MTA and the rules and regulations, as amended from time to time. This log shall be available to law enforcement personnel at anytime.
- (j) All marijuana located on premise shall be inventoried and tagged with unique RFID tag as required by MTA and promogulated rules as amended from time to time.
- (k) The state license and the city license required by this article shall be conspicuously displayed on the premises of a cannabis business.
- (l) All cannabis facilities shall apply for and obtain from the city, or other applicable government authority, all necessary building, mechanical, electrical, plumbing, sign, fence, soil erosion and city zoning compliance permits.
- (m) Floors, walls, and ceilings shall be constructed in such a manner that they may be kept adequately cleaned and in good repair.
- (n) There shall be adequate screening or other protection against the entry of pests. Waste shall be disposed of so as to minimize the development of odor and minimize the potential for waste development and minimize the potential for waste becoming an attractant, harborage or breeding place for pests.
- (o) Venting of cannabis odors into the areas surrounding the cannabis business is prohibited and deemed and declared to be a public nuisance. All facility ventilation methods shall comply with the MRTMA and administrative rules promogulated, as amended from time to time.
- (p) Waste shall be properly removed and the operating systems for waste disposal shall be maintained in an adequate manner so that they do not constitute a source of contamination in areas where cannabis is exposed. Disposal systems for spent water and spent soil shall be approved by the city and byproduct materials, soils, plant materials, and other materials shall be stored indoors until pickup for disposal and shall not be left outdoors for disposal pickup for longer than six hours. Disposal of cannabis or cannabis waste or byproducts by on-site burning or introduction into the sewer system is prohibited.

- (q) The interior and exterior of all buildings, fixtures and other accessories shall be maintained in a presentable and sanitary condition.
- (r) Cannabis businesses shall provide its occupants with adequate and accessible restroom facilities that are maintained in a sanitary condition and good repair.
- (s) Cannabis that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms.
- (t) Cannabis businesses shall be free from infestation by insects, rodents, birds, or vermin or any kind.
- (u) All cannabis shall be packaged and labeled as provided by MRTMA, MTA, and promulgated rules as amended.
- (v) The premises shall be open for inspection during hours of operation and as such other times as anyone is present on the premises.
- (w) No other accessory uses are permitted within the same facility other than those associated with the retailing of cannabis.
- (x) Advertising material that is misleading, deceptive, or false, or that is designed to appeal to minors is prohibited.

**Sec. 18-294. - Additional operational standards for cannabis retail establishments.**

Except as may conflict with state law or regulation, the following minimum standards for cannabis retail establishments shall apply:

- (a) Cannabis retail and medical cannabis provisioning center establishments may be open to the public only between 8:00 a.m. to 8:00 p.m..
- (b) Unless permitted by the MRTMA, public or common areas of the cannabis retail establishment must be separated from restricted or non-public areas of the retail establishment by a permanent barrier. Unless permitted by the MMMA, MMFLA, or the MRTMA, no cannabis may be stored, displayed, or transferred in an area accessible to the general public.
- (c) All cannabis storage areas within cannabis retail and medical cannabis provisioning center establishments must be separated from any customer/patient areas by a permanent barrier. Unless permitted by the MMMA, MMFLA, or MRTMA, no cannabis is permitted to be stored in an area accessible by the general public or registered customers/patients. Cannabis may be displayed in a sales area only if permitted by the MRTMA.
- (d) Drive-thru windows on the premises of a cannabis business establishment shall not be permitted.



**Sec. 18-295. - License revocation, suspension and denial; basis for action; appeal.**

- (a) Any city license issued under this article may be revoked or suspended by the city after written notice and an administrative hearing if a city official finds and determines that grounds for revocation or suspension exist. Any grounds for revocation or suspension must be provided to the licensee at least ten days prior to the date of the hearing by first class mail to the address given on the license application or any address provided to the City Clerk in writing subsequent to the filing of an application.
- (b) A license applied for or issued may be denied, revoked or suspended on any of the following grounds:
  - a. A violation of any provision of this article, including, but not limited to, the failure to provide the information required by this article;
  - b. Any conviction of a felony or any misdemeanor involving controlled substances, theft or dishonesty by the licensee, stakeholder, or any person holding an ownership interest in the license;
  - c. Commission of fraud or misrepresentation or the making of a false statement by the applicant, licensee, or any stakeholder of the applicant or licensee while engaging in any activity for which this article requires a license;
  - d. Failure to obtain site plan approval from the planning commission;
  - e. Failure to obtain or maintain a license or renewed license from the city pursuant to this article;
  - f. Failure of the licensee or the cannabis business to obtain or maintain a state license or approval pursuant to the MRTMA, MMMA, or MMFLA;
  - g. The cannabis business is determined by the city to have become a public nuisance or otherwise is operating in a manner detrimental to the public health, safety or welfare;
  - h. Any default in the payment of any charges, taxes, or fees, to the city if not cured upon 45 days following notice sent by electronic means or mail to the address of the cannabis business;
  - i. Violation of any state law applicable to cannabis businesses.
- (c) Appeal of denial of an application, or revocation or suspension of a license: the community development department shall notify an applicant of the reason(s) for denial of an application for a license or license renewal or for revocation or suspension of a license or any adverse decision under this article and provide the applicant with the opportunity to be heard. Any applicant aggrieved by the denial or revocation or suspension of a license or adverse decision under this article may appeal to the city council, who shall appoint a hearing officer to hear and evaluate the appeal and make a report and recommendation to the city council. Such appeal shall be taken by filing with the City Clerk, within 14 days after notice of the action

complained of has been mailed to the applicant's last known address on the records of the City Clerk, a written statement setting forth fully the grounds for the appeal. The city council shall review the report and recommendation of the hearing officer and make a decision on the matter.

- (d) Following the denial of a license and any subsequent appeal during the recommendation and issuance process, the city may move to recommend the application with the next highest number of merit points as determined in the application process.

**Sec. 18-296. - Penalties; temporary suspension of a license.**

- (a) The city may require an applicant or licensee of a cannabis business to produce documents, records, or any other material pertinent to the investigation of an application or alleged violation of this article. Failure to provide the required material may be grounds for application denial, or license revocation.
- (b) Any person in violation of any provision of this article, including the operation of a cannabis business without a license shall be responsible for a misdemeanor and shall be subject to a civil fine and costs. Increased civil fines may be imposed for a repeat violation. As used in this section "repeat violation" shall mean a second or any subsequent infraction of the same requirement or provision committed by a person or Facility within any 24 month period. Unless otherwise specifically provided in this article, the penalty schedule is as follows:
  - a. \$750.00, plus costs, for the first violation;
  - b. \$1,000.00, plus costs, for a repeat violation;
  - c. \$3,000.00, plus costs per day, plus costs for any violation that continues for more than one day.
- (c) The city may temporarily suspend a cannabis business license without a prior hearing if the city finds that public safety or welfare requires emergency action affecting the public health, safety, or welfare. The city shall cause the temporary suspension by issuing a suspension notice in connection with institution of proceedings for notice and a hearing.
- (d) If the city temporarily suspends a license without a prior hearing, the licensee is entitled to a hearing within 30 days after the suspension notice has been served on the licensee or posted on the licensed premises. The hearing shall be limited to the issues cited in the suspension notice.
- (e) If the city does not hold a hearing within 30 days after the date the suspension was served on the licensee or posted on the licensed premises, then the suspended license shall be automatically reinstated and the suspension vacated.
- (f) The penalty provisions herein are not intended to foreclose any other remedy or sanction that might be available to, or imposed by the city, including criminal prosecution.

**Sec. 18-297. - Disclaimer.**

- (a) Nothing in this article shall be construed to authorize any person to engage in conduct that endangers others or causes a public nuisance, or to allow use, possession or control of cannabis for unlawful purposes or allow any other activity relating to cultivation, growing, distribution or consumption of cannabis that is otherwise illegal.
- (b) Except as may be required by law or regulation, it is not the intent of this article to diminish, abrogate, or restrict the protections for individual use of cannabis found in the Michigan Medical Marihuana Act, the Medical Marihuana Facilities Licensing Act, the Marihuana Tracking Act and the Michigan Regulation and Taxation of Marihuana Act.

Secs. 18-298—18-399. - Reserved.

**ORDINANCE NO. \_\_\_\_**  
**CITY OF LATHRUP VILLAGE**  
**OAKLAND COUNTY, MICHIGAN**

**AN ORDINANCE TO AMEND THE CITY OF LATHRUP VILLAGE ZONING ORDINANCE**

**ARTICLE 2, TO ADD DEFINITIONS FOR CANNABIS FACILITIES, ARTICLE 3, TO ADD SPECIFIC CANNABIS FACILITIES TO THE MIXED USE AND COMMERCIAL VEHICULAR DISTRICTS AS SPECIAL LAND USES, AND TO ARTICLE 4, TO ADD SPECIFIC STANDARDS FOR PERMITTED CANNABIS FACILITIES.**

**THE CITY COUNCIL OF THE CITY OF LATHRUP VILLAGE ORDAINS:**

**PART I. DEFINITIONS.**

**Amend Section 2.2 – Definitions, to add the following definitions:**

**Cannabis facilities.** Cannabis facilities mean “marihuana facilities” as defined by the State of Michigan. The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

**Air contaminants.** Stationary local sources producing air-borne particulates, heat, odors, fumes, spray, vapors, smoke or gases in such quantities as to be irritating or injurious to health.

**Cannabis facility.** A location at which a license holder is licensed to operate under the Michigan Medical Marihuana Facilities Licensing Act (MMFLA) and the Michigan Regulation and Taxation of Recreational Marihuana Act (MRTMA)

**Cannabis retailer.** A person licensed to obtain cannabis from cannabis establishments and to sell or otherwise transfer cannabis to cannabis establishments and to individuals who are 21 years of age or older.

**Person.** An individual, corporation, limited liability company, partnership, limited partnership, limited liability partnership, limited liability limited partnership, trust, or other legal entity.

**Safety compliance facility.** A facility authorized to receive cannabis from, test cannabis for, and return cannabis to a licensed cannabis facility.

**Separation Distance Measurements.** The distance computed by measuring a straight line from the nearest property line of the parcel used for the purposes stated in this ordinance to the nearest property line of the parcel used as a cannabis facility.

**PART 2. AMEND ARTICLE 4 TO ADD A NEW SECTION 4.17 AS FOLLOWS:**

**Section 4.17 Cannabis Facilities**

1. **Purpose.** It is recognized by this Chapter that certain unique uses cannot easily be evaluated in the same manner as other uses because of their potential to adversely affect public health, safety and welfare; establish a public nuisance; conflict with the character of a neighborhood; impair the social and economic well-being of neighboring properties; impair the general development of an area; or operate in a manner contrary to the purpose and intent of this Chapter. However, when properly regulated, these uses can make a positive contribution to the economic vitality of the city. Therefore, it is the purpose of this Article to impose reasonable regulations upon certain uses to provide an adequate approval process while moderating their potential adverse effects on surrounding and neighboring properties.

2. **Applicability.** Any land use that requires a license from the Department of Licensing and Regulatory Affairs (LARA) in the administration of Michigan Medical Marihuana Facilities Licensing Act (MMFLA), Michigan Regulation and Taxation of Marihuana Act (MRTMA) or other state law providing for the sale, transport, testing, growing, distribution, and processing of cannabis or any other activity involving a cannabis-related use shall require review and approval pursuant to Article 6. Any facility not specifically authorized in this Ordinance is prohibited. Provisions of this section do not apply to the medical use of cannabis in compliance with the Michigan Medical Marihuana Act (MMMA).
3. **Approval Procedures for Cannabis Facilities.**
  - A. **Zoning approval.** Zoning approval shall be required prior to issuance of any license. Zoning approval does not guarantee a license for any proposed facility.
  - B. **License Required.** Licensing for cannabis facilities is required per Chapter 18 of the City of Lathrup Village Municipal Code.
4. **Zoning review application requirements.** Zoning applications for cannabis facilities shall be submitted as required in Section 6.2. In addition, the following information is also required:
  - A. As provided in Section 6.1, a site plan shall be required, showing the proposed building(s) to be used, remodeled or reconstructed, along with the parking, landscaping and lighting plans. Existing and proposed building elevations shall be provided, including building materials, window glazing calculations, descriptions of glass to be used, and other pertinent information that describes building construction or structural alterations.
  - B. A plan for general waste disposal, chemical disposal and plant waste disposal.
  - C. A notarized statement by the property owner that acknowledges use of the property for a cannabis facility and agreement to indemnify, defend and hold harmless the City, its officers, elected officials, employees, and insurers, against all liability, claims or demands arising out of, or in connection to, the operation of a cannabis facility. Written consent shall also include approval of the owner and operator for the City to inspect the facility at any time during normal business hours to ensure compliance with applicable laws and regulations.
  - D. A copy of official paperwork issued by LARA as follows: paperwork indicating that the applicant has successfully completed the prequalification step of the application for the state operating license associated with the proposed land use, or proof that the applicant has filed such application for the prequalification step with LARA, including all necessary application fees.
  - E. A map, drawn to scale, containing all schools, publicly owned parks or playgrounds, temporary emergency shelters, Substance Use Disorder Programs, Residential Districts, and any marihuana facilities within one-thousand (1,000) feet of the proposed location. Distances shall be measured in accordance with the Separation Distance Measurements, as defined in Section 2.2.
  - F. **Operations and Management Plan.** An operations and management plan shall be submitted. The plan should describe security measures in the facility; this may include the movement of the product, methods of storage, cash handling, etc.
  - G. All permitted facilities shall be bonded to guarantee that all accounting and taxes are paid in full according to the law and that the operation or facility performs in accordance with all government standards

5. **Separation Distances.** It has been observed that without separation distances between cannabis facilities and certain other land uses, cannabis facilities can tend to concentrate in clusters. It is further recognized that these uses which, because of their very nature, have serious objectionable operational characteristics, particularly when concentrated under certain circumstances. In addition, special regulations of cannabis facilities have been deemed necessary to limit the intensity and density of this use, and to recognize that separation distances are necessary from certain uses as described in this Section. No cannabis facilities are permitted within one thousand (1,000) feet of the following uses:
  - A. K through 12 public or private school building or licensed child care center
  - B. A government or nonprofit facility that offers regular, on-site programs and services primarily to persons 18 years of age and under and is used for said programs and services for a minimum of three (3) days a week year-round. Programs and services may include, but are not limited to, social, training, cultural, artistic, athletic, recreational or advisory services and activities and includes private youth membership organizations or clubs and social service teenage club facilities.
  - C. A publicly owned park or playground
  - D. A facility is licensed by the State of Michigan as a Substance Use Disorder Program
  - E. A facility that serves as a temporary emergency shelter
  - F. Another provisioning center
6. **General requirements for cannabis facilities.**
  - A. Consumption of cannabis shall be prohibited in all facilities, and a sign shall be posted on the premises of each facility indicating that consumption is prohibited on the premises.
  - B. Residential uses within the same structure/building are prohibited.
  - C. Outdoor storage or discharge of toxic, flammable or hazardous materials into city sewer or storm drains is prohibited.
  - D. No cannabis facilities shall be operated in a manner that creates noise, dust, vibration, glare, fumes, or odors detectable to normal senses beyond the boundaries of the property on which the facility is operated.
  - E. Air contaminants must be controlled and eliminated by the following methods:
    - i. The building must be equipped with an activated air scrubbing and carbon filtration system that eliminates all air contaminants prior to leaving the building. Fan(s) must be sized for cubic feet per minute (CFM) equivalent to the volume of the building (length multiplied by width multiplied by height) divided by three (3). The filter(s) shall be rated for the applicable CFM.
    - ii. Air scrubbing and filtration system must be maintained in working order and must be in use at all times. Filters must be changed per manufacturers' recommendation to ensure optimal performance.
    - iii. Negative air pressure must be maintained inside the building.
    - iv. Doors and windows must remain closed, except for the minimum time length needed to allow people to ingress or egress the building.

- v. The building official may approve an alternative odor control system, in accordance with the Michigan Mechanical Code, if a mechanical engineer licensed in the State of Michigan submits a report that sufficiently demonstrates the alternative system will be equal to or better than the air scrubbing and carbon filtration system otherwise required.
7. **Specific requirements for cannabis retailers.** Such uses shall be presented as being for retail purposes and shall contribute to the vibrancy and walkability of the district. The sale or dispensing of alcohol or tobacco products at a cannabis retail facility is prohibited.
- A. **Hours of operation.** No cannabis retailer shall be open to the public between the hours of 8 p.m. to 8 a.m.
  - B. **Facility Exterior.** The exterior appearance of a facility must be compatible with surrounding businesses and any descriptions of desired future character, as described in the Master Plan. All standards of the MX and CV district apply.
    - i. No cannabis or equipment used in the sale, testing or transport of cannabis can be placed or stored outside of an enclosed building. This section does not prohibit the placement or storage of motor vehicles outside of an enclosed building so long as money or cannabis is not left in an unattended vehicle.
    - ii. Site and building lighting shall be sufficient for safety and security, but not cause excessive glare or be designed so as to be construed as advertising with the intent to attract attention. Outdoor lighting will comply with Section 5.8.
    - iii. Drive-through facilities and mobile facilities are prohibited.
  - C. **Facility Interior.**
    - i. Interior construction and design of a facility will not impede the future use of a building for other uses as permitted in the assigned zone district.
    - ii. Neither cannabis nor cannabis-infused products may be placed within twenty (20) feet of the front façade.
    - iii. Interior security measures other than security cameras shall not be visible from the public right-of-way (e.g. security shutters, bars, or other methods) during operating business hours.
    - iv. Interior lighting shall not be so bright so as to create a nuisance to neighboring property owners or passersby.
    - v. Ventilation, by-product and waste disposal, and water management (supply and disposal) for the facility will not produce contamination of air, water, or soil; or reduce the expected life of the building due to heat and mold; or create other hazards that may negatively impact the structure and/or surrounding properties.
8. **Specific requirements for Safety Compliance Facility.**
- 1. Shall have a secured laboratory space and cannabis storage areas that cannot be accessed by the general public.
  - 2. Have appropriate education, training and/or experience to comply with state regulations on testing medical cannabis.
  - 3. There shall be no other accessory uses permitted within the same facility other than those associated with testing cannabis.

4. Cannabis that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms.

**PART 3. AMEND SECTION 5.13 AS FOLLOWS TO PROVIDE PARKING STANDARDS FOR CANNABIS FACILITIES:**

**Section 5.13.13. Minimum numbers of parking spaces required.**

**C. Business & Commercial**

- i. Professional and administrative offices, **including cannabis safety compliance facilities:** One (1) per 275 sq ft of gross leasable area
- iv. Personal services and retail uses, **including cannabis retail facilities:** One (1) per 200 sq ft of usable area...

**PART 4. SAVINGS CLAUSE.**

The amendments referenced herein do not affect or impair any act done, offense committed, or right accruing or acquired, or liability, penalty or forfeiture or punishment pending or incurred prior to the effective date of this amendment.

**PART 5. SEVERABILITY.**

This Ordinance and its various parts, sentences, paragraph, sections, clauses and rules promulgated hereunder are hereby declared to be severable. If any part, sentence, paragraph, section, clause, or rule promulgated hereunder is adjudged to be unconstitutional or invalid for any reason, such holdings shall not affect the remaining portions of this Ordinance.

**PART 6. REPEALER.**

All Ordinances or parts of Ordinances in conflict herewith are hereby repealed.

**PART 7. EFFECTIVE DATE; PUBLICATION.**

This Ordinance shall become effective after publication of a brief notice in the newspaper circulated in the City, stating the date of the enactment and the effective date of the Ordinance, and that a copy of the Ordinance is available for public use and inspection at the office of the City Clerk, and such other facts as the City Clerk shall deem pertinent.

MADE, PASSED AND ADOPTED BY THE CITY COUNCIL, CITY OF LATHRUP VILLAGE, OAKLAND COUNTY, MICHIGAN THIS \_\_\_ day of \_\_\_\_, 2020

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Yvette Talley, City Clerk



Date of Introduction:

Date of Adoption:

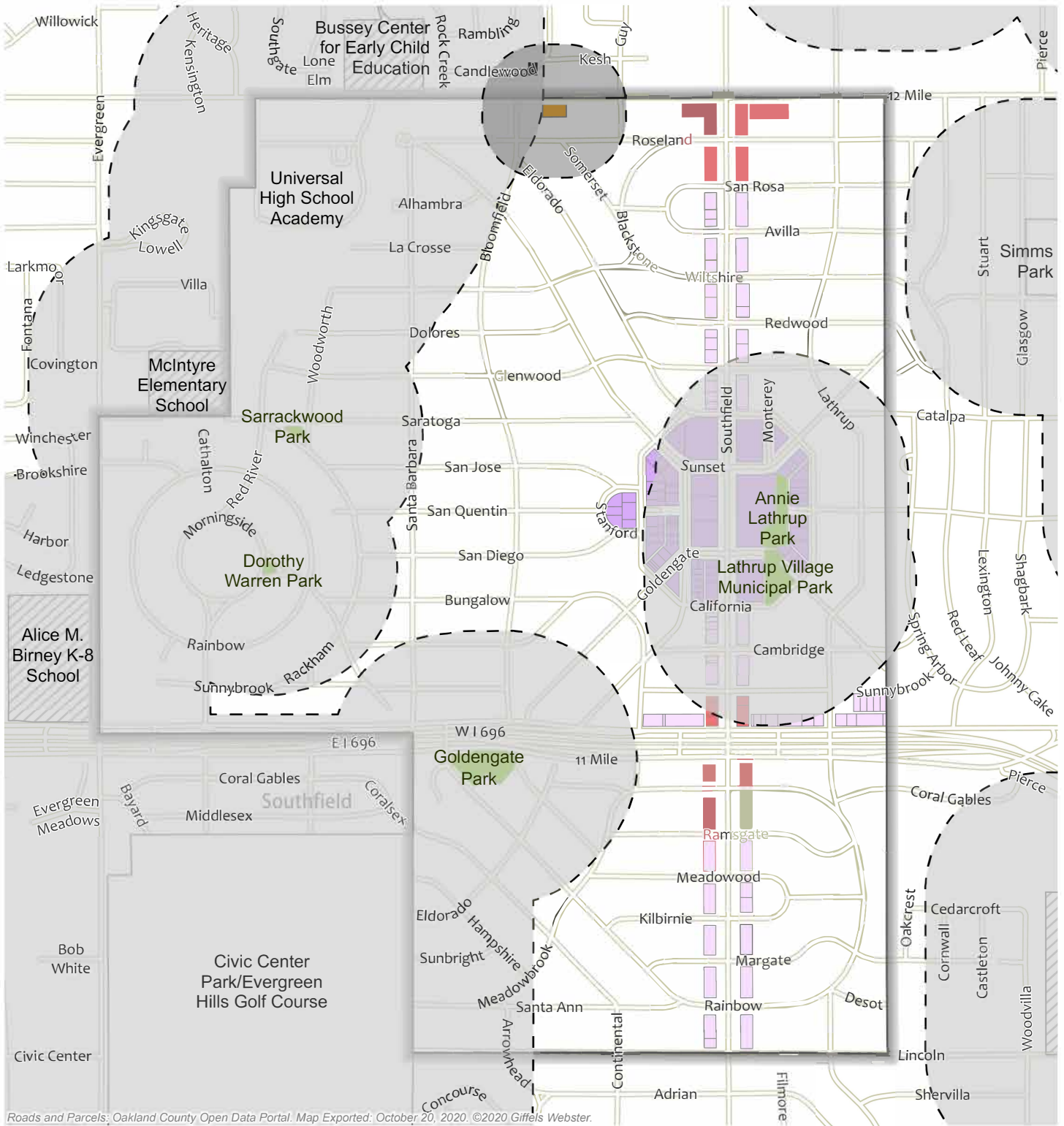
Date of Publication of Notice of Adoption:

**CERTIFICATE OF ADOPTION**

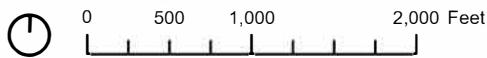
I hereby certify that the foregoing is a true and complete copy of the ordinance passed at a meeting of the City of Lathrup Village held on the \_\_\_ day of \_\_\_\_, 2020

\_\_\_\_\_

Yvette Talley, City Clerk



Roads and Parcels; Oakland County Open Data Portal. Map Exported: October 20, 2020. ©2020 Giffels Webster.



- Commercial - Vehicular
- Mixed Use
- Village Center
- Southfield Park
- Schools
- Lathrup Village Park
- Shelters
- 1000' School and Park Buffer
- 500' Shelter Buffer



# INFRASTRUCTURE STUDY GROUP

CITY OF LATHRUP VILLAGE  
27400 Southfield Road, Lathrup Village, Michigan 48076

## CAPITAL IMPROVEMENT RECOMMENDATION TO CITY COUNCIL

MONDAY, DECEMBER 21, 2020

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### **Infrastructure Committee 2021 Capital Improvement Recommendation:**

Goal: To propose a solution to the City's various water, sewer and lead related infrastructure issues.

Background: Lathrup Village has a variety of infrastructure needs that have arisen due to aging systems, long-deferred maintenance and State mandated requirements. The City has reached the point where these systems need to be addressed promptly to improve safety, ensure continued flow and availability of the water supply, ensure that waste is properly and efficiently disposed, and to ultimately reduce expenses to taxpayers. In addition, improvements must be made to satisfy unfunded State laws and mandates. Infrastructure needs fall into the following categories:

- water service distribution system material inventory (DSMI)
- lead and galvanized water service abatement
- water loss and water meter accuracy
- sewer repairs
- water main replacements
- fire hydrant repair and replacement
- gate valve replacement
- sanitary sewer retention tank maintenance
- sidewalk and ditch program financing

This recommendation will address each of these areas individually and then discuss financing and repayment recommendations.

## Infrastructure Recommendation:

### A. DSMI and Lead\Galvanized Water Service Abatement

In response to the Flint water crisis, the State of Michigan adopted a variety of new regulations related to lead in the water system. As a result of these regulations, by 2025, the City is required to identify the material of all water service pipes leading into all homes and businesses in the City. Any service line that consists of lead or galvanized steel is required to be replaced with the cost born completely by the City. Starting in 2021, the City must replace a minimum of 5% of its lead/galvanized service lines each year for the next 20 years.

Service line material verification is required at both the water stop box (usually by the sidewalk in front of each home) and where the water service physically enters the home/business. The City has already launched a self-identification campaign for residents to identify the material inside their homes and businesses. Identifying the material at the stop box is a significantly more intensive process. It requires digging five feet down on both sides of the stop box and visually inspecting the pipes leading to and going from the stop box for 18 inches on each side. The estimated cost for each stop box identification is \$650. This estimate includes repairing the sidewalk when it is damaged during the identification process. In addition, most of the stop boxes in the City are over 75 years old and do not function well or at all. Because most of the work to replace the stop box will already be completed in the identification process, it is the opportune time to replace these old and failing devices. The additional cost to replace each stop box is \$75, bringing the total cost to \$725 per water service line. We are estimating that there will be 1,600 services to be verified and are anticipating conducting 500 verifications per year starting in 2021. Based on these numbers, the estimate to complete this project is \$1.16M.

The City will also be applying for grant money to help defray some of these costs.

In addition, the City will be required to replace the lead and galvanized lines that are identified via the aforementioned methods. The cost of this abatement is estimated to run about \$4,500 to \$5,000 per line. While there is no way to accurately estimate how many lead and galvanized lines there are in the City, it does initially appear to be relatively low. The Committee is recommending that approximately to \$500,000 be estimated for this abatement.

## B. Water Loss and Water Meters

Over the last five to ten years, the City has had larger than expected water losses. Lathrup Village purchases its water from Southeast Oakland County Water Authority (SOCWA), who meters the volume that the entire City uses. The City, in turn, bills residents and businesses based upon their individual metered usage. The discrepancy between these two meter readings has grown to 40%. This means the City is footing the bill for 40% of the City's water usage without reimbursement totaling a loss of over a quarter million dollars each year. While water loss is expected due to a variety of conditions (water main breaks, fire hydrant flushing, etc.), the rate should typically be closer to 20%. SOCWA has verified its meters are working correctly and the City has not found any significant areas of continued water loss outside of normal loss channels.

The primary area of concern lies with the water meters that are used in the City. Like most of the infrastructure, our water meters are quite old. It is very common for older meters to lose their accuracy and under-record actual usage. As such, the Committee is recommending that all water meters in the City be replaced. There are approximately 1,785 meters in use and the estimated cost of replacement and installation is \$860,000. This estimate includes not only the smart meters, but also the necessary infrastructure and software for the system.

Per the recommendation of the Committee, the City administration is currently initiating a pilot water meter test program. The City will identify ten old meters from around Lathrup Village to have tested to determine their accuracy. This should help to verify that the meters are the primary cause of the loss issue and the potential saving from conducting this project.

This project should begin as soon as possible—every day of delay needlessly costs the City money. In fact, the cost of this project will pay for itself in less than five years by eliminating water loss that is currently paid for by the City.

### C. Sanitary Sewer System

Lathrup Village has invested heavily over the past couple of decades in its sanitary sewer system. As a result, the system is in good condition, but it does require maintenance to keep it from degrading. This fall, the City invested in having 30,000 linear feet of sewer pipe inspected via closed circuit television. As a result of this process, the City Engineer recommends budgeting approximately \$120,000 for necessary repairs for each of the next four years. This work will total \$480,000.

### D. Sanitary Retention Tank

Lathrup Village has its own sanitary retention tank that is used to store inflow from the sanitary sewer system when the inflow rate is greater than the rate at which we are permitted to outflow to the Evergreen-Farmington Sewer Disposal System (EFSDS). In the past, there have been instances where the retention tank has filled up and the City was forced to illegally allow the tank to overflow. As a result, the City is under a Consent Decree from the Michigan Department of Environment, Great Lakes and Energy (EGLE). Last year, we outsourced the operations and maintenance of the retention tank to the Oakland County Water Resource Commission (OCWRC). The County has notified us that our retention tank requires approximately \$500,000 in maintenance and repairs for safety and upgrades in order to obtain compliance with the Consent Decree.

### E. Water System

Lathrup Village has approximately 31 miles of water main. Of that mileage, 17 miles of water main were installed prior to 1930 with the remaining 24 miles installed prior to 1972. The expected life of a water main is approximately 50 years. Because most of the system has already significantly outlived its useful life, the City experiences a much larger than expected number of costly water main breaks each year.

The City has been addressing this issue on an ongoing basis. This fall, the City completed the Santa Barbara water main project, which installed about a mile of new water main to increase pressure and volume to the west side of the City. However, a large portion of the water system still needs to be replaced. As discussed in a prior recommendation, the opportune time to replace water main is simultaneous to road replacement. This dramatically reduces the cost of water main replacement and also eliminates any need to damage existing

roadway in order to replace water main. The residents recently approved a three year road replacement project and it is recommended that the City replace as much water main as possible during this three-year project. The following road segments are on the eligible list for road replacement and it is recommended that their associated water mains are replaced in coordination with the road project:

- Goldengate from 11 Mile Road to California West
- Wiltshire from Southfield Road to Lathrup Boulevard
- Bloomfield from LaCrosse to Sunset Boulevard
- San Rosa from Southfield Road to Lathrup Boulevard
- Glenwood from Santa Barbara to Sunset

The estimated cost for replacing these water mains is \$1,360,000.

#### F. Fire Hydrants

Lathrup Village has approximately 243 fire hydrants and approximately 60% of those were installed prior to 1930. The City Engineer estimates that 120 hydrants need to be replaced or refurbished in order to provide optimal functionality should their use be required to extinguish a fire. It is estimated that 60 hydrants will need to be replaced and 60 will be able to be refurbished. The estimated cost per hydrant is \$4,540. This equates to a total project cost of \$545,000. The recommendation is to address 40 hydrants per year for the next three years.

Completing this project (along with water main improvements) will help to improve safety and ultimately improve the City's fire rating, which should result in lower insurance rates for businesses and residents.

## G. Water Main Gate Valves

Gate valves are used to provide isolation capability for water mains. When water mains require maintenance or repair, a gate valve can be closed to shut off the water supply to the water main in question. Lathrup Village has over 300 gate valves of which 60% were installed prior to 1930. Due to their age, a large number of these gate valves no longer function. This is huge problem, especially because of the large number of water main breaks the City experiences every year. In many instances, when a water main breaks, the contractor cannot shut off the water upstream because of a non-functioning gate valve. This means the repair must be done under pressure, which results in added expense for the repair, additional time that residents are without water, excessive water loss for which the City is liable, and safety risk for the water department staff.

The City Engineer estimates that 162 gate valves require replacement. The cost of each replacement is estimated to be \$5,925, which equates to \$960,000 for the entire project. The City Engineer has recommended that 54 gate valves be replaced per year for the next three years.

## H. Sidewalks

Approximately two years ago, City Council adopted the Infrastructure Committee's recommendation for a sidewalk improvement program. That program was scheduled to begin in the summer of 2020. However, due to Covid-19, that project was delayed and will begin in the summer of 2021 when both the business corridor and one residential quadrant will be addressed. While residents and business will pay for the entire cost of the program, the City will have up-front costs that will eventually be reimbursed. For the first year of the program, it is estimated at \$20,000.

## H. Ditch Special Assessments

As part of the recently approved road replacement program, some streets will be required to undergo ditch repairs. Residents on these streets will pay for their ditch repair via a Special Assessment that is repayable over ten years. While the City will be fully reimbursed for this cost, it will be required to front the cost of this work. It is very difficult to estimate the amount at this juncture, as the design work is over a year away. The Committee is recommending that \$300,000 be estimated for this cost.



## I. Financing

It is critical that the projects noted above obtain financing and begin as soon as possible. Obviously, this will require the City to obtain funds for this work. The Committee has had extensive conversations with both Bond Counsel and Financial Counselors and is recommending the City use a Capital Improvement Bond for these projects.

A Capital Improvement Bond is a very flexible bond option that can be used for a variety of capital needs. These needs include all of the items discussed previously. This type of bond does not require that specific projects be identified in detail, but rather, just an estimate of their required cost. It is also a very flexible option. For example, we estimated that \$545,000 is required for the fire hydrant project. Should the fire hydrants be in better shape than expected and the project only costs \$345,000, the remaining \$200,000 can be allocated toward other capital projects. Repayment of the bond is flexible in that it can be repaid from a variety of sources, including the City's General Fund, the capital component of the water\sewer bill, Special Assessment payments, etc. A capital bond can contain multiple issues and you are not required to spend the entire amount that is approved. Lastly, the City would still be eligible to apply for any applicable grants.

To issue a Capital Improvement Bond, City Council would pass a resolution for the bond and issue a Notice of Intent. This notice, in turn, starts the clock for the residents' Right of Referendum. Ten percent of the residents would have to invoke that right in writing within 45 days to halt the bond from moving forward. If that does not occur, the bond is approved—it does **not** require a resident vote.

The Committee Recommends that City Council review this recommendation and act in a prompt manner as there are advantages to doing so. First, bond counsel indicated that the necessary work required for any bond is at least three weeks of dedicated city time. The City will embark on this process soon in order to secure the voter-approved road improvement bond. If the City processes two bonds simultaneously, the additional work for the second bond is negligible, which will save the City significant costs. Second and most important, the bond market will look very favorably upon the City issuing two bonds simultaneously. This informs the market that the City is wisely and aggressively planning a coordinated

approach for its future and this can result in a significantly better bond rating. A better rating would ultimately lower the financing costs of both bonds, relative to separate issuances, saving the City significant funds. Keeping in mind there is a required 45 day Right of Referendum, the City should consider this recommendation soon in order to reap the advantages of processing two bonds simultaneously.

The Committee recommends the City obtain a Capital Improvement Bond for \$5.18M, as this amount covers the cost for the aforementioned projects. Bond Counsel has recommended that it is advisable for the City to choose an amount that is “the largest amount that can be politically tolerated.” This is because it puts the City in a position where it has a funding mechanism for future capital projects without having to determine financing, issue additional bonds and/or go to the voters. Again, the fully authorized amount would not be required to be used, but would be available, if necessary. The Committee recommends \$5.18M, as it covers the anticipated cost of the needed infrastructure repairs (with a small contingency factor). Whether the City would like to request a higher amount would be a separate discussion for City Council and City administration to have.

The table on the following page provides more detail on the finances related to such a Capital Improvement Bond and how it was determined that \$5.18M is required.

<u>Current Assets</u>					
Sewer & Water Fund Balance	\$	3,780,000			
Balance available for Capital Projects	\$	<u>1,880,000</u>			
Remaining Sewer & Water Fund Balance	\$	1,900,000			
Annual Funds Raised by the Capital Component of Water Bill:					
Expected cu ft to be sold		13,800,000			
Capital H2O Rate Component per cu feet		<u>0.00925</u>			
Dollars Raised:	\$	127,650			
<u>Estimated Project Costs</u>					
Lead Testing	\$	1,160,000			
Water Meters	\$	800,000			
Sewer	\$	480,000			
Water Mains	\$	1,360,000			
Fire Hydrants	\$	545,000			
Gate Valves	\$	960,000			
Retention Tank	\$	550,000			
Lead Abatement, Ditching, Sidewalk & Other	\$	<u>1,000,000</u>			
Total:	\$	6,915,000			
Plus Bond Financing Cost (approximate)	\$	145,000			
Less Available Sewer & H2O Funds	\$	<u>1,880,000</u>			
Amount Needed in Capital Improvement Bond			\$ 5,180,000		
Annual Cost for \$4.6M Capital Imp Bond (20 year)	\$	336,700			
Annual Capital Raised by H2O Bill	\$	<u>127,650</u>			
Shortfall	\$	209,050			
Rate increase needed to raise \$209,050 from the capital component of the water bill would be \$.0245364/cu ft applied to the first 400 cu ft (the monthly minimum bill) of all water bills. Applying to first 400 cu feet only makes this equitable across all customers.					400 cu ft x \$.0245364/cu ft x 12 months x 1775 hookups = \$209,050
Actual customer increase per month					400 cu ft x \$.0245364/cu ft = \$9.81 per month

Looking at current assets, the City has a \$3.78M balance in the Water and Sewer Fund. The City has raised these funds through the collection of the capital component of the water\sewer bill over the years. While it would be nice to use all these funds for these necessary projects, the Committee recommends drawing only \$1.88M from this fund. Both the City's bond and financial counselors suggested we maintain half the balance to appear in a strong financial position to the financial markets. Doing so should help to keep our bond rating lower. In addition, should any emergency funds ever be necessary, there would be money in this fund.

In terms of annual funds raised by the City for capital purposes, the table shows the City raises approximately \$127,650 per year via the water\sewer bill capital rate component (without the 40% water loss, this figure would be \$208,000). This amount would be used to pay off most of the annual bond payments.

The table illustrates that \$6.915M is required for all the aforementioned projects. Note this includes \$1M for lead abatement, up-front ditching costs, up-front sidewalk costs and other potential uses\contingency. As noted earlier, these particular costs are very difficult to quantify. In addition, the financing cost of the bond will be approximately \$145,000. If you add the finance cost and subtract out the \$1.880M in available funds from the Water and Sewer Fund, this results in \$5.18M in required financing.

The annual cost of repaying a bond of this magnitude would be approximately \$336,700. Given we annually raise about \$127,650 from the water\sewer bill, this leaves an annual shortfall of \$209,050. The Committee recommends this shortfall be made up by a modest increase to the capital component of the water bill. More specifically, the calculation in the table shows that an increase of \$.0245364 per cubic feet applied only to the first 400 cubic feet (the monthly minimum billing amount) would raise the needed \$209,050. This equates to an additional \$9.81 per month to each of the City's water customers. The Committee feels this cost is a bargain for the magnitude of necessary work that would be completed. The low impact on the residents is also a testament to great financial planning work done by the various administration and City Council members over the years to maintain a decent balance in the Water and Sewer fund that will help to offset the cost to the residents.

It is also important to note that the monthly increase shown above is the highest *theoretical* rate that residents could see in order to pay off a bond issuance of this magnitude. However, residents should never experience this \$9.81 per month rate increase. The actual enacted rate increase should be lower and should also fall significantly over the first few years as some of the infrastructure issues are corrected. For example, once new water meters are installed and the water loss is brought under control, the increase to the water bill can be reduced significantly. Reducing the water loss alone to a more realistic 20% loss would raise additional capital that would reduce the necessary rate increase from \$9.81 to \$7.82 per month. Further, it is relevant to note these figures assume that City receives the full \$5.18M in funds at once. In reality, the City will receive funds in multiple issuances over three years. This will reduce the rate in the first year considerably. While the rate will rise with any subsequent fund issuance, the reduction in water loss will keep the rates from ever reaching the \$9.81 amount noted previously. In addition, residents' repayments of their Special Assessments for ditch and sidewalk repairs will be used to pay off bond principal, which serves to deflate the water rate increase needed for bond repayment. Finally, the City will be applying for grants for some of these projects. Every grant received will help to lower any increase in water rate to the residents. Given the water rate is adjusted annually, all these dynamic factors can be assessed yearly and incorporated into the new water rate.

As always, the Committee is available to City Council and the Administration to answer questions or for further clarification and/or discussion.

This recommendation is made by the following voting members of the Infrastructure Committee:

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Bruce Kantor, Committee Chair  
Mayor Pro Tem

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Michael Griffin

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Mike Keenan

---

Jo Robinson

---

Hugo Cardenas



**Dr. Sheryl L. Mitchell Theriot**

**City Administrator**

City of Lathrup Village

27400 Southfield Road | Lathrup Village, MI 48076

smitchell@lathrupvillage.org

Office: 248.557.2600 x 225 | Cell: 248.520.0620

**COUNCIL COMMUNICATION:**

TO: Mayor Garrett and City Council Members  
FR: Sheryl Mitchell Theriot, City Administrator  
DA: December 7, 2020  
RE: **Appointments – Historic District Commission**

The purpose of the Historic District Commission (Sec.40-21) includes, to:

- (1) Safeguard the heritage of the city by preserving the cultural, social, economic, political and architectural elements having historic significance;
- (2) Stabilize and improve property values in such districts;
- (3) Foster and promote property values in such districts;

The Historic District Commission investigates requests for modification of historic districts. They also have the duty to review and approve applications, including proposals and plans, for construction, alteration, repair or demolition in historic districts (40-28).

The Historic District Commission (Section 40-26) consists of seven (7) members. The terms are for 3 years and expire on December 31 of the year of expiration.

Current Members:

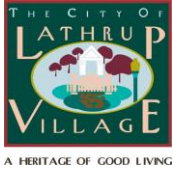
Robin Roberts  
John Dunivant  
Dane Johnson  
Annette Kingsbury  
Brigid Taylor  
Dianne Weems

The term of Robin Roberts ends December 31, 2020. An application was received for reappointment. No other applications were received.

**SUGGESTED MOTION:**

To (re)appoint to the Lathrup Village Historic District Commission:

- Robin Roberts, for the 3-year term ending December 31, 2023



# City of Lathrup Village

27400 Southfield Road  
 Lathrup Village, MI 48076  
 248-557-2600  
[www.lathrupvillage.org](http://www.lathrupvillage.org)

## APPLICATION FOR COMMITTEES, COMMISSIONS & BOARDS

Date of Application: \_\_\_\_\_

Please check the committee for which you are applying:

- |                                      |  |
|--------------------------------------|--|
| Board of Review                      | Historic District Commission                                     |
| Building Authority                   | Lathrup Village Foundation Board                                 |
| Downtown Development Authority (DDA) | Marijuana Study Group  |
| DDA – Economic Vitality Committee    | Planning Commission  |
| DDA – Promotions Committee           | Recreation Advisory Committee Streets<br>& Sidewalks Study Group |
| DDA – Design Committee               | Other: _____   |

Name:			
Street Address:	City:	State:	Zip:
Home Phone:		Alt. Phone:	
Email:			
Are you at least 18 years of age? Check one: Y      N	Are you a registered voter in Lathrup Village? Y      N	Have you been a resident of Lathrup Village for over 1 year? Y      N	

Please list below any relevant information regarding your past or present employment experience, memberships, or personal experiences as they relate to your being qualified for the item(s) checked above.

Please list below any other relevant information that clearly states your qualifications for serving on the committees or boards checked above.

Applicant Signature

Date

Return signed & completed application to:  
[CityClerk@LathrupVillage.org](mailto:CityClerk@LathrupVillage.org) or  
 Lathrup Village City Clerk, 27400 Southfield Road, Lathrup Village, MI 48076





**Dr. Sheryl L. Mitchell Theriot**

**City Administrator**

City of Lathrup Village

27400 Southfield Road | Lathrup Village, MI 48076

smitchell@lathrupvillage.org

Office: 248.557.2600 x 225 | Cell: 248.520.0620

**COUNCIL COMMUNICATION:**

TO: Mayor Garrett and City Council Members  
FR: Sheryl Mitchell Theriot, City Administrator  
DA: December 7, 2020  
RE: **Appointments – Lathrup Village Community Foundation**

**Lathrup Village Community Foundation:** The Lathrup Village Community Foundation (LVCF) was established in 1996. Its purpose is “to raise funds to provide recreational, educational and cultural opportunities, programs and facilities, and other aesthetic improvements to the City deemed beneficial by the Board to assure the quality of life, and provide a legacy for the generations of today and tomorrow within the City of Lathrup Village.”

The LVCF is adopting changes to their bylaws. The original bylaws were adopted in 1996. The Board of Directors consisted of the City Administrator or his/her designee and two (2) City Council Members, who were appointed by action of the City Council.

The new bylaws provide for the Board of Directors to include: City Administrator or his/her designee and one (1) City Council Member, who is to be appointed by action of the City Council.

The City Administrators designee’s term of office is for 1 year. The designee of the City Council is to be a member pursuant to their term of office.

The current LVCF Board Members are:

Vanessa Barnett, President  
Pamela Bratschi, Treasurer (City Administrator Designee)  
Kalya Rouser, Secretary  
Laurie Bell  
Cort Storer  
Natalie Bell  
Kelly Garrett (Council appointment)  
Donna Stallings (Council appointment)

**SUGGESTED MOTION:**

To appoint to the Lathrup Village Community Foundation Board:

- Pamela Bratschi, as the designee of the City Administrator
- \_\_\_\_\_, as a Council appointment