

PLANNING AND DEVELOPMENT SERVICES STAFF REPORT

For Planning Commission Meeting of March 20, 2018

SUBJECT: 338 South Ashley Street Special Exception Use with Site Plan for Planning Commission Approval

File No. SEU18-004

PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission, after hearing all interested persons and reviewing all relevant information, including an accompanying site plan, finds the petition substantially meet the standards in Chapter 55 (Zoning Ordinance), Section 5:104 (Special Exceptions) and Section 5:50.1 (Regulations Concerning Medical Use of Marijuana), and therefore approves the 338 South Ashley Street Special Exception Use for a medical marijuana Provisioning Center. This approval is based on the following findings:

1. The proposed use will be consistent with the D2 (Downtown Interface) District, which provides for commercial and retail activities as well as office and residential uses.
2. The proposed use will not adversely impact traffic, pedestrians, bicyclists, circulation, or road intersections based on the location. South Ashley Street provides adequate access to the site, and the proposed use is consistent with other surrounding uses' traffic impact.
3. Through documentation submitted by the petitioner regarding waste disposal, inventory tracking, security, and other methods of operation of the facility, the provisioning center will be operated in a manner that will not have an adverse impact on the neighboring properties or area, and will not have a detrimental impact on natural features.

This Special Exception Use approval is based on the following conditions:

1. The petitioner obtaining and maintaining both a State of Michigan Medical Marijuana License and a City of Ann Arbor Medical Marijuana Permit, and providing documentation to Planning Services within three years of the City Planning Commission approval date of this petition.

2. The petitioner operating a medical marijuana business at this address within three years of the City Planning Commission approval date of this petition.

And that the Ann Arbor Planning Commission approves the attached Site Plan which demonstrates compliance with the applicable Special Exception Use standards as no physical development of the property is proposed.

STAFF RECOMMENDATION:

Staff recommends that the special exception use be **approved with conditions** subject to Planning Commission consideration because the proposed special exception use is of such location, size and character as to be compatible with the zoning district in which the site is situated; and the location and size of the proposed use, its nature and intensity, the site layout and access, and effect of the proposed use on public services would not be hazardous or inconvenient to the neighborhood nor unduly conflict with the normal traffic of the neighborhood.

LOCATION:

This site is located on the west side of South Ashley Street, north of West William Street. Downtown Development Authority area, Downtown planning area, Ward 5.

DESCRIPTION OF PETITION:

The petitioner seeks special exception use approval to operate a medical marijuana provisioning center in an existing building zoned D2 (Downtown Interface). Per the Zoning Ordinance, Chapter 55, the D2 district allows medical marijuana provisioning centers with special exception use approval.

The 2,600-square foot site contains a 1,044 square foot, two-story retail building constructed in 1901. The provisioning center occupies the entire building.

SURROUNDING LAND USES AND ZONING:

	LAND USE	ZONING
NORTH	Downtown commercial	D2 (Downtown Interface)
EAST	Surface parking	D1 (Downtown Core)
SOUTH	Vacant lot	D2
WEST	Surface parking	D2

HISTORY AND PLANNING BACKGROUND:

The existing building was built in 1901 as a single-family residence. It has been zoned for commercial use since the 1960's, at least. It is within the Downtown Development Authority area which was created in 1982.

The recommendations in the [2009 Downtown Plan](#) for the site and surrounding blocks to be zoned D2 base district and First Street character overlay district were achieved by the Ann Arbor Discovering Downtown (A2D2) rezoning approved in 2009.

Also of note, the frontage designation of the site per the Zoning Ordinance is front yard street. The [Downtown Street Design Manual](#), an approved policy, [classifies](#) this block of South Ashley Street for bicycle functional emphasis and commercial frontage context.

SPECIAL EXCEPTION USE STANDARDS:

The Planning Commission, in arriving at its decision relative to any application for a special exception, shall apply the standards shown on the attached [petition](#).

In addition, the following information is required to be submitted for provisioning centers per 5:50.1(8) Special exception use regulations for medical marijuana facilities:

- 1) an [operations statement](#) that describes the life cycle of marijuana on site, and general business operations;
- 2) a [safety and security plan](#) that addresses marijuana, customers, employees, and the neighborhood;
- 3) a description of methods to be used to [contain all odors](#) within the building;
- 4) a [waste disposal plan](#) for marijuana; and
- 5) [hours of operation](#).

This required information is attached to this document as well as linked.

PLANNING STAFF COMMENTS:

The special exception use requirements as they are applied to this petition are broken down into general categories below.

Master Plan: (The [City Master Plan](#) includes 8 elements, adopted individually between 2009 and 2017, and together by resolution in 2015.) Together, the City Master Plan elements seek to guide the City towards sustainability, conservation, and increasing livability, affordability, transportation choices, and dense, mixed uses on vibrant, active, friendly streets. Recommendations specific to the site include the future land use recommendations in the [Downtown Plan](#) for downtown interface zoning designation and active streetlevel uses, which have been satisfied.

Compatibility with the general vicinity: The use is similar to other downtown retail establishments in its hours of operation, customer volumes, and general activities.

The existing development is well within the normal FAR limit, off-street parking requirements have been assumed by the on-street parking spaces and parking structures open to the public for the benefit of all downtown developments.

Consistent with the neighborhood and not detrimental: The intensity and character of the provisioning center are compatible with downtown activities. No complaints have been received by Planning and Building about this particular business. (Note that complaints have been received about the increasing number of provisioning centers in general.)

Parking: The site is in a parking-exempt area for developments at or below the normal FAR maximum. In those cases, off-street parking requirements are assumed by the on-street spaces and parking structures open to the public for the benefit of all downtown developments. One bicycle hoop, providing 2 spaces, is provided on the site at the rear near the main customer entrance.

Pedestrian Safety: Public sidewalks, in good condition, are present along South Ashley Street as well as throughout downtown. The lack of a driveway at this location improves pedestrian safety in the immediate vicinity.

Vehicular movement and traffic: The vehicle trips generated by a provisioning center are consistent with general retail uses found in D2 district. This provisioning center will have a neutral affect on vehicular movements and traffic patterns downtown.

Natural Features: There are no natural features on this site.

Additional required Medical Marijuana SEU information:

Operations Plan: The referenced [operation plan](#) describes patient workflow, employee workflow, storage and deliveries, packaging and product tracking, cash handling, staffing hiring and training, and opening and closing.

Safety & Security: It should be noted that the state licensing process requires an extremely detailed and comprehensive security system. Staff does not ask for the particulars of provisioning centers' security plan since our documents are all public, unlike the state license permit application which is not. The applicant has provided an [abbreviated security plan](#) that describes an alarm and surveillance system, facility security, and policies and training to prevent or mitigate any breaches.

Odor Control: Lack of odor control is the most frequent complaint heard by staff about provisioning centers. The applicant has [stated](#) that the entire building is equipped with constant, continuously running charcoal/carbon fans to control and eliminate all odors from leaving the building.

Waste Disposal: The applicant has [stated](#) that typical waste will be recycled or disposed

into standard carts provided by the City, stored in a screened enclosure at the rear of the site. Any marijuana waste will be made into an unusable form, tracked, and disposed of securely.

Hours of Operations: Normal [hours](#) of operation will be 10:00am to 8:00pm, Monday through Saturday, and 11:00am to 6:00pm on Sundays.

DEPARTMENT COMMENTS:

All relevant staff have reviewed the application, none offered any comments.

Prepared by Alexis DiLeo, City Planner
Reviewed by Brett Lenart, Planning Manager

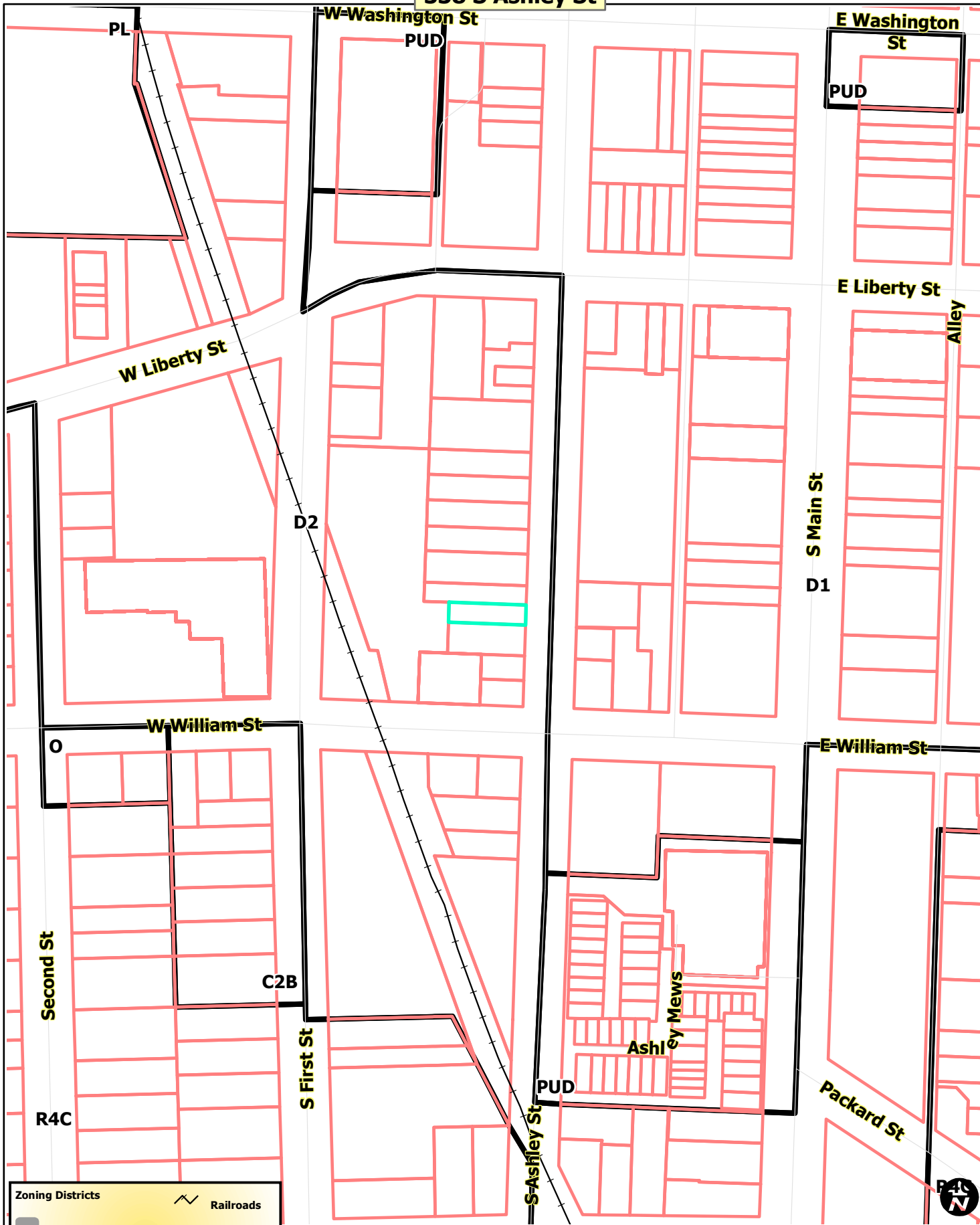
Attachments: Zoning/Parcel Maps
Aerial Photo
[SEU Petition Application](#)
[Security Plan](#)
[Operations Statement](#)
[Waste Disposal Plan](#)
[Site Plan, including Floor Plan](#)
Provisioning Center/School Locator Map

c: Petitioner – Nathan Podrid
Property Owner – Benjamin A. Curtis
City Attorney's Office
Systems Planning
File No. SEU18-004

Google streetview (image capture: Aug 2017), 338 South Ashley Street:



338 S Ashley St






Zoning Districts	Railroads
Township Islands	Huron River
City Zoning Districts	Tax Parcels



Map date 1/22/2018
 Any aerial imagery is circa 2015 unless otherwise noted
 Terms of use: www.a2gov.org/terms

338 S Ashley St



-  Railroads
-  Huron River
-  Tax Parcels



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338 S Ashley St



-  Railroads
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City of Ann Arbor

PLANNING & DEVELOPMENT SERVICES — PLANNING SERVICES

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p. 734.794.6265 | f. 734.994.8312 | planning@a2gov.org

APPLICATION FOR SPECIAL EXCEPTION USE

See www.a2gov.org/planning/petitions for submittal requirements.

TO: Ann Arbor City Planning Commission

We, the undersigned, respectfully petition the City Planning Commission to approve this special exception use request as it relates to the property hereinafter described.

A. Legal Description

(Give or attach legal description and include address of property)

Address: 338 S. Ashley Street, Ann Arbor, MI 48104

See attached plans for legal description

B. Petitioner Information

The petitioner(s) requesting the special exception use are: *(List petitioners' name; address; telephone number; and interest in the land; i.e., owner, land contract, option to purchase, etc.)*

Nathan Podrid

(734)-773-3075

338 S. Ashley St, Ann Arbor, MI 48104

Interest: to lease existing building and site

Also interested in the petition are: *(List others with legal or equitable interest)*

C. Use Request

The applicant requests special exception use approval to permit the following use(s): *(state intended use)*

Medical Marijuana Provisioning Center

D. Specific Standards

The proposed use is allowed in accordance with the Schedule of Use Regulations, Chapter 55 (Zoning Ordinance), Section _____, Paragraph _____. Specify how the project meets all standards cited. Add attachment if necessary.

Meets requirements of Section 7, Paragraph 5.10.10, Paragraph 5.6, Paragraph 5.104,
and Paragraph 5.5.1

E. General Standards

The proposed use or uses shall be of such location, size and character as to be compatible with the appropriate and orderly development of the zoning district and adjacent zoning districts in which the site is situated. Please explain how and to what extent the following standards are met by the proposal:

1. Will be consistent with the general objectives of the City Master Plan.

No proposed changes to add parking. Existing pedestrian pathway to be maintained and
bicycle rack will be added to the site to support customers on bicycles.

2. Will be designed, constructed, operated and maintained in a manner that is compatible with the existing and planned character of the general vicinity.

The existing business will continue to operate and be maintained in a manner that is
compatible with the existing and planned character of the general vicinity. Refer to the
operations statement provided by petitioner.

3. Will be consistent with the general character of the neighborhood considering population density, design, scale and bulk; and the intensity and character of activity.

The original facade of the building will remain untouched, preserving the design, scale and
character of the building and surrounding neighborhood.

4. Will not be detrimental to the use, peaceful enjoyment, economic value or development of neighboring property, or the neighborhood area in general.

The existing business has been in operation for 1 1/2 years and will continue to do so without
detracting from the use, peaceful enjoyment, economic value or the neighborhood in general.

5. Will not have a detrimental effect on the natural environment.

The natural environment is not affected by any exterior improvements or curb cuts.

The location and size of the proposed use or uses, the nature and intensity of the principal use and all accessory uses, the site layout and its relation to streets giving access to it, shall be such that traffic to and from the use or uses, the assembly of persons in connection therewith, and the effect of the proposed use on public services and facilities, will not be hazardous or inconvenient to the neighborhood nor unduly conflict with the normal traffic of the neighborhood. Please explain how and to what extent the following standards are met by the proposal:

6. The location of and access to off-street parking and the safe provision for pedestrian traffic.

No off-street parking provided on site, currently utilize city municipal lot directly across the street from the site. The special parking district requires no on-site parking spaces in Zoning D2.

7. The relationship of the proposed use to main traffic thoroughfares and to streets and road intersections.

No proposed changes to existing site, no traffic changes proposed and no curb cuts will be added to the existing site.

8. Vehicular turning movements in relationship to traffic flow routes.

No proposed changes to traffic

9. The intensity and character of traffic and parking conditions on the site and in the general area.

No proposed changes to existing site or parking, no traffic changes proposed

10. The requirements for additional public services and facilities which will be created by the proposed use will not be detrimental to the social and economic welfare of the community.

No proposed exterior renovations to existing building or existing site

F. Variance Information

In addition to the granting of the special exception use, the following variances from City regulations will be requested:

No requested variances

Attached is a site plan of the property proposed for special exception use approval, showing the

boundaries of the property, the buildings, vehicular use areas, and all requirements set forth in Chapter 57 (Subdivision and Land Use Controls).

The undersigned states he/she is interested in the property as aforesaid and that the foregoing statements are true and correct to the best of his/her knowledge and belief.

Dated: _____

Signature: _____

(Print name and address of petitioner)

STATE OF MICHIGAN

COUNTY OF WASHTENAW

On this _____ day of _____, 19____, before me personally appeared the above named petitioner(s), who being duly sworn, say that they have read the foregoing petition and by them signed, and know the contents thereof, and that the same is true of their knowledge, except as to the matter therein stated to be upon their information and belief, and as to those matters they believe it to be true.

Signature: _____

My Commission Expires: _____

Greenstone: Abbreviated Security Plan 338 S Ashley

Introduction

Greenstone's Safety and Security Plan fulfills both the requirements of the ordinances of the City of Ann Arbor and of Emergency Rule 27 of the Michigan Department of Licensing and Regulatory Affairs Bureau of Medical Marihuana Regulation ("LARA") promulgated pursuant to 2016 Public Act 282, the Michigan Medical Marihuana Facilities Licensing Act ("MMFLA"). As such, it is being implemented to protect marihuana, customers, employees, and neighboring residents, offices, and businesses.

The Safety and Security Plan consists of the following elements:

- Alarm and Surveillance to protect product and provide ownership and staff with the ability to immediately alert law enforcement in the event of product theft or a threat to customers, employees or neighbors.
- Means of securing product and the facility itself.
- Policies and training to mitigate any events that occur.
- Insurance to guard against economic loss.

Greenstone's full, detailed Safety and Security Plan contains discussions of specific security measures, equipment, and capabilities, and is therefore considered confidential. It may be viewed by City of Ann Arbor staff at request, and is also being submitted to the State of Michigan for review and approval as part of the LARA's licensure application process. Elements of the Safety and Security Plan are summarized below.

Alarm and Surveillance

The premises will have 24 hour third party alarm monitoring provided by Guardian Security in Southfield. Outside of 24-hour surveillance, the premises will have up to 90 day's worth of digitally saved surveillance located on Guardian's offsite server available to authorities for review when requested. Owners/managers would have 24-hour access for review through the Speco player app, which would allow for real time viewing of all the cameras from either desktop or mobile, up to 90 day's worth of saved surveillance right at their fingertips, as well as the ability to zoom in on footage, further enhancing the capabilities.

Cameras will be located both on the outside and inside of the building. The cameras outside the building would cover all entrances as well as the side of the building for comprehensive monitoring. All alarm and surveillance system components adhere to all the MMFLA rules.

Securing Product and Facility

The premises of the building will be protected by security doors compliant with the MMFLA. Marihuana products will be stored and displayed in a manner where they are never visible from the exterior. Overnight storage of product and cash will occur only in the primary secured storage room, which has one door for entry and no other potential means of entry. The door to this storage room will be equipped with locks that are different from other locks on any other door in the facility.

Access to the facility will be limited to the owners, employees, and registered qualifying patients and registered primary caregivers with valid registry cards, LARA, and law enforcement. Any visitors will be logged. Any person other than owners and employees will be escorted at all times while on the premises.

Policies and Training

All employees will receive training with respect to the operational policies of this Safety and Security Plan, as well as to what steps to take in any emergency event.

Insurance

We will have product insurance offered by Connifer Insurance in Birmingham, MI.

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Operations Statement Greenstone 338 S Ashley

Patient Workflow

Access to the facility is limited to the owners, employees, registered qualifying patients and registered primary caregivers with valid registry cards, LARA, and law enforcement. Patients and caregivers come through the back door to enter the premises. Anytime someone enters the premises, a ring bell goes off notifying everyone one in the building that someone has arrived. Upon entering the reception area, they are immediately greeted by our receptionist and asked if they are a new or returning patient. They will be asked to submit both a current MMMA card and proper state identification. They are then checked into our POS system (MJFreeway), which will interface with the State's METRC system and immediately verify how much marihuana product a patient can purchase under the State's daily purchase limits. All visitors will be logged, and will be escorted at all times while on the premises.

After check-in, patients go and wait in queue in the adjacent room. The waiting room will have multiple magazines available including a tablet with the full menu of medicine provided to peruse while they wait, as well as a water dispenser. New patients will be asked to present both required forms of ID as well as filling out our rules and regulations policy in the waiting room. The rules and regulations will include all of our policies which will include a non-loitering clause that prohibits not only loitering but partaking in any medicating whatsoever around the premises. We then scan the front and back of both IDs and input them into our POS for record keeping as well as their signed rules and regulations policy. When the budtender(s) are ready for the patient they are then escorted into the bud room for their consultation, which will include the provision of educational materials pursuant to our patient education plan. After the consultation is done they exit through the front door.

Bud Room

The bud room while having two entrances will only have one used entrance/exit for patients. All the medicine will be behind glass casings that have latched back sliding doors to which patients will not have access, so that in no way shape or form can marihuana product be accessed by the customer. Some niche products will be on display on shelving behind the glass casings away from patient reach. Complete view of every part of the room will be available as described in the security plan so all patient visits are recorded and reviewable. There will be a second bud room located upstairs that will only be used if the volume of patients calls for it. All transfer or sale of marihuana product shall take place only within one of these two dedicated point of sale areas.

Storage and Deliveries

All deliveries will be executed at the side security door, and recorded by video. The deliveries will then be taken down stairs to the designated work room where everything is unpacked, prepped for storage and/or the bud room shelves, as well as inputted into the POS system. Anytime a product needs to be broke down or prepped, it will only be done in this designated area. All storage and security will strictly adhere to MMFLA standards.

Packaging and Product Tracking

Greenstone will employ a hybrid packaging system. Upon delivery of a product, it is immediately unpacked and inputted as a Purchase Order in our POS. Products such as flower, are weighed out after which 80% of the order is pre-packaged accordingly leaving the other 20% to go into jars. Pre-packaging helps maintain a stricter control of a loss of product, while the weigh on site method offers a better experience. Prior to sale to a patient, the container, bag, or product holding the marijuana product will be labeled and sealed in accordance with MMFLA rules. Weigh outs and product counts are done every single night as outlined later in the Closing procedures. Lastly every Thursday there is a reconciliation done in tandem by one manager and owner, this checks and validates the nightly weigh outs and is designed to catch any discrepancies. All product on the premises shall be stored overnight in the primary security storage room.

Cash Handling

All Cash will be stored in one of the two security storage rooms in a safe or lock box. Long term or overnight storage will be held inside a safe which will be located in the primary long-term storage located in the basement. This will be the most secure area on the premises. The daily afternoon and night drops will be made into a cash box that will be located in the upstairs security and storage room. From there ownership will handle accounting of that cash as well as whether it is spent on business expenditures or moved to long term storage down stairs.

Staffing Hiring and Training

We currently have 8 total employees, 2 managers, 4 budtenders/receptionists, and 2 receptionists. As well as ownership coming in to assist when needed. On any given day, there will be at least one manager and employee on schedule. This will be all be adjusted depending of the volume the store does.

Hiring is handled by one designated owner and manager. They interview prospective candidates and focus on a wide range of qualities including the following

- Retail experience
- Cannabis cultural knowledge
- Educational background
- Office and computer skills
- Creativity
- Desire to be both a receptionist and bud tender

We would finally conduct a criminal history background check prior to hiring the prospective candidates. All records of the results of such background checks will be maintained.

Training would take place over a period of two weeks. First the new employee would review our training manual which would include the following

- Safety procedures

- Employee guidelines
- Security protocols
- Educational training
- Patient education plan

New employees would initially come in and work as a shadow for both the receptionist and/or bud tender for their first 3 scheduled shifts. At that point, they would be ready to take on the duties of a receptionist and they would get scheduled on slower weekday morning shifts. Then when it was slower, they would go back and assist the patients under the supervision of the other scheduled trainer. If another patient walked in, they would be notified by the doorbell that goes off upon entry and slide back to the desk through the employee door as the employee training them would finish the patient consultation.

Opening and Closing

The opening process starts at 9:00 AM when the day shift employees enter the premises by key and then put in the code to disarm the security system and prep for the 10:00 AM opening. At that point, the receptionist begins to go through their opening checklist which includes the bathrooms, waiting and reception rooms. The budtender(s) go down stairs and start going through their opening checklist that includes leveling product level, stocking the shelves and doing a quick audit into the POS.

Closing starts after the last patient that came in before 8:00pm checks out and leaves. The receptionist goes through their checklist which primarily includes cleaning the bathrooms, waiting and reception room. The budtender(s) do a closing weigh out, package everything up, lock up everything up in the downstairs as well clean up the downstairs work area. Finally, the alarm code is set, both front foyer security doors are closed and the employees walk out the front door.

Waste Disposal Plan

Our trash and recycling bins are located right next to our ADA ramp and porch leading up to the back entrance. As depicted in our drawings we will have a locked area that will prevent outsiders from access to all of our trash and recycling. In terms of actual waste, we will have a strong recycling program where anything and everything will be recycled if possible. As a dispensary, we will have virtually no product waste as everything is generally reused; any waste we will have will be grinded together with other ground materials so that it is unusable and unrecognizable, and then vacuum sealed to eliminate smell before it is deposited into our secure bins. Wasted product will also be recorded in our MJ Freeway inventory control system, which sync with the State's METRC seed-to-sale tracking system.

Odor Control

Both floors will have charcoal/carbon fans that eliminate and control smell for the entire store. These fans are running 24/7 so that even when the store is closed, odor is controlled. Filters will be regularly checked and replaced as needed.

Hours of Operations

Monday through Saturday 10am-8pm

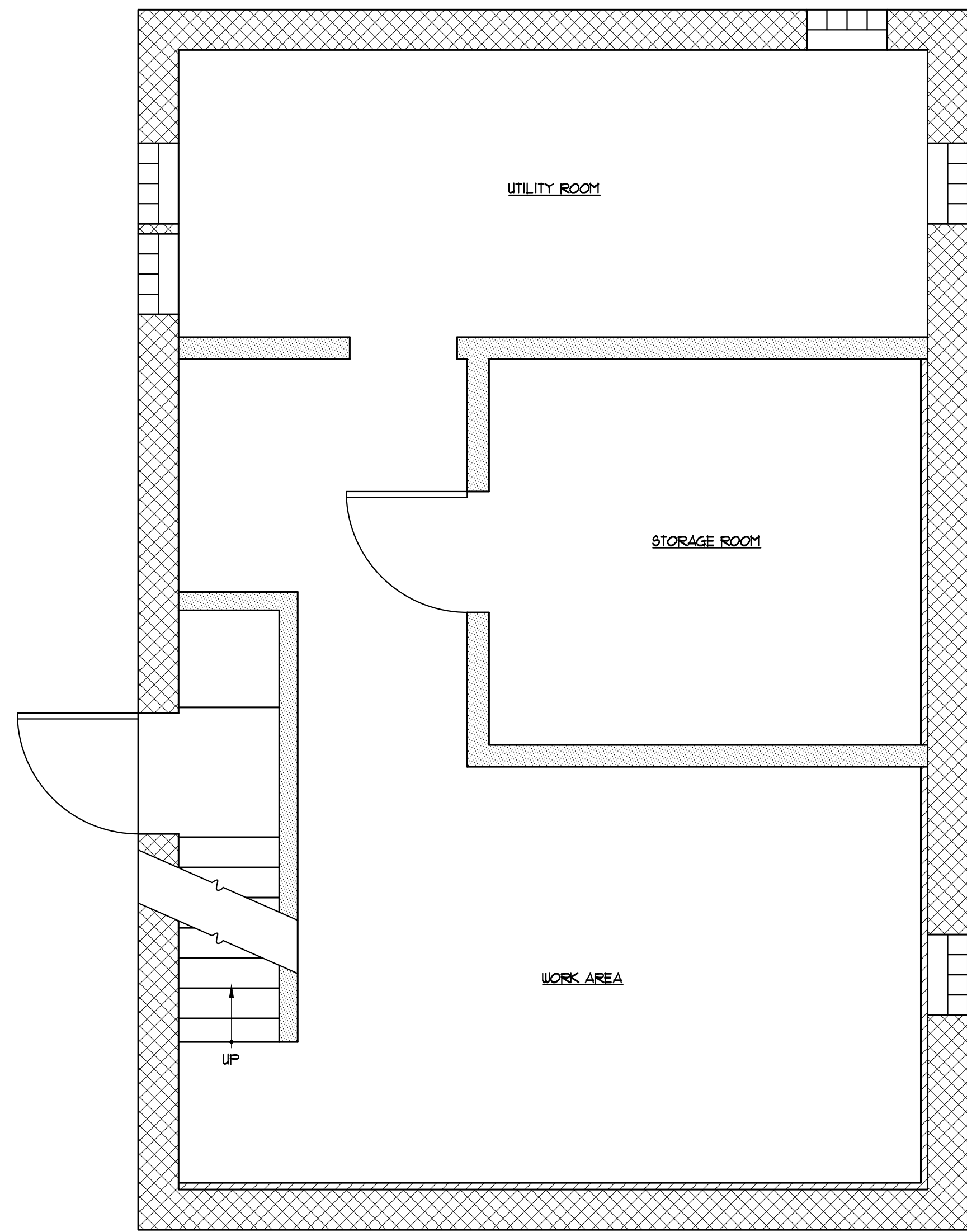
Sunday 11am-6pm

We usually stay open on holidays except Thanksgiving but those are left to our discretion
Lastly workers show up an hour before opening and generally leave an hour after closing

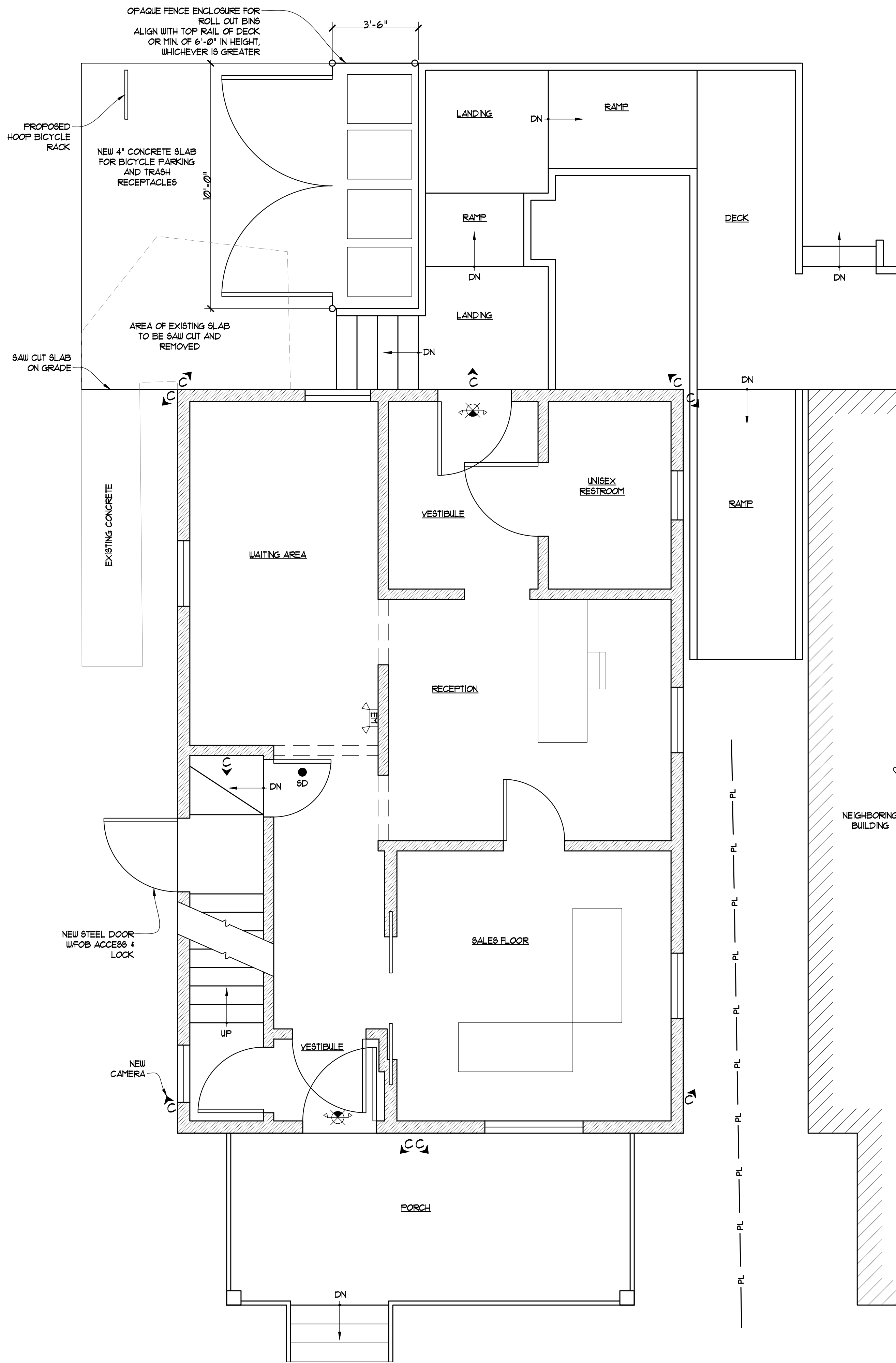
SECURITY SCHEDULE	
SYMBOL	DESCRIPTION
C	WALL CAMERA
⊙	CEILING CAMERA

NOTE: ALL INTERIOR CAMERA LOCATIONS WILL MEET THE MFLA EMERGENCY RULES, DATED 12/04/2011

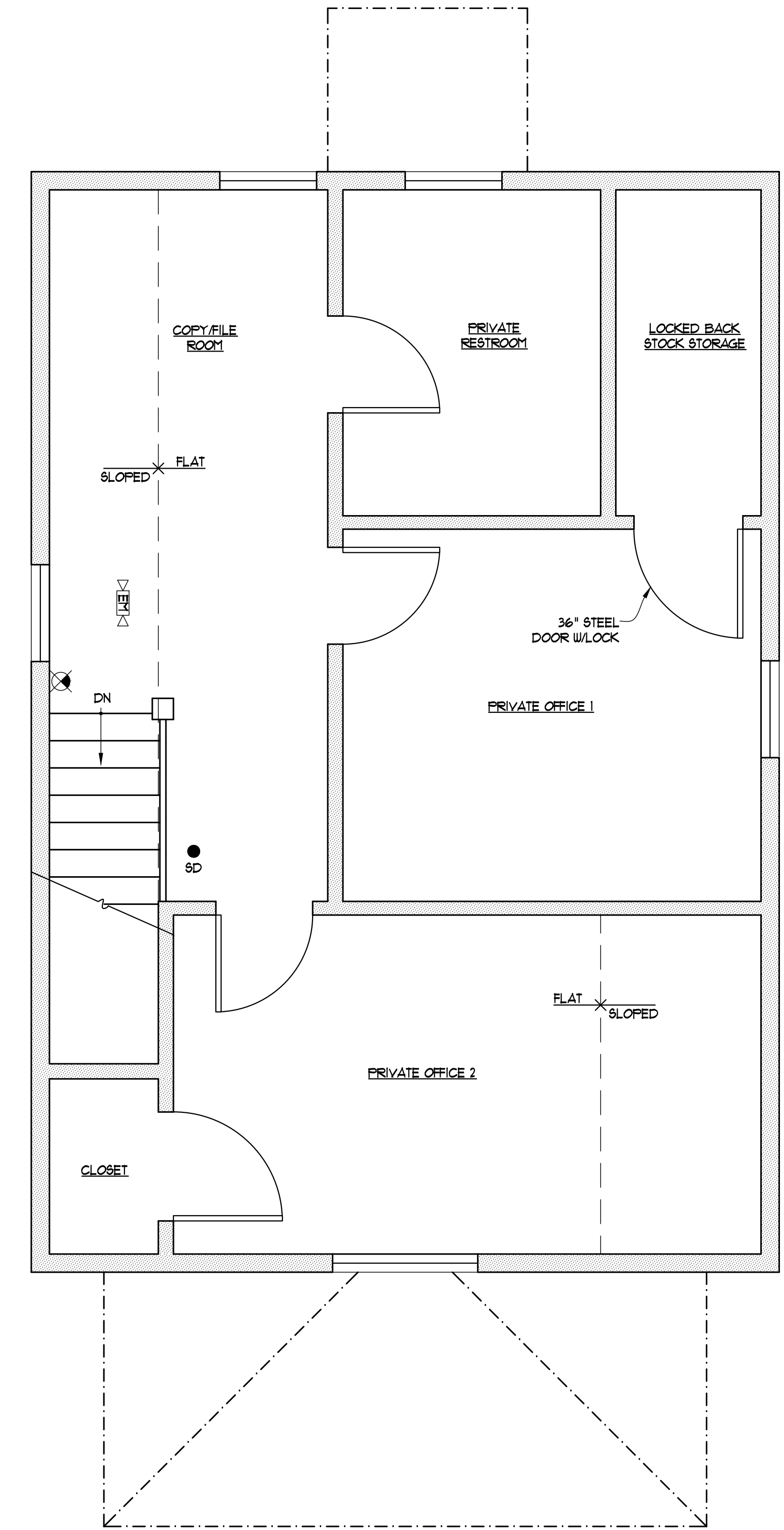
NOTE:
1. ALL EXTERIOR DOORS ARE STEEL WITH LOCK AND FOB ACCESS.



BASEMENT SECURITY PLAN
SCALE: 3/8" = 1'-0"



FIRST FLOOR SECURITY PLAN
SCALE: 3/8" = 1'-0"



SECOND FLOOR SECURITY PLAN
SCALE: 3/8" = 1'-0"



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Designed/Drawn HJR/JA
Checked/Approved HJR
Job # 228-2018
File: 08 ASHLEY_CD.dwg

Date/Revisions Issue for
01/04/18 CLIENT REVIEW
01/25/18 SPECIAL EXCEPTION USE

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★ **338 S Ashley SEU Map**

Yellow Circle = 600 foot provisioning center buffer radius

Red Circle = 1000 foot K-12 school radius

Green = zoning that allows provisioning centers

