

Resolution Regarding a competitive process for selecting applicants for a City marijuana permit when the limit on the number of City permits in the ordinance prevents the state from issuing a state license to all applicants who meet the requirements of the Michigan Regulation and Taxation of Marijuana Act.

Whereas, On November 6, 2018, Michigan voters approved the Michigan Regulation and Taxation of Marijuana Act (MRTMA);

Whereas, On October 7, 2019, the Ann Arbor City Council determined to allow adult use marijuana establishments to operate in the City as authorized by the MRTMA by passing amendments to ordinances related to zoning (Chapter 55) and permits for medical marijuana facilities (Chapter 96), which;

Whereas, The ordinance amendment to Chapter 96 limits the number of City permits that are available for marijuana provisioning center/retailers, designated consumption facilities, and microbusinesses;

Whereas, Section 9 of the MRTMA requires that the City shall have “a competitive process intended to select applicants who are best suited to operate” in the City if the limit in the ordinance prevents the state “from issuing a state license to all applicants who meet the requirements” of the MRTMA”; and

Whereas, On October 7, 2019, City Council indicated in a resolution that City Staff would present a proposed competitive process for Council consideration on October 21, 2019
on October 21, 2019;

RESOLVED, That the City Council direct the City Administrator to establish an administrative committee of staff to review issuance of marijuana permits, which consists of the City Clerk as the presiding staff member and the Chief of Police, the Fire Marshal, the City Treasurer, and the Building Official.

RESOLVED, That the City Clerk establish the time frame and forms of documentation necessary for submittal of applications for the types of facilities allowed under statute and shall receive all such forms.

RESOLVED, That upon receipt of the applications, the Clerk call a meeting of the administrative committee annually to review and rank order the compliant and responsive applications using a competitive process that incorporates the following equally weighted criteria:

- **Past Performance** shall be reviewed considering the applicant’s history operating the same or equivalent type of licensed facility in any community in the State of Michigan; the applicant’s history operating a

licensed marijuana business in any community in Michigan; and other relevant business management experience.

- **Experience with the Community** shall consider the applicant's history operating the same or equivalent types of licensed facility within the City of Ann Arbor; the applicant's history operating other types of licensed marijuana businesses in Ann Arbor; the length of time the applicant has been operating licensed marijuana facilities in Ann Arbor, and the applicant's history operating non-marijuana businesses in Ann Arbor.
- The applicant's **Business Plan** shall depict and describe the ownership structure, financial resources, and financing plan; proof of prequalification from the state Licensing and Regulatory Agency (LARA) within 60 days of filing the permit application; the plan to minimize exposure to minors in marketing, advertising, and promotion; and the number of employees and compensation structure.
- Evaluation of the facility **Location** shall consider the factors of geographic equity, accessibility, compliance with zoning requirements, impacts on the surrounding properties, and the proximity to a residential zoning district.
- **Community Interest** will be evaluated through the plans and strategies for community outreach and education; the use of renewable energy in the facilities operations; a submitted parking plan and traffic analysis; and a community engagement approach to identify and respond to community needs.

RESOLVED, That the City Clerk compile the administrative committee's evaluations and forward a rank-ordered listing to the the Council Liquor License Review Committee or other body as the Council may establish.

RESOLVED, That upon receipt and review of the administrative committee recommendations, the designated Council committee shall accept/ amend and adopt the administrative committee's recommendations and forward them to Council as a whole for approval.

RESOLVED, That upon Council adoption, the City Clerk shall submit the document(s) required by the state to issue the state license to the City permit applicant chosen through the competitive process.