



City of Ann Arbor Planning Services

Memorandum

TO: Planning Commission
FROM: Brett Lenart, Planning Manager
RE: Proposed Amendment – Medical Marijuana Infused Product Processor
DATE: May 11, 2018

The City has received the attached application, seeking to create a new category of medical marijuana infused product processor, and enable use in the C2B zoning district. The intention of this proposed amendment is to enable the use of commercial kitchens, or similar such facilities for the application of oils, resins, or other extracted products from more intensive processing operations, into edibles or other products. This is based on the assertion that manufacturing edibles, as an example, is much less intensive than the process to extract oil from marijuana plants that other processors undertake.

To accomplish this, the following proposed amendments are put forth for Planning Commission consideration. For background toward consideration:

From the State of Michigan Medical Marijuana Facilities Licensing Act:

Sec. 102 Definitions, (s) "Processor" mean a licensee that is a commercial entity located in this state that purchases marijuana from a grower and that extracts resin from the marijuana or creates a marijuana-infused product for sale and transfer in packaged form to a provisioning center or another processor.

"Marijuana-infused product" means a topical formulation, tincture, beverage, edible substance, or similar product containing any usable marijuana that is intended for human consumption in a manner other than smoke inhalation. Marijuana-infused product shall not be considered a food for purposes of the food law, 2000 PA 92, MCL 289.1101 to 289.8111.

City of Ann Arbor Adopted Ordinance:

"Marijuana-infused product" means a topical formulation, tincture, beverage, edible substance, or similar product containing any usable marijuana that is intended for human consumption in a manner other than smoke inhalation. Marijuana-infused product shall not be considered a food for purposes of the food law, 2000 PA 92, MCL 289.1101 to 289.8111.

"Processor" means a licensee that is a commercial entity located in this state that purchases marijuana from a grower and that extracts resin from the marijuana or creates a marijuana-infused product for sale and transfer in packaged form to a provisioning center.

Draft Amendment:

“*Marihuana-Infused Product Processor*” means a licensee that is a commercial entity located in this state that purchases resin, oil, or other concentrates, to produce, package, and wholesale marihuana-infused products to licensed Provisioning Centers or other Processors.

Summary Table

	C1;C1A; C1B; C1A/R	C2B	C3	D1; D2	ORL	M1; M1A; M2	PUD	RE
Grower					SEU	P		SEU
Processor					SEU	P		SEU
<u>Marihuana- infused Product Processor</u>		<u>SEU</u>	<u>SEU</u>					
Secure Transporter		P	P			P		
Provisioning Center	SEU	SEU	SEU	SEU		SEU	SEU	
Safety Compliance Facility					P	P		P

The applicant has applied for a text amendment to add such facilities as a permitted use to the C2B district. Given recent discussion at the City Council level regarding the density and locations of provisioning centers, I believe it is prudent to consider the proposed use as a Special Exception Use. Additionally, considering the proposed use in both C2B and C3 districts is reasonable. With these proposed changes, I recommend approval of the proposed amendment to forward to City Council for consideration.

PETITION APPLICATION FORM

Ann Arbor Planning and Development Services
100 North Fifth Avenue, Sixth Floor
P.O. Box 8647
Ann Arbor, Michigan 48107
(734)994-2800
FAX (734)994-2798

Project Name Zoning Ordinance Text Amendment - Definition of Processing
Project Type Facilities and adding processing facilities to C2B
Property Address and Location C2B Districts
Property Owner B+L Liberty Properties
Address 8719 Club House Dr
Brighton MI 48116 Telephone (734) 678 6871
Email Address bstahl25@charter.net FAX Number ()
Petitioner (if other than owner) Pinnacle Asset Management LLC
Interest in Property Lease
Address 2251 W. Liberty
Ann Arbor MI 48103 Telephone (313) 673 1710
Email Address detroitfudge@gmail.com FAX Number ()
Petitioner's Agent Rachel Pell
Contact Person Rachel Pell
Address 2251 W. Liberty
Ann Arbor MI 48103 Telephone (313) 673 1710
Email Address detroitfudge@gmail.com FAX Number ()

OFFICE USE ONLY	
Total Land Area	
File Number	<u>218-</u>
Filing Date	
Public Hearing Date	
Total Fee Paid (See Reverse for Fee Schedule)	

ACCEPTED FOR SUBMISSION BY _____ DATE _____

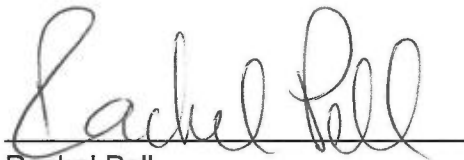
Zoning Ordinance Verbiage Change Request to C2B Zoning

We are formally submitting a request for an amendment to the text contained within the C2B zoning definition and intent. The specific changes to the ordinance are in regard to Marijuana Processors being zoned into manufacturing areas only, and not currently being allowed to operate within the C2B districts. The intent is to add low impact Medical Marijuana Processors to be allowed in the C2B zoning districts. We fully understand that the commission was placed into a rushed condition due to the states lack of allowed preparatory time for municipalities to have due diligence done. In the burgeoning cannabis industry many nuances have arisen, and one of those are processors with many types of entities that now fall under that large umbrella. A few of those categories could be considered high impact for safety concerns, or new traffic load on the surrounding area. Further some processors within the industry are much less impactful, and can be viewed as craft or low impact industry. With the previous sentiment in mind we are petitioning the city to review the current ordinance to allow certain low impact processors operate in C2B zoning districts.

Within the vast arena of the new found Marijuana Processing Facilities License are several different subcategories that have arisen. In regard to processors the biggest variances are between high impact concentrate processors, and the low impact processors that use said concentrate to then manufacture their own product. To ascertain the differences between high and low impact facilities a high impact concentrate processor will follow certain procedures. In order for a processor to obtain the end product of a marijuana concentrate a processor must have several types of equipment and employ certain steps into production. As for the types of equipment used there will always be a base of several laboratory tools and instruments. These items include the use and maintenance of laboratory grade beakers, vials, test tubes, centrifuges, high pressure gas/fluid exchange chambers, and heating elements. Further various flammable substances like pure alcohol, ethanol, butane, carbon atom elements, and a variety of other laboratory specific substances and equipment are needed. To define a high impact processor would be to state that: if a manufacturer uses any type of raw marijuana product and applies volatile or corrosive substances through a process that entails several steps of dissolving, dilution, and finally concentration by either the use of heat, pressurization, or fluid transfer to separate the cannabinoids of said raw product into any desired form different from the original starting raw material shall be considered high impact use. In addition the high impact processors will require a vast array of safety compliance, as in the use of sophisticated fire suppression systems, static resistant flooring, and extensive hood ventilation systems for the dissipation of possible escaping flammable fumes all of which are commensurate with the current M1 zoning requirement. An example of a low impact processor would be an edible/food processing wholesaler. While at the state level both of these types of processors require the same licensure it is our position that the impact level of the two processors are vastly different. The low impact processors only require to use the marijuana concentrate created by the high impact manufacturers/processors to infuse into a product as an ingredient to then wholesale. This process requires no use of laboratory equipment or special safety compliant processes (other than the common prep kitchen) due to no hazardous materials or processes being used.

Within the City's definition and intent for C2B zoning it is stated that businesses that have a functional and economic relationship to a central business or other fringe business such as the relationship between a wholesale supplier or food processor to a final retail entity are preferred in the C2B zoned areas. It is our full understanding that a Medical Marijuana Processing Facility that only processes food grade products using premade offsite marijuana concentrate for infusion of product should be a permitted operation within the C2B district for the very reasons the zoning definitions state. This statement is further backed by section 2(e) within the C2B definitions stating that wholesaling, warehousing, refrigeration, and general storage are preferred uses as well. With all previous sentiments considered it is our intent that the city reconsider the text of the C2B permitted principal uses be changed to allow Medical Marijuana Processing Facilities that do not manufacture concentrates, but however only use said concentrates as an ingredient within the production process be allowed. Said facilities would include food processing and manufacture of ingestible marijuana products. Thank you for your consideration on this matter.

Sincerely

A handwritten signature in cursive script that reads "Rachel Pell". The signature is written in black ink and is positioned above a horizontal line.

Rachel Pell

Examples of Marijuana Concentrate

Butane Hash Oil (BHO)



Butane Hash Oil, commonly referred to as BHO, is a type of cannabis concentrate made using butane as the main solvent. While a number of variables can determine the final consistency of BHO (mostly temperature), people use different names when referring to each of the different consistencies. Shatter for instance, refers to the glass-like consistency that often snaps or “shatters” when handled. Budder, honeycomb, crumble, and sap are also used to describe the different textures, though they all fall under the category of BHO.

Under this form of extraction, THC content can be as high as 80-90%. This makes BHO a popular choice for many medical marijuana patients suffering from chronic pain, sleep disorders, and other intractable symptoms.

Supercritical CO2 Oil



Carbon dioxide (CO₂) is a supercritical fluid, meaning it converts into a liquid form when pressurized. At the same time, CO₂ is a pure chemical substance that occurs naturally and

leaves behind no residues. In fact, supercritical CO2 extraction is already a standard extraction method for the food, dry cleaning and herbal supplement industries. It is a common food additive as well.

The CO2 extraction process allows compounds to be extracted with low toxicity; it utilizes a high pressure vessel containing cannabis. Supercritical CO2 is inserted into the vessel and pumped through a filter where it is separated from the plant matter once the pressure is released. Next, the supercritical CO2 evaporates and is dissolved into the cannabinoids for the final product.

Rick Simpson Oil (RSO)



Also known as cannabis oil, hemp oil, Phoenix Tears, and Rick Simpson Oil (RSO), whole-plant cannabis oil can be orally administered or applied directly to the skin. Sublingual delivery is the preferred method of treatment for many cancer patients. Not only is it a convenient way to medicate, but intake through the oral mucosal membranes in your mouth provides for rapid and effective absorption directly into your systemic circulation because of the increased bioavailability of the cannabinoids.

Note: Whole-plant cannabis oil is not the same as “hemp seed oil.” Hemp seed oil is a cold-pressed oil made from the seeds of the hemp plant. It is rich with essential fatty oils and is used mostly for its nutritional benefits. You can easily buy it in health food stores. It often gets mislabeled as “hemp oil,” but it is not. True whole-plant oil derived from the cannabis plant, on the other hand, is made from the buds/flower of the female marijuana

plant and is comprised of many different cannabinoids including THC, CBD, CBN, and more — in addition to terpenes and other compounds.

Rosin



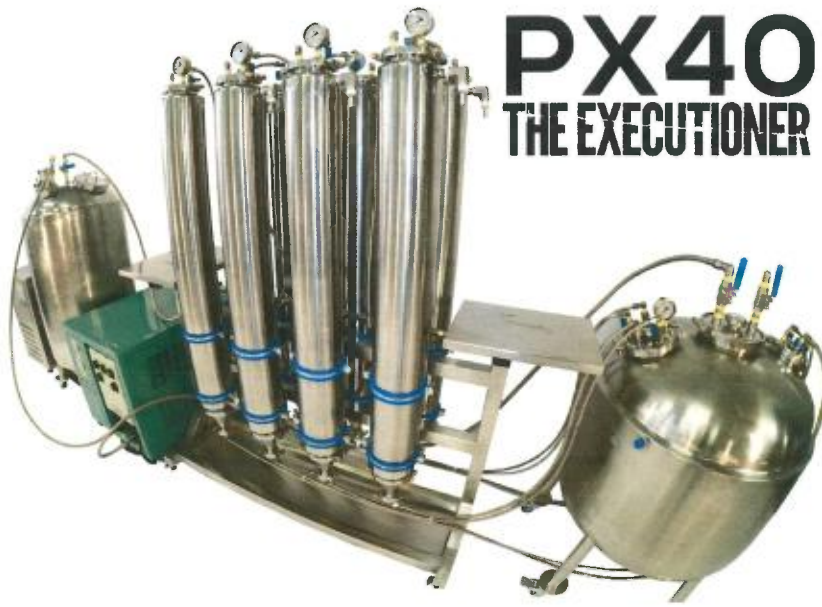
Rosin has been gaining a lot of traction in the medical cannabis community as of lately and for good reason. Rosin is a solid form of resin that is obtained by adding pressure & heat to vaporize volatile liquid terpenes, typically with an industrial heat press.

Examples of Concentrate Processing Equipment

There are many different processing strategies, however most involve the use of at least one of the following:

High Pressure Gas Extraction





Centrifuge Extraction



Beaker and Volatile Liquid Extraction



High Temperature Vacuum Oven



Examples Concentrate Laboratory Setup



