



City of Grand Rapids Cannabis Policies

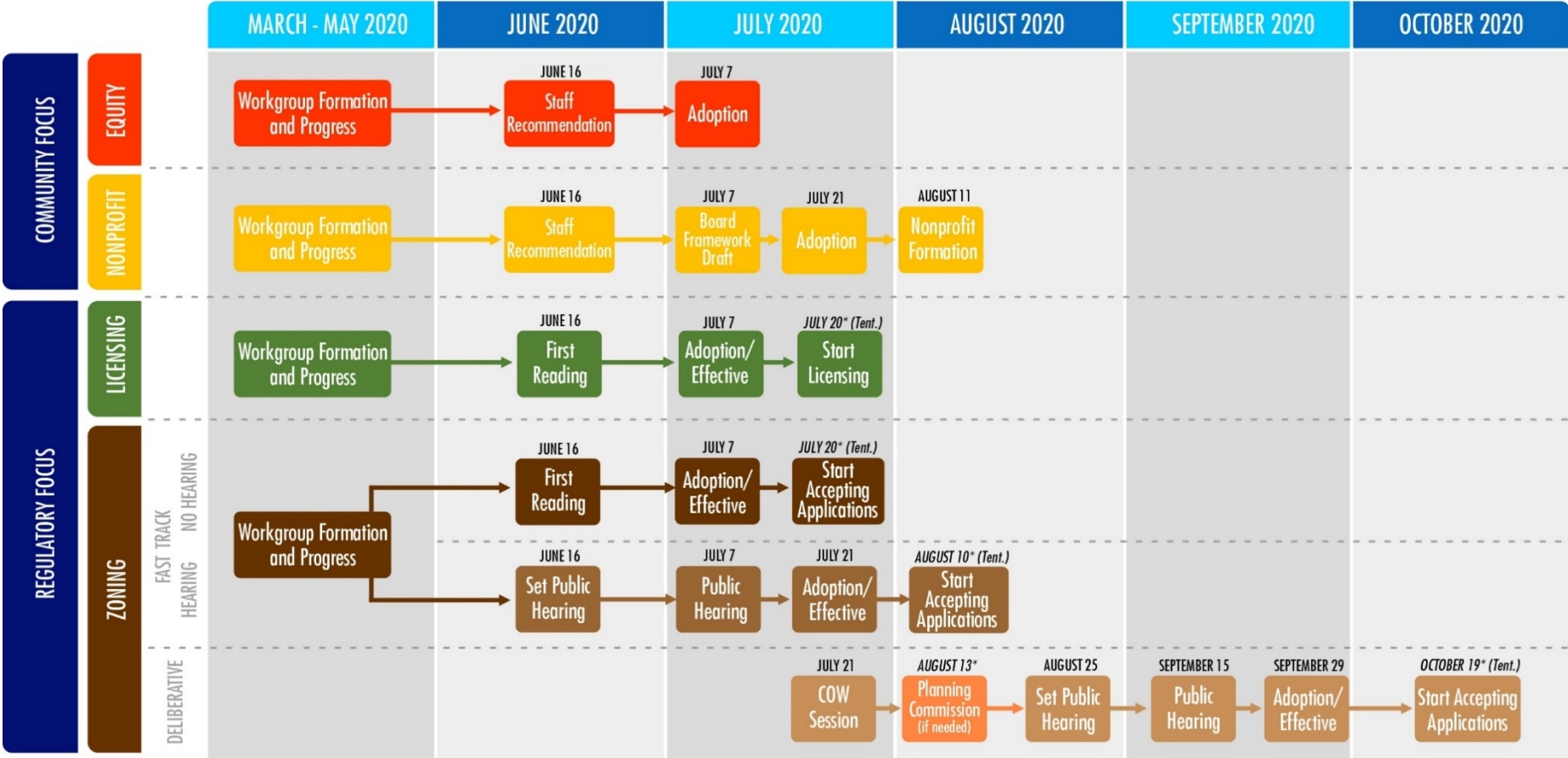
July 16, 2020

Background



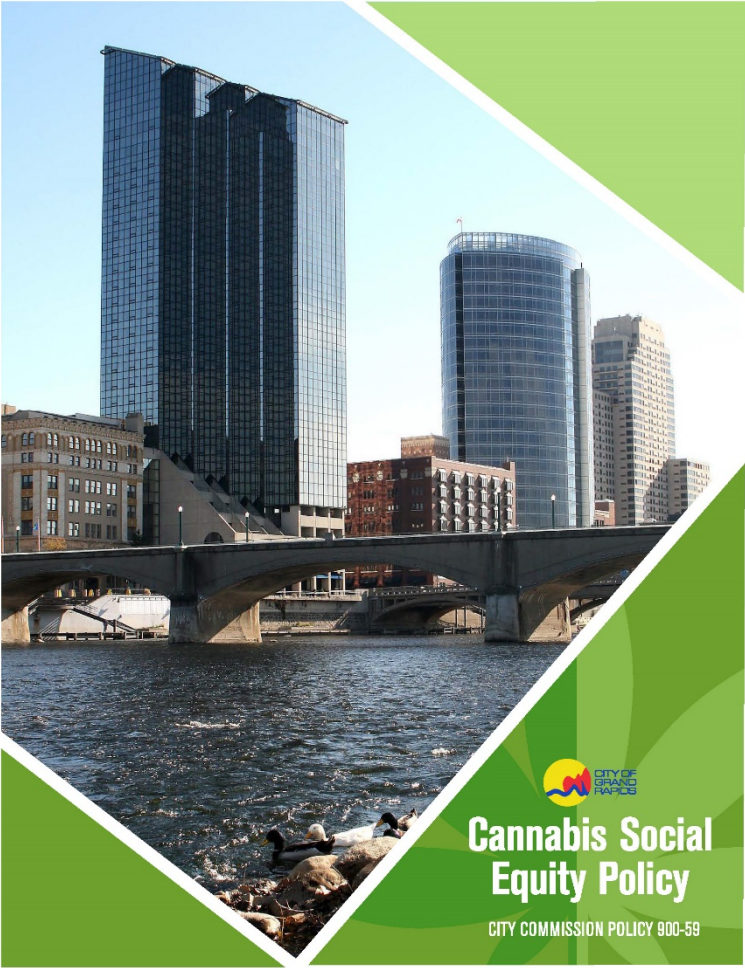
- February 25, 2020:
 - Planning Commission zoning recommendation considered by City Commission
 - City Commission had a robust discussion and did not set a public hearing on the proposed zoning amendments
 - City Manager formed a work group to produce an equity-advancing policy framework for the cannabis industry
- March 17, 2020:
 - Six-month delay (until 10/20/20) on accepting cannabis license applications, to be more intentional about a social equity program for cannabis facilities
- July 7, 2020:
 - Adopted amendments to the zoning and licensing ordinances, and adopted the Cannabis Social Equity Policy
- July 20, 2020:
 - Start date for the City to accept recreational cannabis applications eligible for Director Review; also, to accept Cannabis Related Municipal License applications (initially for approved medical facilities)
- September 1, 2020
 - Start date for the City to accept recreational cannabis applications eligible for Special Land Use

Grand Rapids Recreational Cannabis Process



*Indicates non-City Commission dates

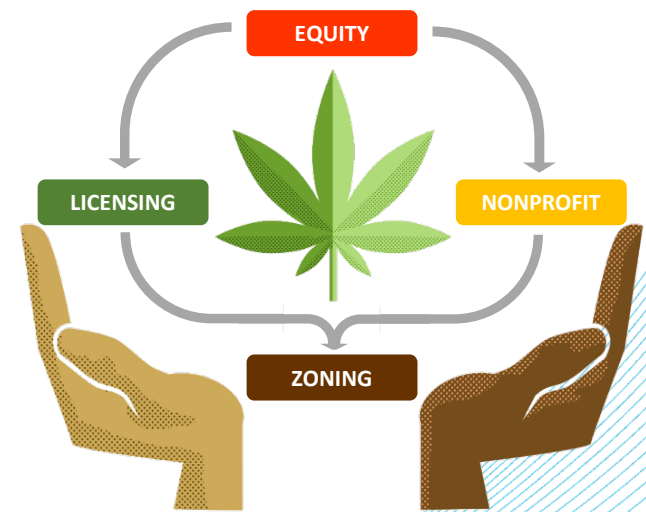
Cannabis Social Equity Policy



What is an Equity Policy?



- The Cannabis Social Equity Policy (CSEP) is a plan produced by the Cannabis Justice Work Group that looks at the recreational cannabis industry through an equity lens.
- Our vision is to welcome this new industry while uplifting members of our community who historically have been negatively affected by the presence of cannabis (marijuana) in society.
- The City encourages all participants in the recreational cannabis industry to follow the recommendations of this Policy, in an effort to make this industry more equitable.

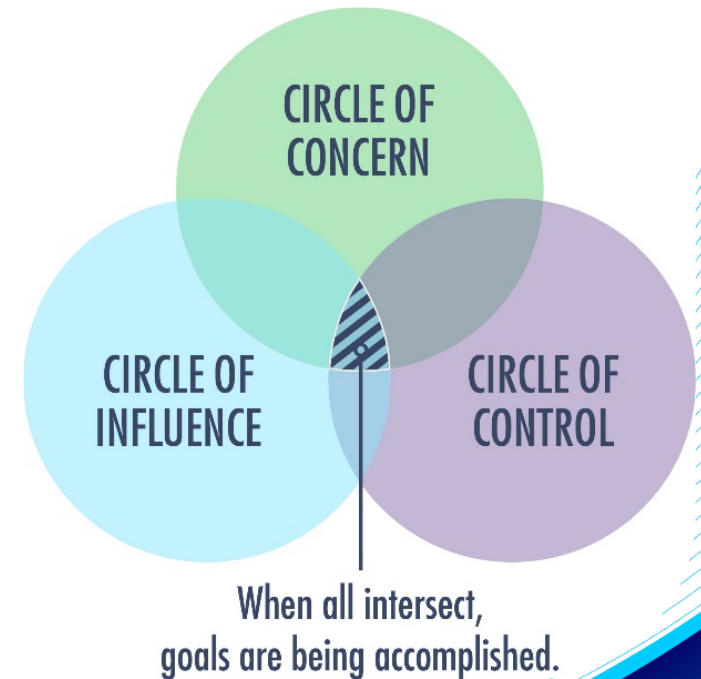


How does the Policy work?



This Policy aims for the intersection of the following:

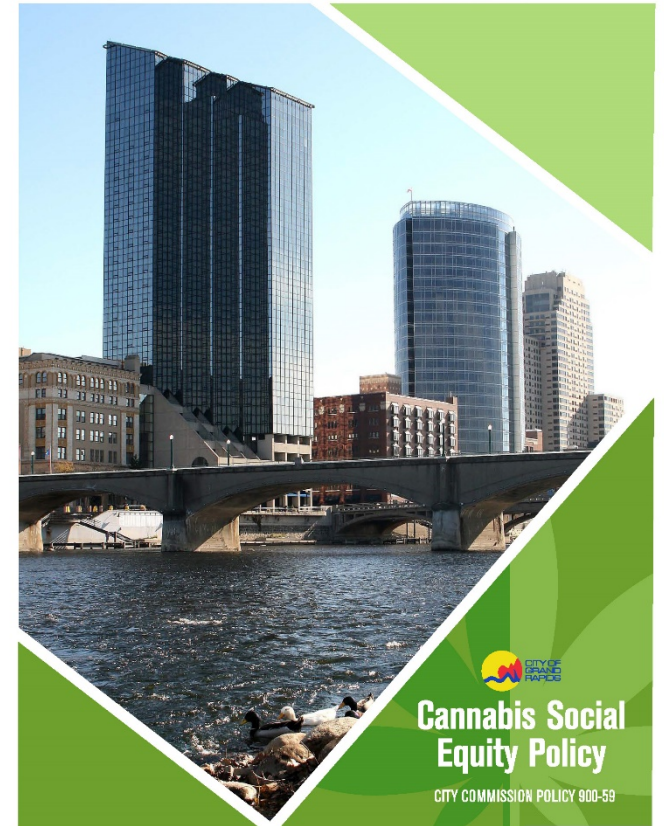
- Circle of Control: The City through what it can control within this industry
 - Zoning ordinance
 - Licensing ordinance
 - Cannabis Social Equity Policy
- Circle of Influence: Organizations outside of the cannabis industry that can help add additional layers of equity and further the City's mission (**in progress**)
- Circle of Concern: Equity, Justice, and Economy. You are part of this collaborative effort to bring equity to the cannabis industry in Grand Rapids



Elements of the Policy



1. Equity Components and Definitions
2. Equity Categories for the Application Process
3. Equity Points System
4. Application Process and Prioritization System
5. Implementation, Compliance, and Enforcement of the Policy



Cannabis or Marijuana?



- Cannabis
 - The scientific name for the plant
 - Used in social equity programs to remove historical stigma and negative connotations
- Marijuana
 - A term for cannabis of international origin
 - Has historically stigmatized Brown and Black communities
 - Introduced in the United States in the 1930's
 - Marihuana Tax Act of 1937
 - Used in legal and zoning frameworks

Equity Definitions



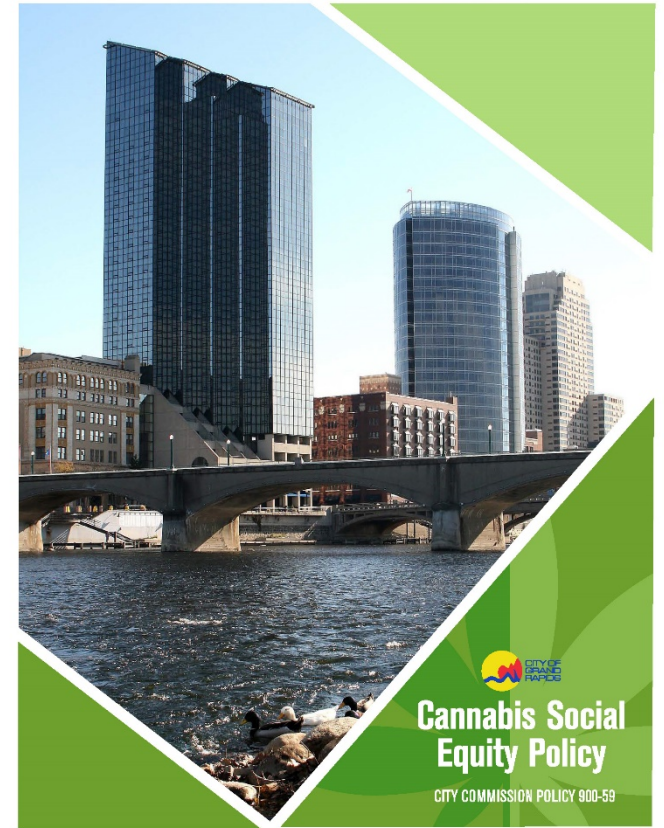
- **Social Equity:** *The product of successfully removing and preventing barriers created by systemic and institutional injustice.*
- **Equity Applicant:** *An applicant in the recreational cannabis industry that meets certain criteria related to cannabis convictions, local residency, socioeconomic status, economic harm, and others.*
- **Application Advancing Equity:** *An application in the recreational cannabis industry that has made commitments to advance equity through initiatives listed on the CSEP and achieves a minimum score established by the City.*

Equity Categories



CSEP looks at five equity categories:

- Local Ownership
- Workforce Diversity
- Supplier Diversity
- New Business Development
- Community Cannabis Reinvestment Fund Contribution



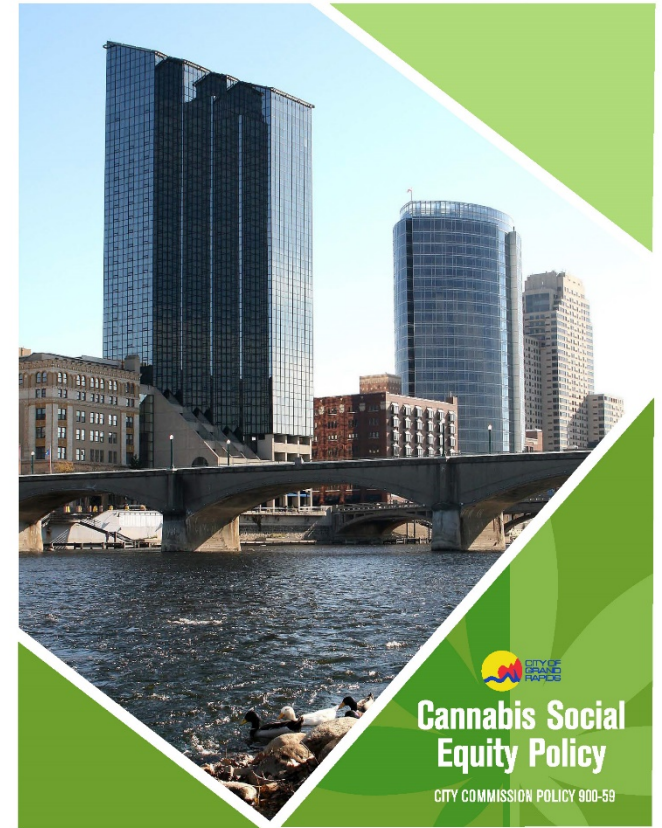
Equity Points



- Commitments in each category are assigned a score of 0-3 points, based on the level of effort. Each category has been assigned a weight (multiplier) as indicated below:

EQUITY CATEGORY	WEIGHT
LOCAL OWNERSHIP	3
WORKFORCE DIVERSITY	3
SUPPLIER DIVERSITY	2
NEW BUSINESS DEVELOPMENT	3
COMMUNITY CANNABIS REINVESTMENT FUND CONTRIBUTION	4

- An Application Advancing Equity will score a minimum of 20 out of 45 possible points.
- Participating applicants will sign the Cannabis Industry Social Equity Voluntary Agreement (CISEVA) to formally commit to the equity initiatives in the Policy. **Once a signed application has been submitted with a complete application and is accepted by the City, the CISEVA is considered legally enforceable**.



Application Process

Zoning Requirements

- The City has two methods to review an application: Director Review and Special Land Use
- Director Review: Includes growers, processors, secure transporters, safety compliance labs, and co-located retailers in the SD-IT district (less than 5sq. Ft. GFA).
 - Separation distances are preserved
- Special Land Use: All remaining retailers and any of the above uses applying for other zone districts
 - Examples: Secure transporters in TCC district, processors in PRD district



Application Process

Zoning Requirements

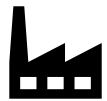


What is a separation distance?

- Separation distances are required between defined sensitive uses and certain cannabis facilities. The Planning Commission has the authority to approve a waiver between certain sensitive use separation distances and cannabis facilities (Section 5.9.19(E)(2) of Article 9, CH 61, Title V).

What is a sensitive use?

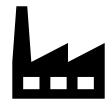
- Sensitive land uses are parcels where the City applies proximity buffers to mitigate potential negative impact from certain uses being too close to them.



Application Process

When can I submit an application?

- Applications that are eligible for Director Review:
July 20-31, 2020
- Applications that require Special Land Use:
September 1-11, 2020
 - These applications require a Planning Commission meeting
- Applications submitted after July 31, 2020 (for Director Review) and September 11, 2020 (for Special Land Use) will be reviewed after all applications in the queue have been reviewed and processed, but not before November 1, 2020



Application Process

How do equity and zoning relate?

- Upon receiving your application, City staff will review it to ensure:
 1. Completeness
 2. Verification that the applicant qualifies as an Equity Applicant (if applicable)
 3. Verification of declared CISEVA points (applications advancing equity only)



Application Process

How do equity and zoning relate?

- Director Review:
 - August 2020 – equity applications and Tier 1 applications (40+ equity points)
 - September 2020 – Tier 2 and 3 applications
 - October 2020 – Tier 4 and 5 applications
- Special Land Use:
 - Scheduled for Planning Commission consideration based on number of points
 - Equity applicants will be processed first
 - Planning Commission meetings will begin ~October 2020 (tentative)



Application Process

What about retailers?

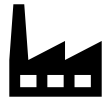
- Any retailer applications that are not co-located within the IT district require Special Land Use approval.
- Waivers granted in a previous application for a medical provisioning center do not transfer for recreational retailer applications.
- No new cannabis retailer may obtain sensitive use waivers.



Application Process

Licensing Requirements

- A City-issued business license is required for all cannabis establishments (Chapter 105 of the City Code)
- One license per establishment type (co-located/stacked licenses)
- Administered by City Clerk's Office
- Multi-departmental review/approval process
- \$5,000 license/renewal fee (initial license prorated to align with State license expiration)
- Non-transferrable



Application Process

Licensing Requirements



Application Timeframes

- Application form available online later this week
 - The form is the easy part - prepare/gather attachments first
 - Submit license application after receiving zoning approval
- Applications accepted starting on Monday, July 20 for medical cannabis facilities with prior zoning approval
 - Zoning approval serves as a temporary license for these facilities
 - Must apply (complete application) by August 20 in order to trigger a grace period to complete local licensure by January 20
- All other facilities must obtain a local license before operating



Application Process

Licensing Requirements



Ongoing Requirements

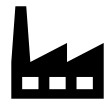
- Adhere to any CISEVA and MIVEDA (medical-only) commitments
- If applicable, quarterly self-reporting on CISEVA commitments
- Good faith effort to meet social equity plan objectives
- Enroll in the Grand Rapids 2030 District prior to operation
- At least fifty (50) percent of illuminated plant canopy by fixtures with photosynthetic photon efficacy of at least 1.9 $\mu\text{mol/J}$
- Maintain State-mandated security measures
- Cooperate in any investigation, inquiry, or hearing conducted by the City
- Provide access for City inspections
- Adhere to all State and City requirements related to employees; patrons; accessibility; product origin, separation, and display; restrictions on on-site consumption; etc.



Application Process

How do I apply?

- Review the Cannabis Social Equity Policy
- If participating, complete a Cannabis Industry Social Equity Voluntary Agreement (CISEVA) form
- If applicable, complete a Marijuana Industry Voluntary Equitable Development Agreement (MIVEDA) compliance form
- Create a social equity plan (SEP) addressing all topics in Sec. 7.369
- Create an analysis of predictive energy load, including design energy use intensity (EUI)
- Create an environmental sustainability plan meeting all requirements of Sec. 7.367(b)
- Gather attachments:
 - Copy of zoning approval
 - Copy of State prequalification approval
 - Copy of current State license(s) or license application(s)
 - Proof of legal possession of property (lease/deed)
 - Copy of security plan
 - Insurance certificate meeting requirements of Sec. 7.366(g)
 - Copy of certificate of occupancy



Application Process

How do I renew a license?

Renewal Requirements

- If applicable, CISEVA and/or MIVEDA compliance forms
- Updated social equity plan
- Updated environmental sustainability plan
- Proof of compliance with environmental sustainability reporting requirements
- Copy of current State license(s)
- Copy of security plan
- Insurance certificate meeting requirements of Sec. 7.366(g)



Application Process

How do equity and licensing relate?

- The CSEP provides incentives in the license renewal process based on the business' equity performance from previous years
- The license applications will be ranked based on the number of CISEVA points
 - Equity Applicants will be given highest priority
- Multi-year licenses for licensees with an established track record of good operation
 - Up to 3-year renewal licenses for licensees who follow through on major equity commitments
 - Renewal license costs can be reduced by up to 66% (of the total multi-year cost) for licensees who follow through on major equity commitments

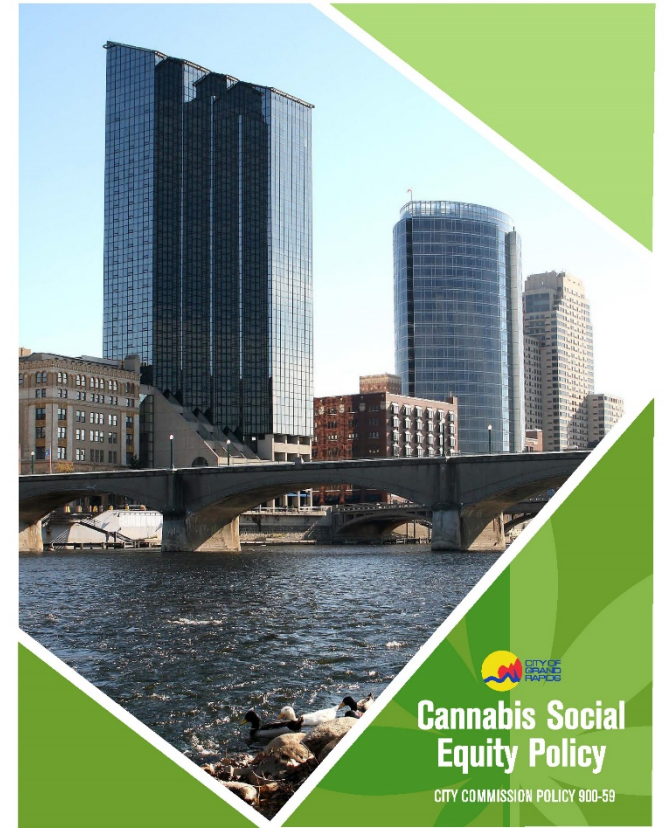


Next Steps



The next steps in the recreational cannabis industry in Grand Rapids include:

- The “deliberative” track for those uses that were not considered “fast-track”:
 - Retailers that needed waivers
 - Microbusinesses
 - Consumption Establishments
 - Cannabis Events
- Introducing ordinance amendments for “deliberative” uses



Questions?

