

**TYRONE TOWNSHIP BOARD
WORKSHOP AGENDA
SEPTEMBER 19, 2017 - 6:00 P.M.
(810) 629-8631**

The regular board meeting will follow the workshop at 7:00 p.m.

CALL TO ORDER – PLEDGE OF ALLEGIANCE – 6:00 P.M.

ROLL CALL

APPROVAL OF AGENDA – OR CHANGES

PUBLIC REMARKS

NEW BUSINESS

1. Discussion of the Economic Development Council/Ann Arbor SPARK contract.
2. Discussion on new medical marijuana legislation.

PUBLIC REMARKS

ADJOURNMENT

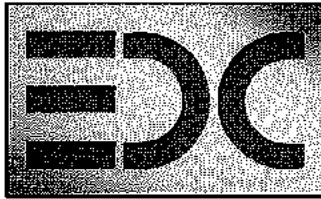
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Supervisor Mike Cunningham

Clerk Marcella Husted

Please note: The Public Remarks section appears twice on the agenda - once after Communications and once before Adjournment. Anyone wishing to address the Township Board may do so at these times. The Tyrone Township Board of Trustees has established a policy limiting the time a person may address the Township Board at a regular or at a special meeting during the Public Remarks section of the agenda to three minutes. The Board reserves the right to place an issue under the New Business section of the agenda if additional discussion is warranted or to respond later either verbally or in writing through an appropriately appointed Township Official. Individuals with disabilities requiring auxiliary aids or services should contact the Tyrone Township Clerk at (810) 629-8631 at least seven days prior to the meeting.

WORKSHOP - NEW BUSINESS #1



ECONOMIC DEVELOPMENT COUNCIL OF LIVINGSTON COUNTY

June 26, 2017
David Walker
Township Trustee
Tyrone Township
10408 Center Rd
Fenton, MI 48430

RE: Contract Extension between the Economic Development Council of Livingston County (EDCLC) & Tyrone Township

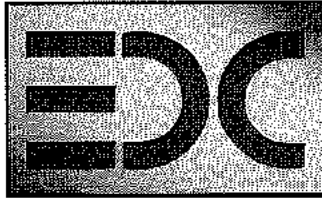
Dear Mr. Walker,

Thank you for your continued support of the Economic Development Council of Livingston County (EDCLC). We believe our partnership with Tyrone Township has yielded impressive results over the last three years. We are grateful for the Township's financial support of the EDCLC, and benefit from your thoughtful input during Board meetings. With recent Census figures indicating that 98.4% of the employed residential population works outside of the Township, your support is vital to encourage economic development in the job centers where residents of Tyrone Township work throughout Livingston County. Livingston County is poised for growth over the next three years, and we see Tyrone Township as a critical piece of that growth.

I would like to take this opportunity to highlight the work that we have been able to accomplish in partnership with Township staff over the years, through the EDCLC's partnership with Ann Arbor SPARK. Our partnership has generated \$261 million of new investment into Livingston County, and over 1,120 new job commitments which have \$165 million in wage impact, meaning more families and local businesses are supported in our community.

A few areas of partnership between Tyrone Township and the EDCLC I'd like to highlight are:

- SPARK's team serves as an extension of the Township's staff, providing consultation and data on projects that will positively impact on the Township. SPARK serves as liaison between business and the Township, helping our region to be proactive in our approach to supporting the business community.
- SPARK's team provides ongoing community outreach to the Township, keeping the public informed and engaged in economic development. To that end, SPARK's team has created marketing materials, participated in public events, and worked closely with the local Chambers of Commerce.
- Our strong partnership with Michigan Works! means that we are able to help companies in Tyrone Township access grant assistance and leverage state and federal funds for training and talent.



ECONOMIC DEVELOPMENT COUNCIL OF LIVINGSTON COUNTY

- Your support of the EDCLC helps provide a strong local economy that drives a thriving residential community. The average annual wage of projects supported by our work is \$62,560 and employers find their workforce from throughout Livingston County.

We are looking forward to growing the relationship between the EDCLC and the Township. We have attached a draft agreement for 2018-2020 for your review. During the previous contract period, we had requested a 3% increase from our municipal partners. The draft agreement highlights the investment structure we've proposed, which is now based on a 1.5% annual increase. Investments requested for Tyrone Township are as follows:

- 2018 Investment Amount: \$9,135.00
- 2019 Investment Amount: \$9,272.03
- 2020 Investment Amount: \$9,411.11

Looking ahead, we are excited at the prospect of leveraging our partnership with SPARK as we work toward implementing new tools and activities to help grow Livingston County. Specifically, we are working on a talent and land use analysis that will help identify gaps in Livingston County and ways we can work to grow our region further.

We would appreciate the opportunity to speak with you further about our work and looking ahead to 2018-2020. Please let us know if we can arrange a time to discuss this with you further.

Thank you for your time and consideration, and your continued support.

Sincerely,

Richard Perlberg

A handwritten signature in black ink that reads "Richard Perlberg". The signature is written in a cursive, flowing style with a large, prominent 'R' and 'P'.

Richard Perlberg, Economic Development Council of Livingston County Board Chair

CC:

Township Supervisor Cunningham
Economic Development Council of Livingston County Board

**SERVICE AGREEMENT WITH ECONOMIC DEVELOPMENT
COUNCIL OF LIVINGSTON COUNTY**

THIS AGREEMENT, made and entered into this _____ day of _____, 2017 between Tyrone Township, a Michigan Municipal Corporation, having its offices at 10408 Center Rd, Fenton, Michigan hereinafter referred to as the "Township", and the ECONOMIC DEVELOPMENT COUNCIL OF LIVINGSTON COUNTY, a Michigan non-profit corporation, having its registered office at 218 East Grand River Avenue, Brighton, Michigan, hereinafter referred to as the "EDC."

WHEREAS, in the current economic climate skilled worker shortages and static tax bases are problems which are faced by many counties in Michigan; and

WHEREAS, a coordinated effort on the part of citizens and institutions in Livingston County is desirable in order to solve the above problems and create employment, industrial expansion and to promote the economic well-being and development of Livingston County and of Tyrone Township; and

WHEREAS, the EDC has been formed for the purpose of developing jobs and promoting the economic development of Livingston County through the cooperation and participation of interested private and public organizations in the Township and the County; and

WHEREAS, a coordinated approach to the development of employment and the promotion of economic development for Livingston County will aid Tyrone Township in its own economic development;

NOW, THEREFORE, for considerations recited herein, the parties agree as follows:

1. The EDC shall act as Township's non-exclusive agent with respect to economic development projects in and for the for purposes of promoting both the retention and economic expansion of local business and employment currently located within the Township as well as establishing new businesses and employment within Tyrone Township. The EDC will renew its contract services agreement with Ann Arbor SPARK to provide business retention, expansion and attraction services for three years beginning January 1, 2018.

2. The EDC will review Township development policies, procedures and zoning ordinances and offer recommendations to the Township to enhance R & D or industrial development of the type and nature sought by the Township Board and conveyed to the EDC by the Township representative, David Walker.

3. The EDC will prepare focused marketing material to highlight the key demographics and attributes of the Township that will be used to introduce the Township to EDC's targets and contacts.

4. The EDC will apply their extensive experience and knowledge of incentives and their practical applications and work with Township staff to craft development of programs and recommendations that will benefit both private and public sectors for the encouragement of new investment. EDC will also assist the Township with any agreements relating to the private and public sector investment.

5. The EDC will visit existing companies to identify their needs and ensure their retention. In addition, the EDC will consult with Township staff and/or designated officials to identify attraction targets that will meet the long term needs of the Township as identified.

6. The EDC will actively recruit targets supported by all available resources. Recruitment efforts will be through personal contact, mail, email, economic development events, and industry contacts continually throughout the term of this contract.

7. When it becomes apparent a relocation in the Township is imminent, EDC agrees that it will coordinate, facilitate and mediate meetings with the Township and the potential target in order to expedite the closing of the transaction.

8. The EDC will provide quarterly updates to the Township detailing the economic development services provided each quarter. Quarterly reports will identify all companies visited and report on the EDC's progress toward set goals and potential targets. In addition, these reports will provide partners with updated data and demographics.

9. The parties acknowledge that, notwithstanding anything herein to the contrary, in addition to the foregoing conditions, EDC agrees to be bound by the terms and conditions as set forth in Addendum A which is attached hereto and a made a part of this Agreement.

10. Amendments to the Scope of Services may be made as necessary, provided that such amendments are agreed to in writing by both parties.

11. Tyrone Township agrees to pay to the EDC an amount not to exceed \$9,135.00 in 2018, \$9,272.03 in 2019, and \$9,411.11 in 2020; on or before April 15th of each year, for services furnished under this Agreement to be rendered for the calendar year to the Township by the EDC which shall specifically report, with documentation, whatever services have been performed and whatever expenses have been incurred on behalf of the Township by the EDC for economic development in and for the Township in accord with the terms of this agreement.

12. The EDC agrees to keep books, records and accounts which will accurately reflect and document the disposition of all funds coming into and disbursed by the EDC as a result of this Agreement, to make the same available for inspection by Tyrone Township during normal business hours.

13. The EDC agrees to hold Tyrone Township harmless from any and all liability which might result from its activities, and the EDC further agrees to carry such liability insurance naming Tyrone Township as additional insured, as Tyrone Township shall deem necessary to insure protection of Tyrone Township from any and all liability.

14. Within ninety (90) days after the end of the EDC's fiscal year the EDC shall submit to Tyrone Township a final written statement for all work and services performed under this Agreement. All data and work product related to the activities of the EDC and utilized or developed in performance of work in and for Tyrone Township shall become the property of Tyrone Township upon termination of this Agreement.

15. Both parties agree that this Agreement is subject to all applicable ordinances, resolutions and rules of Tyrone Township, Livingston County, and the State of Michigan.

16. Tyrone Township shall have the right to review any and all documents or reports as outlined above that are required to be submitted by EDC or its agents. If, at the end of the second year of this Agreement, the Township in its sole discretion determines the said documents and records have not been submitted to their satisfaction, or if EDC otherwise fails to produce the said documents and records, the Township may, at its option, terminate this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

WITNESSES:

TYRONE TOWNSHIP

Michael Cunningham, Township Supervisor

Marcella Husted, Township Clerk

**ECONOMIC DEVELOPMENT COUNCIL
OF LIVINGSTON COUNTY**

Richard Perlberg, EDC Chair

Ronald Long, EDC Vice-President

WORKSHOP - NEW BUSINESS #2



Medical Marijuana in Michigan

WHAT HASN'T CHANGED?

Initiated Law 1 of 2008, the Michigan Medical Marijuana Act, MCL 333.26421 et seq., is unaffected by the new legislation. Patients and qualifying caregivers, as defined by the Act, continue to be protected from "arrest, prosecution, or penalty in any manner, or denial of any right or privilege, including, but not limited to civil penalty or disciplinary action by a business or occupational or professional licensing board or bureau for medicinal use or possession of marijuana." Medicinal use means:

The acquisition, possession, cultivation, manufacture, use, internal possession, delivery, transfer, or transportation of marihuana or paraphernalia relating to the administration of marihuana to treat or alleviate a registered patient's debilitating medical condition or symptoms associated with the debilitating medical condition.

Nonetheless, marijuana continues to be classified as a Schedule 1 drug under the Michigan Public Health Code, i.e. one that has high potential for abuse and has no accepted medical use in treatment in the United States or lacks accepted safety for use in treatment under medical supervision. Federal law continues to construe the possession and/or distribution of marijuana as a crime. The United States Supreme Court has ruled that, under the Constitution's Commerce Clause, Congress may ban the use of cannabis, even where states approve of its use. However, the current Department of Justice targets marijuana distributors only when they violate state and federal law.



WHAT HAS CHANGED?

On September 22, 2016, Governor Snyder signed three new bills that expand the regulatory framework affecting medical marijuana in Michigan. These are Public Acts 281-283 of 2016, which provide, respectively, for the licensing of "marijuana facilities," as defined therein, for the creation and use of marijuana-infused products (such as "edibles" and oils), and the tracking of medical marijuana from seed to sale. Of these, PA 281, the Medical Marijuana Facilities Licensing Act, MCL 333.27101 et seq., is the one which will be of particular interest to local units of government, both because it provides a range of land uses that the state will be licensing, which a municipality may choose to allow within its jurisdiction, and because there are license fees, and potential tax-sharing revenue, available to municipalities related to those facilities. PA 281 will become effective on December 20, 2016, and it provides that licensing of marijuana facilities, by the State, will begin 360 days after its effective date, i.e. in December of 2017. Thus, municipalities also have about that long to consider what actions they would like to take in response to it, though proprietors will certainly

want to be securing sites in anticipation.

MARIJUANA FACILITIES

PA 281 authorizes five kinds of marijuana facilities:

1. Class A-C Growers (500-1,500 plants);
2. Processors;
3. Secure Transporters;
4. Provisioning Centers (commonly called dispensaries); and
5. Safety Compliance Facilities (testing labs).

LOCAL REGULATION

A municipality may adopt an ordinance to authorize one or more of the five types of marijuana facilities within its boundaries and to limit the number of each type of marijuana facility, but shall not impose regulations regarding the purity or pricing of marijuana or interfering or conflicting with statutory regulations for licensing marijuana facilities.

TAXES AND FEES

Act 281 imposes a 3% excise tax on the retail sale of medical marijuana by licensed provisioning centers. This tax goes into a single fund administered by the State Treasury, with 60% being returned to municipalities and counties as follows:

- 25% to municipalities in which a marijuana facility is located;
- 30% to counties in which a marijuana facility is located;
- 5% to counties in which a marijuana facility is located, to be used exclusively to support the county sheriffs.

The "shared funds" to a municipality or county will be allocated in proportion to the number of facilities within its boundaries compared to the total number of facilities in the state, without regard for the size or sales of each facility.

Based upon the estimates of the Senate Fiscal Agency, municipalities in Michigan are expected to receive \$5.3 million annually in revenue from the excise tax, shared in proportion to the relative number of facilities that they have. In addition, the State has indicated its intention to apply the sales tax to the retail sales of medical marijuana.

Municipalities that choose to regulate marijuana facilities are also authorized to charge up to a \$5,000 annual license fee per facility to administer their regulatory program.

POLICY CONSIDERATIONS

Michigan municipalities face a host of policy considerations in response to the new law. The medical marijuana industry is likely to generate a great deal of economic activity. Communities must consider whether any of the newly licensed land uses fit the character of the community, and the values of its residents and other key stakeholders. Are there facilities in your community that might be rehabilitated if they are made available for marijuana facilities, which would otherwise not? Do you, as a community, feel that medical marijuana products should be readily accessible, at retail, to qualifying patients and caregivers in your community? Do you want to share in the excise tax revenue that the state will collect?

At the same time, there are unanswered questions regarding the interrelationship between the new law and the Michigan Zoning Enabling Act. Under the latter's exclusionary zoning prohibitions, will municipalities have a duty to provide for marijuana facilities if there is a demonstrated need? Regardless, if those facilities are to be allowed, where do they belong?

We are recommending that communities have an informed policy discussion regarding the approach they will take to the regulation of land uses associated with the new medical marijuana distribution system. Our planners are considering thoughtful ways for communities to address this new legislation and will assist you with that process. Contact Greg Elliott, AICP, or your McKenna planner for more

information.

McKenna Associates provides community planning, landscape architecture, urban design, zoning, economic development, community relations, public participation, and municipal wireless services to more than 150 cities, counties, townships, villages and select private firms across the Midwest. For more about McKenna, call 888.226.4326 or visit mcka.com.

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