



**SPECIAL MEETING
CEDAR SPRINGS CITY COUNCIL
AGENDA**

Thursday, November 1, 2018

6:00 p.m. Meeting

**Cedar Springs Public Library
107 N. Main St.
Cedar Springs, Michigan**

1. Call to Order and Pledge of Allegiance.

2. ROLL CALL:

Ms. Lisa Atchison	_____
Mrs. Pamela Conley, Mayor Pro Tem	_____
Mr. Jerry Gross Sr.	_____
Mr. Perry Hopkins	_____
Mrs. Molly Nixon	_____
Ms. Rose Powell	_____
Mr. Gerald Hall, Mayor	_____

3. PUBLIC COMMENTS.

The Council welcomes and encourages the public to speak during the public comment and public hearing portions of the agenda. However, Council policy is to hear the public comment, not to act on the public comment at this time. Concerns brought before the Council during the Public Comment portion of the agenda will be referred to the City Manager for action. If, after communicating with the City Manager, no resolution is reached, the concern will be elevated to the Mayor and then eventually to the Council for action.

Those citizens wishing to speak on agenda and non-agenda items will be allowed a maximum of four minutes each to address their concerns. This is the only time during the Council meeting that citizens are allowed to address the Council. Please state your name and address for the record if you would like.

4. PUBLIC HEARINGS.

A.

5. ADOPTION OF AGENDA.

6. CONSENT AGENDA.

Councilmembers may request that any or all items be removed from the Consent Agenda. A motion is then in order to adopt all items not removed from the Consent Agenda. Requesting the removal of an item from the Consent Agenda is a prerogative afforded each councilmember and does not require the support of other councilmembers.

None.

7. ACTION ITEMS:

A. None

8. DISCUSSION ITEMS:

A. Ordinance amendment to add Chapter 4, Sections 4-80 through 4-82, Article III marihuana establishments and facilities-First Reading.

B. Zoning Ordinance to modify Chapter 40 adding 40-468(a)(3) and 40—468(e)-
First Reading.

a. Set date for public hearing Option 1 or Option 2

C. Intent to Bond for West Street Water and Sewer Extension

9. COMMUNICATIONS:

A. Michigan Proposal 1 Recreational Marihuana

10. DEPARTMENT REPORTS:

11. COUNCIL COMMENTS.

12. ADJOURNMENT.

Timeline:

Initiated Law 1 of 2008 (Medical Marihuana Act; MMA)

- Provides immunity to specified individuals for possession, use and transportation of marihuana for medical purposes
- Applies to “qualifying patients” and “primary caregivers”
 - Both groups registered with State of Michigan
 - Possession of up to 2.5 oz. of usable marihuana per patient permitted
 - May cultivate up to 12 plants per patient in an enclosed, locked facility
- A “dispensary” outside of this direct medical relationship is illegal – *McQueen*

Act 281 of 2016 (Medical Marihuana Facilities Licensing Act; MMFLA)

- Allows for licensing and operation of designated medical marihuana facilities – does not change MMA - still limited to primary caregivers and qualifying patients
- Licensing for growers (3 classes), processors, secure transporters, provisioning centers and safety compliance facilities
- Annual state licensing process
- State cannot issue license unless municipality has enacted ordinance(s) to permit the particular type of facility
 - Anticipates regulatory ordinance and zoning ordinance as tools
 - Municipality does not issue a license – State of Michigan does (Licensing and Regulatory Affairs; LARA)
- If community decides to permit it can “opt in” (i.e., adopt ordinances) at any time
- If community opts in it can impose up to a \$5,000 annual fee and may obtain a share of the 25% of the 3% state tax on gross sales from each provisioning center
 - 3% will no longer collected (or distributed to communities) if a law permitting the recreational use of marihuana is enacted
 - LARA began accepting applications in December, 2017. Two-step process: pre-qualification and license qualification
 - License from State must be renewed annually
 - Co-location of grower, processor and provisioning center permitted by State; does not mean municipality must allow
- *Byron Township* (July, 2018):

“We conclude that the MMMA permits medical use of marijuana, particularly the cultivation of marijuana by registered caregivers, at

locations regardless of land use zoning designations as long as the activity occurs within the statutorily specified enclosed, locked facility. **No provision in the MMMA authorizes municipalities to restrict the location of MMMA-compliant medical use of marijuana by caregivers.** Neither does the MMMA authorize municipalities to adopt ordinances restricting MMMA-compliant conduct to home occupations in residential locations. **So long as caregivers conduct their medical marijuana activities in compliance with the MMMA and cultivate medical marijuana in an “enclosed, locked facility” as defined by MCL 333.26423(d) and do not violate MCL 333.26427(b)’s location prohibitions, such conduct complies with the MMMA and cannot be restricted or penalized.”** (Emphasis added.)

- Role of **federal government** uncertain at this time (January, 2018 AG Memorandum)

**CITY OF CEDAR SPRINGS
CITY COUNCIL
Kent County, Michigan**

Councilmember _____ supported by Councilmember _____, moved the adoption of the following ordinance:

ORDINANCE NO. XXX

AN ORDINANCE TO AMEND Chapter 4- ALCHOLIC LIQUORS OF THE CITY CODE OF ORDINANCES

THE CITY OF CEDAR SPRINGS ORDAINS:

Section 1. Modification of Chapter 4 - ALCOHOLIC LIQUORS and the addition of Article III MARIHUANA ESTABLISHMENTS AND FACILITIES. That the Cedar Springs Code of Ordinances is hereby amended by modifying the Chapter Title to "Chapter4-Alcoholic Liquors and Marihuana" and by adding a new Article III MARIHUANA ESTABLISHMENTS AND FACILITIES to Chapter 4, Sections 4-80 through 4-82, inclusive; such sections to read as follows:

ARTICLE III. – MARIHUANA ESTABLISHMENTS AND FACILITIES.

Sec. 4-80. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

- (a) *IHRA* means the Industrial Hemp Research Act, 2014 PA 547, MCL 286.841 *et seq.*
- (b) *Marihuana* means that substance as defined at MCL 333.7106(4)
- (c) *Marihuana establishment* means that term as defined in the MRTMA.
- (d) *Marihuana facility* means that term as defined in the MMFLA.
- (e) *MMFLA* means the Medical Marihuana Facilities Licensing Act, 2016 PA 281, as amended.
- (f) *MMMA* means the Michigan Medical Marihuana Act, 2008 IL 1, as amended.
- (g) *MRTMA* means the Michigan Regulation and Taxation of Marihuana Act, 2018 IL __, as amended.

Sec. 4-81. Marihuana Establishments and Facilities Prohibited.

(a) Pursuant to Section 6 of the MRTMA, marihuana establishments are prohibited within the boundaries of the city.

(b) Marihuana facilities are prohibited within the boundaries of the city.

Sec. 4-82. Rights Unaffected by Article.

(a) This article shall not affect the rights or privileges of any individual or other person under Section 5 of the MRTMA.

(b) This article does not affect the rights or privileges of a marihuana facility outside of the city to engage in activities within the city that it is permitted to engage in under the MMFLA within a municipality that has not authorized marihuana facilities to operate within its boundaries.

(c) This article does not affect the rights or privileges of registered qualifying patients or registered primary caregivers under the MMMA or the MMFLA.

(d) This article does not affect the rights or privileges of any individual or other person under the IHRA.

(e) This article does not affect the rights or privileges of any individual or other person under any other federal or state law, rule or regulation related to the medical use of marihuana.

Section 2. Severability and Repealer. If any portion of this Ordinance shall be held to be unlawful, the remaining portions shall remain in full force and effect. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

Section 3. Effective Date. This ordinance shall take effect upon its publication in The Cedar Springs Post, a newspaper of general circulation in the City of Cedar Springs, consistent with state law and the City Charter.

YEAS: Councilmembers: _____

NAYS: Councilmembers: _____

ABSENT: Councilmembers: _____

ABSTAIN: Councilmembers: _____

Ordinance No. XXX declared adopted

Dated _____, 2018

Rebecca Johnson, City Clerk

CERTIFICATION

I certify that this is a true and complete copy of a resolution adopted by the City Council of the City of Cedar Springs at a Regular Meeting held _____, 2018 and that public notice of the meeting was given pursuant to and in compliance with Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: _____, 2018

Rebecca Johnson, City Clerk

DRAFT

**CITY OF CEDAR SPRINGS
CITY COUNCIL
Kent County, Michigan**

Councilmember _____ supported by Councilmember _____, moved the adoption of the following ordinance:

ORDINANCE NO. XXX

AN ORDINANCE TO AMEND Chapter 40-ZONING OF THE CITY CODE OF ORDINANCES

THE CITY OF CEDAR SPRINGS ORDAINS:

Section 1. Modification of Chapter 40 – ZONING. That the Cedar Springs Code of Ordinances is hereby amended by adding 40-468(a)(3) and 40-468(e) inclusive; such sections to read as follows:

Sec. 40-468. - Prohibition of marihuana dispensaries, collectives and cooperatives.

(a) The following uses are considered to be unlawful and are prohibited from being established or operated in the City of Cedar Springs:

(3) A marihuana establishment or facility that is operated for profit or not for profit.

(e) For purposes of this section, the term “marihuana establishment(s)” means that term as defined in the Michigan Regulation and Taxation of Marihuana Act, 2018 IL __, as amended, and “marihuana facility(ies)” means that term as defined in the Medical Marihuana Facilities Licensing Act, 2016 PA 281, as amended.

Section 2. Severability and Repealer. If any portion of this Ordinance shall be held to be unlawful, the remaining portions shall remain in full force and effect. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

Section 3. Effective Date. This ordinance shall take effect upon its publication in The Cedar Springs Post, a newspaper of general circulation in the City of Cedar Springs, consistent with state law and the City Charter.

YEAS: Councilmembers: _____

NAYS: Councilmembers: _____

ABSENT: Councilmembers: _____

ABSTAIN: Councilmembers: _____

Ordinance No. XXX declared adopted

Dated _____, 2018

Rebecca Johnson, City Clerk

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Dated: _____, 2018

Rebecca Johnson, City Clerk

DRAFT



RE: Zoning Ordinance Adoption

The process for the passage of a zoning ordinance includes a public hearing for Planning Commission and a public notice of at least 15 days.

Option 1

Special City Council 1st reading November 1, 2018
Special Planning Commission Meeting Public Hearing November 27, 2018
Special City Council Meeting 2nd reading and passage November 29, 2018
Effective upon publication December 6, 2018

Option 2

Special City Council Meeting 1st Reading November 1, 2018
Regular Planning Commission Meeting Public Hearing December 4, 2018
Regular City Council Meeting 2nd reading and passage December 13, 2018
Effective upon publication December 20, 2018

Thank you,

Rebecca Johnson
City Clerk



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SOURCES AND USES OF FUNDS

City of Cedar Springs, Michigan
 General Obligation Limited Tax Bonds, Series 2019
 Road, Water and Sewer Improvements | West Street Project
 Scenario 2 :: 10 Years | Level Debt Service | \$663,000 Project Fund
 Preliminary, Estimated Interest Rates as of October 29, 2018 (Market Rates Plus 25 bps)

Assumed Dated Date 02/01/2019
 Assumed Delivery Date 02/01/2019

Sources:

Bond Proceeds:	
Par Amount	685,000.00
	<u>685,000.00</u>

Uses:

Project Fund Deposits:	
Deposit to the Project Fund	663,000.00
Cost of Issuance:	
Bond Counsel	8,000.00
Placement Agent	6,900.00
Purchaser's Counsel	2,000.00
MAC Fee	400.00
MI Department of Treasury	137.00
Miscellaneous	<u>1,000.00</u>
	18,437.00
Other Uses of Funds:	
Rounding Amount	3,563.00
	<u>685,000.00</u>

Notes:

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BOND PRICING

City of Cedar Springs, Michigan
General Obligation Limited Tax Bonds, Series 2019
Road, Water and Sewer Improvements | West Street Project
Scenario 2 :: 10 Years | Level Debt Service | \$663,000 Project Fund
Preliminary, Estimated Interest Rates as of October 29, 2018 (Market Rates Plus 25 bps)

Table with 6 columns: Bond Component, Maturity Date, Amount, Rate, Yield, Price. Rows include Serial Bonds Through 2029 with maturity dates from 04/01/2020 to 04/01/2029 and a total amount of 685,000.

Summary table with 3 columns: Description, Amount, Percentage. Rows include Assumed Dated Date, Assumed Delivery Date, First Coupon, Par Amount, Original Issue Discount, Production, Underwriter's Discount, Purchase Price, Accrued Interest, and Net Proceeds.

BOND SUMMARY STATISTICS

City of Cedar Springs, Michigan
 General Obligation Limited Tax Bonds, Series 2019
 Road, Water and Sewer Improvements | West Street Project
 Scenario 2 :: 10 Years | Level Debt Service | \$663,000 Project Fund
 Preliminary, Estimated Interest Rates as of October 29, 2018 (Market Rates Plus 25 bps)

Assumed Dated Date	02/01/2019
Assumed Delivery Date	02/01/2019
Last Maturity	04/01/2029
Arbitrage Yield	3.498731%
Potential True Interest Cost (TIC)	3.498731%
Potential Net Interest Cost (NIC)	3.500000%
NIC w/Interest only	3.500000%
NIC w/Interest & OID	3.500000%
NIC w/Interest, OID & Und. Discount	3.500000%
Potential All-In TIC	4.024006%
Average Coupon	3.500000%
Average Life (years)	5.955
Duration of Issue (years)	5.313
Par Amount	685,000.00
Bond Proceeds	685,000.00
Total Interest	142,770.83
Net Interest	142,770.83
Total Debt Service	827,770.83
Maximum Annual Debt Service	85,400.00
Average Annual Debt Service	81,420.08

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bonds Through 2029	685,000.00	100.000	3.500%	5.955	357.35
	685,000.00			5.955	357.35

	TIC	All-In TIC	Arbitrage Yield
Par Value	685,000.00	685,000.00	685,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-18,437.00	
- Other Amounts			
Target Value	685,000.00	666,563.00	685,000.00
Target Date	02/01/2019	02/01/2019	02/01/2019
Yield	3.498731%	4.024006%	3.498731%

BOND DEBT SERVICE

City of Cedar Springs, Michigan
 General Obligation Limited Tax Bonds, Series 2019
 Road, Water and Sewer Improvements | West Street Project
 Scenario 2 :: 10 Years | Level Debt Service | \$663,000 Project Fund
 Preliminary, Estimated Interest Rates as of October 29, 2018 (Market Rates Plus 25 bps)

Assumed Dated Date 02/01/2019
 Assumed Delivery Date 02/01/2019

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2019			15,983.33	15,983.33	
04/01/2020	55,000	3.500%	11,987.50	66,987.50	
06/30/2020					82,970.83
10/01/2020			11,025.00	11,025.00	
04/01/2021	60,000	3.500%	11,025.00	71,025.00	
06/30/2021					82,050.00
10/01/2021			9,975.00	9,975.00	
04/01/2022	65,000	3.500%	9,975.00	74,975.00	
06/30/2022					84,950.00
10/01/2022			8,837.50	8,837.50	
04/01/2023	65,000	3.500%	8,837.50	73,837.50	
06/30/2023					82,675.00
10/01/2023			7,700.00	7,700.00	
04/01/2024	70,000	3.500%	7,700.00	77,700.00	
06/30/2024					85,400.00
10/01/2024			6,475.00	6,475.00	
04/01/2025	70,000	3.500%	6,475.00	76,475.00	
06/30/2025					82,950.00
10/01/2025			5,250.00	5,250.00	
04/01/2026	70,000	3.500%	5,250.00	75,250.00	
06/30/2026					80,500.00
10/01/2026			4,025.00	4,025.00	
04/01/2027	75,000	3.500%	4,025.00	79,025.00	
06/30/2027					83,050.00
10/01/2027			2,712.50	2,712.50	
04/01/2028	75,000	3.500%	2,712.50	77,712.50	
06/30/2028					80,425.00
10/01/2028			1,400.00	1,400.00	
04/01/2029	80,000	3.500%	1,400.00	81,400.00	
06/30/2029					82,800.00
	685,000		142,770.83	827,770.83	827,770.83

BOND DEBT SERVICE

City of Cedar Springs, Michigan
 General Obligation Limited Tax Bonds, Series 2019
 Road, Water and Sewer Improvements | West Street Project
 Scenario 2 :: 10 Years | Level Debt Service | \$663,000 Project Fund
 Preliminary, Estimated Interest Rates as of October 29, 2018 (Market Rates Plus 25 bps)

Assumed Dated Date 02/01/2019
 Assumed Delivery Date 02/01/2019

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2020	55,000	3.500%	27,970.83	82,970.83
06/30/2021	60,000	3.500%	22,050.00	82,050.00
06/30/2022	65,000	3.500%	19,950.00	84,950.00
06/30/2023	65,000	3.500%	17,675.00	82,675.00
06/30/2024	70,000	3.500%	15,400.00	85,400.00
06/30/2025	70,000	3.500%	12,950.00	82,950.00
06/30/2026	70,000	3.500%	10,500.00	80,500.00
06/30/2027	75,000	3.500%	8,050.00	83,050.00
06/30/2028	75,000	3.500%	5,425.00	80,425.00
06/30/2029	80,000	3.500%	2,800.00	82,800.00
	685,000		142,770.83	827,770.83



FORM 8038 STATISTICS

City of Cedar Springs, Michigan
General Obligation Limited Tax Bonds, Series 2019
Road, Water and Sewer Improvements | West Street Project
Scenario 2 :: 10 Years | Level Debt Service | \$663,000 Project Fund
Preliminary, Estimated Interest Rates as of October 29, 2018 (Market Rates Plus 25 bps)

Assumed Dated Date 02/01/2019
Assumed Delivery Date 02/01/2019

Table with 7 columns: Bond Component, Date, Principal, Coupon, Price, Issue Price, Redemption at Maturity. Rows include Serial Bonds Through 2029 with dates from 04/01/2020 to 04/01/2029 and a total row.

Table with 7 columns: Maturity Date, Interest Rate, Issue Price, Stated Redemption at Maturity, Weighted Average Maturity, Yield. Rows include Final Maturity and Entire Issue.

Table with 2 columns: Description, Amount. Rows include Proceeds used for accrued interest, Proceeds used for bond issuance costs, Proceeds used for credit enhancement, and Proceeds allocated to reasonably required reserve or replacement fund.

PROOF OF ARBITRAGE YIELD

City of Cedar Springs, Michigan
 General Obligation Limited Tax Bonds, Series 2019
 Road, Water and Sewer Improvements | West Street Project
 Scenario 2 :: 10 Years | Level Debt Service | \$663,000 Project Fund
 Preliminary, Estimated Interest Rates as of October 29, 2018 (Market Rates Plus 25 bps)

Date	Debt Service	PV Factor	Present Value to 02/01/2019 @ 3.4987313305%
10/01/2019	15,983.33	0.977142087	15,617.98
04/01/2020	66,987.50	0.960342191	64,330.92
10/01/2020	11,025.00	0.943831133	10,405.74
04/01/2021	71,025.00	0.927603948	65,883.07
10/01/2021	9,975.00	0.911655755	9,093.77
04/01/2022	74,975.00	0.895981758	67,176.23
10/01/2022	8,837.50	0.880577242	7,782.10
04/01/2023	73,837.50	0.865437574	63,901.75
10/01/2023	7,700.00	0.850558201	6,549.30
04/01/2024	77,700.00	0.835934647	64,952.12
10/01/2024	6,475.00	0.821562515	5,319.62
04/01/2025	76,475.00	0.807437481	61,748.78
10/01/2025	5,250.00	0.793555297	4,166.17
04/01/2026	75,250.00	0.779911788	58,688.36
10/01/2026	4,025.00	0.766502850	3,085.17
04/01/2027	79,025.00	0.753324451	59,531.46
10/01/2027	2,712.50	0.740372626	2,008.26
04/01/2028	77,712.50	0.727643481	56,546.99
10/01/2028	1,400.00	0.715133187	1,001.19
04/01/2029	81,400.00	0.702837980	57,211.01
	827,770.83		685,000.00

Proceeds Summary

Delivery date	02/01/2019
Par Value	685,000.00
Target for yield calculation	685,000.00

IMPORTANT DISCLOSURES

City of Cedar Springs, Michigan
General Obligation Limited Tax Bonds, Series 2019
Road, Water and Sewer Improvements | West Street Project
Scenario 2 :: 10 Years | Level Debt Service | \$663,000 Project Fund
Preliminary, Estimated Interest Rates as of October 29, 2018 (Market Rates Plus 25 bps)

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SOURCES AND USES OF FUNDS

City of Cedar Springs, Michigan
General Obligation Limited Tax Bonds, Series 2019
Road, Water and Sewer Improvements | West Street Project
Scenario 1 :: 15 Years | Level Debt Service | \$663,000 Project Fund
Preliminary, Estimated Interest Rates as of October 29, 2018 (Market Rates Plus 25 bps)

Assumed Dated Date 02/01/2019
Assumed Delivery Date 02/01/2019

Sources:

Table with 2 columns: Description, Amount. Row: Bond Proceeds: Par Amount, 685,000.00. Total: 685,000.00

Uses:

Table with 2 columns: Description, Amount. Rows: Project Fund Deposits: Deposit to the Project Fund, 663,000.00; Cost of Issuance: Bond Counsel (8,000.00), Placement Agent (6,900.00), Purchaser's Counsel (2,000.00), MAC Fee (400.00), MI Department of Treasury (137.00), Miscellaneous (1,000.00), Total (18,437.00); Other Uses of Funds: Rounding Amount, 3,563.00. Total: 685,000.00

Notes:

Robert W. Baird & Co. Incorporated ('Baird') is not recommending any action to you. Baird is not acting as an advisor to you and does not owe you a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934. Baird is acting for its own interests. You should discuss the information contained herein with any and all internal or external advisors and experts you deem appropriate before acting on the information. Baird seeks to serve as an underwriter (or placement agent) on a future transaction and not as a financial advisor or municipal advisor. The primary role of an underwriter (or placement agent) is to purchase, or arrange for the placement of, securities in an arm's length commercial transaction with the issuer, and it has financial and other interests that differ from those of the issuer. The information provided is for discussion purposes only, in seeking to serve as underwriter (or placement agent). See 'Important Disclosures' contained herein.



BOND PRICING

City of Cedar Springs, Michigan
General Obligation Limited Tax Bonds, Series 2019
Road, Water and Sewer Improvements | West Street Project
Scenario 1 :: 15 Years | Level Debt Service | \$663,000 Project Fund
Preliminary, Estimated Interest Rates as of October 29, 2018 (Market Rates Plus 25 bps)

Table with 6 columns: Bond Component, Maturity Date, Amount, Rate, Yield, Price. Rows include Serial Bonds Through 2034 with maturity dates from 04/01/2020 to 04/01/2034 and a total amount of 685,000.

Summary table with 3 columns: Description, Amount, Yield. Rows include Assumed Dated Date, Assumed Delivery Date, First Coupon, Par Amount, Original Issue Discount, Production, Underwriter's Discount, Purchase Price, Accrued Interest, and Net Proceeds.

BOND SUMMARY STATISTICS

City of Cedar Springs, Michigan
 General Obligation Limited Tax Bonds, Series 2019
 Road, Water and Sewer Improvements | West Street Project
 Scenario 1 :: 15 Years | Level Debt Service | \$663,000 Project Fund
 Preliminary, Estimated Interest Rates as of October 29, 2018 (Market Rates Plus 25 bps)

Assumed Dated Date	02/01/2019
Assumed Delivery Date	02/01/2019
Last Maturity	04/01/2034
Arbitrage Yield	3.748958%
Potential True Interest Cost (TIC)	3.748958%
Potential Net Interest Cost (NIC)	3.750000%
NIC w/Interest only	3.750000%
NIC w/Interest & OID	3.750000%
NIC w/Interest, OID & Und. Discount	3.750000%
Potential All-In TIC	4.125795%
Average Coupon	3.750000%
Average Life (years)	8.918
Duration of Issue (years)	7.417
Par Amount	685,000.00
Bond Proceeds	685,000.00
Total Interest	229,093.75
Net Interest	229,093.75
Total Debt Service	914,093.75
Maximum Annual Debt Service	63,437.50
Average Annual Debt Service	60,269.92

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bonds Through 2034	685,000.00	100.000	3.750%	8.918	500.30
	685,000.00			8.918	500.30

	TIC	All-In TIC	Arbitrage Yield
Par Value	685,000.00	685,000.00	685,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-18,437.00	
- Other Amounts			
Target Value	685,000.00	666,563.00	685,000.00
Target Date	02/01/2019	02/01/2019	02/01/2019
Yield	3.748958%	4.125795%	3.748958%

BOND DEBT SERVICE

City of Cedar Springs, Michigan
 General Obligation Limited Tax Bonds, Series 2019
 Road, Water and Sewer Improvements | West Street Project
 Scenario 1 :: 15 Years | Level Debt Service | \$663,000 Project Fund
 Preliminary, Estimated Interest Rates as of October 29, 2018 (Market Rates Plus 25 bps)

Assumed Dated Date 02/01/2019
 Assumed Delivery Date 02/01/2019

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2019			17,125.00	17,125.00	
04/01/2020	30,000	3.750%	12,843.75	42,843.75	
06/30/2020					59,968.75
10/01/2020			12,281.25	12,281.25	
04/01/2021	35,000	3.750%	12,281.25	47,281.25	
06/30/2021					59,562.50
10/01/2021			11,625.00	11,625.00	
04/01/2022	40,000	3.750%	11,625.00	51,625.00	
06/30/2022					63,250.00
10/01/2022			10,875.00	10,875.00	
04/01/2023	40,000	3.750%	10,875.00	50,875.00	
06/30/2023					61,750.00
10/01/2023			10,125.00	10,125.00	
04/01/2024	40,000	3.750%	10,125.00	50,125.00	
06/30/2024					60,250.00
10/01/2024			9,375.00	9,375.00	
04/01/2025	40,000	3.750%	9,375.00	49,375.00	
06/30/2025					58,750.00
10/01/2025			8,625.00	8,625.00	
04/01/2026	45,000	3.750%	8,625.00	53,625.00	
06/30/2026					62,250.00
10/01/2026			7,781.25	7,781.25	
04/01/2027	45,000	3.750%	7,781.25	52,781.25	
06/30/2027					60,562.50
10/01/2027			6,937.50	6,937.50	
04/01/2028	45,000	3.750%	6,937.50	51,937.50	
06/30/2028					58,875.00
10/01/2028			6,093.75	6,093.75	
04/01/2029	50,000	3.750%	6,093.75	56,093.75	
06/30/2029					62,187.50
10/01/2029			5,156.25	5,156.25	
04/01/2030	50,000	3.750%	5,156.25	55,156.25	
06/30/2030					60,312.50
10/01/2030			4,218.75	4,218.75	
04/01/2031	55,000	3.750%	4,218.75	59,218.75	
06/30/2031					63,437.50
10/01/2031			3,187.50	3,187.50	
04/01/2032	55,000	3.750%	3,187.50	58,187.50	
06/30/2032					61,375.00
10/01/2032			2,156.25	2,156.25	
04/01/2033	55,000	3.750%	2,156.25	57,156.25	
06/30/2033					59,312.50
10/01/2033			1,125.00	1,125.00	
04/01/2034	60,000	3.750%	1,125.00	61,125.00	
06/30/2034					62,250.00
	685,000		229,093.75	914,093.75	914,093.75

BOND DEBT SERVICE

City of Cedar Springs, Michigan
 General Obligation Limited Tax Bonds, Series 2019
 Road, Water and Sewer Improvements | West Street Project
 Scenario 1 :: 15 Years | Level Debt Service | \$663,000 Project Fund
 Preliminary, Estimated Interest Rates as of October 29, 2018 (Market Rates Plus 25 bps)

Assumed Dated Date 02/01/2019
 Assumed Delivery Date 02/01/2019

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2020	30,000	3.750%	29,968.75	59,968.75
06/30/2021	35,000	3.750%	24,562.50	59,562.50
06/30/2022	40,000	3.750%	23,250.00	63,250.00
06/30/2023	40,000	3.750%	21,750.00	61,750.00
06/30/2024	40,000	3.750%	20,250.00	60,250.00
06/30/2025	40,000	3.750%	18,750.00	58,750.00
06/30/2026	45,000	3.750%	17,250.00	62,250.00
06/30/2027	45,000	3.750%	15,562.50	60,562.50
06/30/2028	45,000	3.750%	13,875.00	58,875.00
06/30/2029	50,000	3.750%	12,187.50	62,187.50
06/30/2030	50,000	3.750%	10,312.50	60,312.50
06/30/2031	55,000	3.750%	8,437.50	63,437.50
06/30/2032	55,000	3.750%	6,375.00	61,375.00
06/30/2033	55,000	3.750%	4,312.50	59,312.50
06/30/2034	60,000	3.750%	2,250.00	62,250.00
	685,000		229,093.75	914,093.75



FORM 8038 STATISTICS

City of Cedar Springs, Michigan
 General Obligation Limited Tax Bonds, Series 2019
 Road, Water and Sewer Improvements | West Street Project
 Scenario 1 :: 15 Years | Level Debt Service | \$663,000 Project Fund
 Preliminary, Estimated Interest Rates as of October 29, 2018 (Market Rates Plus 25 bps)

Assumed Dated Date 02/01/2019
 Assumed Delivery Date 02/01/2019

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bonds Through 2034:						
	04/01/2020	30,000.00	3.750%	100.000	30,000.00	30,000.00
	04/01/2021	35,000.00	3.750%	100.000	35,000.00	35,000.00
	04/01/2022	40,000.00	3.750%	100.000	40,000.00	40,000.00
	04/01/2023	40,000.00	3.750%	100.000	40,000.00	40,000.00
	04/01/2024	40,000.00	3.750%	100.000	40,000.00	40,000.00
	04/01/2025	40,000.00	3.750%	100.000	40,000.00	40,000.00
	04/01/2026	45,000.00	3.750%	100.000	45,000.00	45,000.00
	04/01/2027	45,000.00	3.750%	100.000	45,000.00	45,000.00
	04/01/2028	45,000.00	3.750%	100.000	45,000.00	45,000.00
	04/01/2029	50,000.00	3.750%	100.000	50,000.00	50,000.00
	04/01/2030	50,000.00	3.750%	100.000	50,000.00	50,000.00
	04/01/2031	55,000.00	3.750%	100.000	55,000.00	55,000.00
	04/01/2032	55,000.00	3.750%	100.000	55,000.00	55,000.00
	04/01/2033	55,000.00	3.750%	100.000	55,000.00	55,000.00
	04/01/2034	60,000.00	3.750%	100.000	60,000.00	60,000.00
		685,000.00			685,000.00	685,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	04/01/2034	3.750%	60,000.00	60,000.00		
Entire Issue			685,000.00	685,000.00	8.9185	3.7490%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	18,437.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00

PROOF OF ARBITRAGE YIELD

City of Cedar Springs, Michigan
 General Obligation Limited Tax Bonds, Series 2019
 Road, Water and Sewer Improvements | West Street Project
 Scenario 1 :: 15 Years | Level Debt Service | \$663,000 Project Fund
 Preliminary, Estimated Interest Rates as of October 29, 2018 (Market Rates Plus 25 bps)

Date	Debt Service	PV Factor	Present Value to 02/01/2019 @ 3.7489575138%
10/01/2019	17,125.00	0.975542364	16,706.16
04/01/2020	42,843.75	0.957592496	41,026.85
10/01/2020	12,281.25	0.939972903	11,544.04
04/01/2021	47,281.25	0.922677510	43,625.35
10/01/2021	11,625.00	0.905700349	10,528.77
04/01/2022	51,625.00	0.889035566	45,896.46
10/01/2022	10,875.00	0.872677413	9,490.37
04/01/2023	50,875.00	0.856620249	43,580.56
10/01/2023	10,125.00	0.840858534	8,513.69
04/01/2024	50,125.00	0.825386833	41,372.52
10/01/2024	9,375.00	0.810199810	7,595.62
04/01/2025	49,375.00	0.795292226	39,267.55
10/01/2025	8,625.00	0.780658940	6,733.18
04/01/2026	53,625.00	0.766294905	41,092.56
10/01/2026	7,781.25	0.752195166	5,853.02
04/01/2027	52,781.25	0.738354861	38,971.29
10/01/2027	6,937.50	0.724769216	5,028.09
04/01/2028	51,937.50	0.711433546	36,950.08
10/01/2028	6,093.75	0.698343250	4,255.53
04/01/2029	56,093.75	0.685493814	38,451.92
10/01/2029	5,156.25	0.672880806	3,469.54
04/01/2030	55,156.25	0.660499876	36,430.70
10/01/2030	4,218.75	0.648346754	2,735.21
04/01/2031	59,218.75	0.636417248	37,687.83
10/01/2031	3,187.50	0.624707243	1,991.25
04/01/2032	58,187.50	0.613212702	35,681.31
10/01/2032	2,156.25	0.601929658	1,297.91
04/01/2033	57,156.25	0.590854221	33,771.01
10/01/2033	1,125.00	0.579982571	652.48
04/01/2034	61,125.00	0.569310958	34,799.13
	914,093.75		685,000.00

Proceeds Summary

Delivery date	02/01/2019
Par Value	685,000.00
Target for yield calculation	685,000.00

IMPORTANT DISCLOSURES

City of Cedar Springs, Michigan
General Obligation Limited Tax Bonds, Series 2019
Road, Water and Sewer Improvements | West Street Project
Scenario 1 :: 15 Years | Level Debt Service | \$663,000 Project Fund
Preliminary, Estimated Interest Rates as of October 29, 2018 (Market Rates Plus 25 bps)

As required for all underwriters by the Municipal Securities Rulemaking Board ("MSRB"), Robert W. Baird & Co. Incorporated ("Baird") is hereby providing you with certain disclosures.

Robert W. Baird & Co. Incorporated ("Baird") is providing the information contained herein and/or accompanying materials (the "Materials") for discussion or general informational purposes only, in seeking to serve as underwriter (or placement agent) for a possible issuance of municipal securities you may be considering.

Municipal Securities Rulemaking Board Rule G-17 requires an underwriter (or placement agent) to deal fairly at all times with both municipal issuers and investors. As underwriter, Baird's primary role is to purchase the proposed securities to be issued with a view to distribution in an arm's length commercial transaction between you and Baird. In its role as underwriter (or placement agent), Baird has financial and other interests that differ from your interests. As part of our services as underwriter (or placement agent), Baird may provide advice concerning the structure, timing, terms, and other similar matters concerning an issuance of municipal securities you are considering. Any such advice, however, would be provided by Baird in the context of serving as an underwriter (or placement agent) and not as municipal advisor, financial advisor or fiduciary. Unlike a municipal advisor, Baird as an underwriter (or placement agent) does not have a fiduciary duty to the issuer under the federal securities law and is therefore not required by federal law to act in the best interests of an Issuer without regard to its own financial or other interests. As underwriter (or placement agent), Baird has a duty to purchase (or facilitate the purchase of) securities from an issuer at a fair and reasonable price but must balance that duty with its duty to sell those securities to investors at prices that are fair and reasonable. As underwriter (or placement agent), Baird will review the official statement (if any) applicable to the proposed issuance in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the proposed issuance.

The Materials do not include any recommendations or suggestions that you take or refrain from taking any action with regard to an issuance of municipal securities and are not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934 or Rule 15Ba1-1 thereunder. The Materials are intended to provide information of a factual or educational nature, as well as general information about Baird (including its Public Finance unit) and its experience, qualifications and capabilities.

Any opinions or estimates contained in the Materials represent the judgment of Baird at this time, and are subject to change without notice. Interested parties are advised to contact Baird for more information.

If you have any questions or concerns about the above disclosures, please contact Baird Public Finance.

IRS Circular 230 Disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that the Materials do not constitute tax advice and shall not be used for the purpose of (i) avoiding tax penalties or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

**CITY COUNCIL
CITY OF CEDAR SPRINGS
(Kent County, Michigan)**

RESOLUTION NO. _____

**RESOLUTION TO PURCHASE, ACQUIRE AND CONSTRUCT
CAPITAL IMPROVEMENTS AND TO PUBLISH NOTICE OF INTENT
TO ISSUE MUNICIPAL SECURITIES**

Minutes of a regular meeting of the City Council of the City of Cedar Springs, Kent County, Michigan, held in the City Hall, 66 S. Main, Cedar Springs, Michigan, on _____, 2018, at _____ p.m., local time.

PRESENT: Members: _____

ABSENT: Members: _____

The following resolution was offered by Member _____ and supported by Member _____:

WHEREAS, the City Council deems it to be in the best in interest of the City of Cedar Springs (the "City") to design, purchase, acquire, and construct certain capital improvements, including, but not limited to, improvements to the City's streets, including, but not limited to, constructing an extension of West Street; the City's Water System, including, but not limited to, the extension of water main along the extension of West Street; and improvements to the City's Sanitary Sewer System, including, but not limited to, the construction of a force main to the waste water treatment plant and the extension of sewer mains along the extension of West Street; as well as all work and equipment necessary or incidental to these improvements and to pay the costs of issuance of municipal securities (the "Improvements") for the benefit of the City and to finance the Improvements by the issuance of municipal securities that pledge the City's limited tax general obligation pursuant to Section 517 of Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"); and

WHEREAS, the City may proceed with the Improvements prior to the issuance of the municipal securities; and

WHEREAS, the City may incur substantial capital expenditures for the Improvements prior to the issuance of the municipal securities and desires to be reimbursed for such expenditures from the proceeds of the municipal securities; and

WHEREAS, pursuant to Section 517 of Act 34, it is necessary to publish a Notice of Intent to Issue Municipal Securities for the Improvements.

NOW, THEREFORE, BE IT RESOLVED that:

1. The City Council determines to design, purchase, acquire, and construct the Improvements and to pay for the cost through the issuance of one or more series of municipal securities, which pledge the City's limited tax full faith and credit, pursuant to Section 517 of Act 34, in an amount not to exceed \$700,000 (the "Municipal Securities").

2. A Notice of Intent to Issue Municipal Securities be published in accordance with Section 517 of Act 34, and the City Clerk is authorized and directed to publish the Notice of Intent to Issue Municipal Securities in the *Post*, a newspaper of general circulation in the City, determined to be the newspaper reaching the largest number of persons to whom such Notice is directed, which Notice shall be substantially in the form as set forth on Exhibit A attached hereto, with such changes as may be approved by the City Manager, and shall be at least one-quarter (1/4) page size in the newspaper.

3. The City may proceed to acquire and construct the improvements using available funds of the City from the Water Fund, which is a fund for the operation and maintenance of the water system, the Sewer Fund, which is a fund for the operating and maintenance of the Sanitary Sewer System, the street funds that are funds for the maintenance and improvement of streets, the General Fund, a fund for the general operations of the City, and other funds of the City.

4. At such time as the City issues the Municipal Securities for the long-term financing of the Improvements, the City shall be reimbursed for its expenditures for the Improvements out of the proceeds of the Municipal Securities.

5. This resolution and the expression of intent to seek reimbursement from future proceeds of the Municipal Securities is intended to satisfy the requirements of Section 150 of the Internal Revenue Code of 1986, as amended.

6. The firm of Dickinson Wright PLLC is hereby employed as bond counsel to the City to prepare the documents for the issuance of the Municipal Securities for financing acquisition of the Improvements.

7. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same are hereby rescinded.

YEAS: _____

NAYS: _____

ABSTAIN: _____

RESOLUTION DECLARED ADOPTED.

Rebecca Johnson, Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Cedar Springs, Kent County, Michigan, at a regular meeting held on _____, 2018, and that the public notice of the meeting was given pursuant to Act 267, Public Acts of Michigan, 1976, as amended.

Dated: _____, 2018

Rebecca Johnson, Clerk

EXHIBIT A

[NOTE TO PUBLISHER: PUBLICATION MUST BE ¼ PAGE SIZE]

**NOTICE OF INTENT TO ISSUE MUNICIPAL SECURITIES
TO THE ELECTORS OF THE CITY OF CEDAR SPRINGS**

PLEASE TAKE NOTICE that the City Council of the City of Cedar Springs (the “City”) intends to issue municipal securities in one or more series, in an amount not to exceed \$700,000 (the “Municipal Securities”).

The Municipal Securities shall be issued to pay the cost to design, purchase, acquire, and construct certain capital improvements, including, but not limited to, improvements to the City’s streets, including, but not limited to, constructing an extension of West Street; the City’s Water System, including, but not limited to, the extension of water main along the extension of West Street; and improvements to the City’s Sanitary Sewer System, including, but not limited to, the construction of a force main to the waste water treatment plant and the extension of sewer mains along the extension of West Street; as well as all work and equipment necessary or incidental to these improvements and to pay the costs of issuance of municipal securities (the “Improvements”).

The Municipal Securities of this issue shall mature within the maximum terms permitted by law with interest on the unpaid balance at a rate not to exceed the maximum rate permitted by law. The Municipal Securities shall be issued pursuant to Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”).

SOURCE OF PAYMENT

The principal of and interest on the Municipal Securities will be limited tax full faith and credit general obligations of the City, payable from available funds of the City. Pursuant to this pledge of its limited tax full faith and credit, the City will be obligated to levy such ad valorem taxes upon all taxable property in the City as shall be necessary to make the payments of principal and interest on the Municipal Securities, which taxes, however, will be limited by applicable constitutional, statutory, and charter limitations on the taxing power of the City.

RIGHT OF REFERENDUM

The Municipal Securities will be issued without a vote of the electors approving such Municipal Securities, unless, within 45 days from the date of publication of this Notice of Intent, a petition, signed by not less than 10% of the registered electors residing within the limits of the City, shall have been filed with the Clerk of the City, or other recording officer of the City, requesting a referendum upon the question of the issuance of the Municipal Securities. If such a petition is filed, the Municipal Securities shall not be issued until approved by the vote of a majority of the electors of the City qualified to vote and voting thereon at a general or special election.

This notice is published pursuant to the requirements of Section 517 of Act 34.

Rebecca Johnson, Clerk
City of Cedar Springs

PROPOSAL 1: MICHIGAN REGULATION AND TAXATION OF MARIHUANA ACT

Bloom Sluggett, PC

October 22, 2018

ITINERARY

- What does the Michigan Regulation and Taxation of Marihuana Act authorize?
- Municipal Regulation
 - What actions must a municipality take?
 - When must the municipality act?
- State Licensing Process
- Taxation and Revenue Distribution
- Enforcement
- Timing

BACKGROUND

- **Nine states and the District of Columbia have enacted legislation legalizing recreational marihuana**
- **Michigan may be next**
 - **2008: Voter initiative legalized medicinal marihuana**
 - **2016: Medical Marihuana Facilities Licensing Act**
 - **2018 Polling:**
 - **July 29th – 61% Support**
 - **September 12th – 56% Support**
 - **September 28th – 55% Support**

DEFINITIONS

- **“Act”** – Recreational Marihuana Initiation of Legislation (“Michigan Regulation and Taxation of Marihuana Act”)

- **Marihuana establishments** include:
 - Growers
 - Safety compliance facilities
 - Processors
 - Microbusinesses
 - Retailers
 - Secure transporters

DEFINITIONS

MARIHUANA ESTABLISHMENTS

Marihuana Grower

- A person licensed to cultivate marihuana
- A marihuana grower may sell or transfer marihuana directly to other marihuana establishments
 - **Class A** – Not more than 100 plants
 - **Class B** – Not more than 500 plants
 - **Class C** – Not more than 2,000 plants

Marihuana Safety Compliance Facility

- A safety compliance facility tests for potency and presence of contaminants

DEFINITIONS

MARIHUANA ESTABLISHMENTS

Marihuana Processor

- A person licensed to:
 - Obtain marihuana from another marihuana establishment
 - Process and package marihuana
 - Sell or otherwise transfer marihuana to another marihuana establishment

Marihuana Microbusiness

- A licensee who may:
 - Cultivate not more than 150 marihuana plants
 - Process and package marihuana
 - Sell or otherwise transfer marihuana to individuals or safety compliance facilities
 - A microbusiness may not transfer marihuana to any other types of marihuana establishments
- A Marihuana Microbusiness is analogous to a microbrewery

DEFINITIONS

MARIHUANA ESTABLISHMENTS

Marihuana Retailer

- A person licensed to:
 - Obtain marihuana from marihuana establishments
 - Sell or otherwise transfer marihuana to individuals
 - Sell or otherwise transfer marihuana to marihuana establishments
- More commonly known as a “dispensary”

Marihuana Secure Transporter

- A person licensed to obtain marihuana from marihuana establishments in order to transport marihuana to other marihuana establishments

MICHIGAN REGULATION AND TAXATION OF MARIHUANA ACT OVERVIEW

- The Act would legalize marihuana possession and consumption for adults 21 years of age or older
- The Act would legalize and control commercial production and distribution of marihuana by licensing, regulating, and taxing the businesses involved

WHAT IS PERMISSIBLE UNDER THE ACT?

A PERSON 21 YEARS OF AGE OR OLDER MAY:

- Possess and consume 2.5 ounces or less of marihuana
- Within a person's residence, possess and store not more than 10 ounces of marihuana
- Within a person's residence, cultivate not more than 12 marihuana plants for personal use
- Give away (without compensation) up to 2.5 ounces of marihuana to a person 21 years of age or older
 - The transfer cannot be "advertised or promoted to the public"
- Possess and sell marihuana accessories

WHAT IS NOT AUTHORIZED?

- Possession or cultivation of marihuana by a person under 21
- Possession of more than 2.5 ounces of marihuana
 - Unless excess up to 10 ounces is stored in enclosed, locked area within residence
- Operating motor vehicles or boats while consuming or under the influence of marihuana
- Smoking marihuana while in the passenger area of a vehicle
- Consuming marihuana in a public place
 - Not including public places that a municipality affirmatively “designates” for marihuana consumption
- Smoking marihuana in a place where prohibited by the owner, occupier, or manager

WHAT IS NOT AUTHORIZED?

- Cultivating marihuana plants where visible from a public place (without the use of binoculars, aircraft, or other optical aids)
- Growing marihuana outside of an enclosed, locked area
- Possessing marihuana accessories or possessing or consuming marihuana:
 - On the grounds of a school (Preschool-Grade 12)
 - In a school bus
 - In a correctional facility

THE ACT PROVIDES OTHER NOTABLE EXCEPTIONS

- An employer is not required to comply with the Act
 - An employer may enforce workplace drug policies and take action against an employee who is found to have worked under the influence of marihuana or otherwise violated the policy
- A person who owns, occupies, or manages property may prohibit or otherwise regulate the following as it relates to marihuana and marihuana accessories:
 - Consumption
 - Cultivation
 - Distribution
 - Processing
 - Sale
 - Display
- A lease agreement may not prohibit a tenant from lawfully possessing and consuming marihuana by means other than smoking

**MUNICIPAL REGULATION
OF MARIHUANA
ESTABLISHMENTS**

RIGHTS OF MUNICIPALITIES

PROHIBITIONS & LIMITATIONS ON MARIHUANA FACILITIES

- Municipalities may do either of the following:
 - Completely prohibit by ordinance marihuana establishments within its boundaries
 - Limit to any extent less than a complete prohibition the type and number of marihuana establishments within its boundaries
- Citizens may petition to initiate an ordinance that prohibits or limits the number of marihuana establishments allowed in the municipality
 - An ordinance initiative will be submitted to the electors of the municipality if the petition is signed by greater than 5% of the qualified electors voting in the last gubernatorial election

RIGHTS OF MUNICIPALITIES

PERMISSIBLE LOCAL POLICIES

- A municipality may adopt ordinances that are not “unreasonably impracticable” and do not conflict with the Act and that do any of the following:
 - Establish reasonable restrictions on public signs related to marihuana establishments
 - Regulate time, place, and manner of
 - The operation of marihuana establishments
 - The production, manufacture, sale, or display of marihuana accessories
 - Authorize the sale of marihuana for consumption:
 - In designated areas not accessible to persons under 21
 - At special events in limited areas for a limited time
 - Enforcement of Ordinance: Designate violations of any ordinance by a marihuana facility to be:
 - A civil infraction
 - A fine of not more than \$500.00

RIGHTS OF MUNICIPALITIES

PERMISSIBLE LOCAL POLICIES

- A municipality may adopt an ordinance requiring marijuana establishments located within its boundaries to obtain a municipal license
 - A municipal license may not impose qualifications for licensure that conflict with the Act or rules published by the Michigan Department of Licensing and Regulatory Affairs
- A municipality charge an annual fee of not more than \$5,000.00 to defray application, administrative, and enforcement costs associated with the operation of the marijuana establishment in the municipality

RIGHTS OF MUNICIPALITIES

IMPERMISSIBLE LOCAL POLICIES

- A municipality may not adopt an ordinance that does either of the following:
 - Restricts the transport of marihuana through the municipality
 - Prohibits a marihuana grower, processor, and retailer from operating within a shared facility or from operating at a location shared with a marihuana facility operating pursuant to the MMFLA

STATE LICENSING PROCESS

- Each application for a marihuana establishment license must first be submitted to the Michigan Department of Licensing and Regulatory Affairs
 - LARA has 90 days to grant or deny the license
- LARA must forward a copy of an application to the municipality in which the marihuana establishment would be located
 - If a municipality receives a marihuana establishment application from LARA, it is the responsibility of the municipality to inform LARA of any ordinance that prohibits or limits in number of the specific marihuana establishment in the application
- Unless the municipality in question adopts an ordinance to the contrary, LARA will not approve a marihuana establishment in the following locations:
 - In an area zoned exclusively for residential use
 - Within 1,000 feet of a pre-existing public or private K-12 school

MARIHUANA TAXES AND REVENUES

MICHIGAN EXCISE TAX

- An excise tax of 10% of the sales price for marihuana sold will be imposed on:
 - Marihuana retailers
 - Marihuana microbusinesses

MARIHUANA TAXES AND REVENUES

DISBURSEMENT OF REVENUES

- All excise tax funds will be deposited in the Marihuana Regulation Fund
- Money within the Fund will be expended as follows:
 - Implementation, administration, and enforcement of the Act
 - \$20 Million annually to research approved by federal government on effectiveness of marihuana in treating medical conditions of veterans and preventing veteran suicide

MARIHUANA TAXES AND REVENUES

DISBURSEMENT OF REVENUES

- **The unexpended balance of the Fund will be disbursed as follows:**
 - **15% to municipalities having either a marihuana retail store or marihuana microbusiness**
 - **Funds are allocated in proportion to the number of marihuana retail stores and marihuana microbusinesses within the municipality**
 - **15% to counties with either a marihuana retail store or marihuana microbusiness**
 - **35% to the Michigan school aid fund**
 - **35% to the Michigan transportation fund to be used for road and bridge repair and maintenance**

EFFECT ON MEDICAL MARIHUANA LAWS

- The Act expressly will not limit any privileges, rights, immunities, or defenses to citizens provided under the Medical Marihuana Act or the Medical Marihuana Facilities Licensing Act (“MMFLA”)
- Municipalities currently receiving tax revenues under the MMFLA due to a “marihuana facility” being located within the municipality could see a reduction or complete halt to its marihuana related tax income
 - The MMFLA currently appropriates 25% of the funds collected in the state medical marihuana excise fund to municipalities in which any type of “marihuana facility” is located
 - Grower, Processor, Secure Transporter, Provisioning Center, Safety Compliance Facility
 - However, MMFLA also provides that collection of excise taxes will cease if and when a law authorizing recreational use of marihuana is enacted
 - Under the Act, only municipalities with a marihuana retail store or marihuana microbusiness are entitled to a share of the tax revenues
 - Municipalities that permitted any type of “marihuana facility” except a “provisioning center” under the MMFLA would no longer receive tax revenues

ENFORCEMENT OF THE ACT

- For a violation involving an amount of marihuana permitted under the Act:
 - Civil Infraction and a fine of not more than \$100
- For a violation involving not more than twice the amount of marihuana permitted under the Act:
 - First violation: Civil infraction and a fine of not more than \$500
 - Second violation: Civil infraction and a fine of not more than \$1,000
 - Third and subsequent violations: Misdemeanor and a fine of not more than \$2,000
- For a violation involving more than twice the amount of marihuana permitted under the Act:
 - Misdemeanor
 - Not subject to imprisonment unless violation was (1) habitual, willful, and for a commercial purpose or (2) involved violence

ENFORCEMENT

- For a person under the age of 18 who possesses or cultivates an amount of marihuana otherwise permitted under the Act:
 - First violation: Fine of not more than \$100 or community service, 4 hours of drug education counseling
 - Second violation: Fine of not more than \$500 or community service, 8 hours of drug education counseling
- For a person over the age of 18 but less than 21 who possesses or cultivates an amount of marihuana otherwise permitted under the Act:
 - First violation: Fine of not more than \$100
 - Second violation: Fine of not more than \$500

TIMING

- **When is law effective:**
 - 10 days after the date of the official declaration of vote
- **How long will it take for the state to issue licenses?**
 - The state must begin accepting applications for marijuana establishments within 12 months after the effective date of the Act
 - Licenses must be approved (or denied) by LARA within 90 days of receipt of an application
 - First two years: Most applicants must be Michigan residents or currently possess a license under the Medical Marijuana Facilities Licensing Act

QUESTIONS

CONTACTS & FURTHER INFORMATION

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- Michigan

- Department of

- Licensing &

- Regulatory Affairs

- Medical Marijuana
Facility Licensing:
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- Medical Marijuana
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