



CITY COUNCIL

October 7, 2019

1. Call to Order – 7:00 P.M. - City Hall Council Chambers
2. Recitation – Pledge of Allegiance to the Flag of the United States of America
3. Roll Call
4. Proclamation – Hear proclamation concerning Indigenous Peoples' Day
5. Consent Agenda – Adoption of a proposed resolution that would confirm approval of the following:
 - (a) September 16, 2019 regular session City Council meeting minutes
 - (b) Acknowledge receipt of a report concerning certain administrative transactions since September 16, 2019
6. Miscellaneous Public Comments
7. City Manager Updates
8. Appointments – Consideration of appointment to the Zoning Board of Appeals
9. Old Business
 - (a) Second reading of a proposed ordinance that would amend the Zoning Ordinance allowing Medical Marihuana Provisioning Facilities
 - (b) Second first reading of a proposed ordinance that would amend Chapter 8 of the Code of Ordinances, Businesses and Business Regulations, Creating a New Article IX – Medical Marihuana Facilities
 - (c) Adoption of a proposed resolution that would set an application fee and annual license/renewal fee for medical marijuana provisioning facilities
 - (d) Further discussion and possible adoption of the City's proposed 2020-2025 Capital Improvement Plan
10. New Business
 - (a) Acceptance of the City Manager's report concerning programs and services as proposed by the City's Downtown Management Board for 2020 that would be financed by the levying of special assessments within the Downtown Management Board's territory and adoption of a proposed resolution that would schedule a public hearing for October 21, 2019 to receive comments concerning these recommended programs and services
 - (b) Adoption of a proposed resolution that would implement a small cell tower and pole attachment agreement
 - (c) Adoption of a proposed resolution that would authorize entering into a renewal contract with the Michigan Department of Transportation, which will expire September 30, 2024, for reimbursement of the City's costs for maintaining portions of State-owned trunklines within the City and that would name the Director of Public Works as the City's "Trunkline Maintenance Superintendent" for the purpose of this proposed contract
11. Closed Session – Adoption of a proposed resolution that would authorize to recess to a closed session, pursuant to Section 8(d) of the Michigan Open Meetings Act, to consider purchase or lease of real property
12. City Council Comments
13. Adjournment



City of Petoskey

Proclamation

WHEREAS Indigenous Peoples' Day was first proposed in 1977 by a delegation of Native Nations to the International Conference on Discrimination Against Indigenous Populations in the Americas; and

WHEREAS the United States endorsed the United Nations Declaration of Rights of Indigenous People on December 16, 2010; and

WHEREAS a growing number of cities and towns in the United States have recognized the second Monday of October as "Indigenous Peoples' Day", as an opportunity to celebrate indigenous heritage and resiliency; and

WHEREAS the City of Petoskey recognizes the historic, cultural, and contemporary significance of Indigenous Peoples of the lands that also became known as the Americas; and

WHEREAS the City of Petoskey recognizes it was founded and built upon lands first inhabited by Indigenous Peoples of this region and acknowledges and honors these members of the community; and

WHEREAS the City of Petoskey values the many contributions made to our community through Indigenous Peoples' knowledge, labor, technology, science, philosophy, arts, and the deep cultural contribution that has shaped the character of the City:

NOW, THEREFORE I, John Murphy, Mayor of the City of Petoskey, do hereby proclaim the second Monday of October as Indigenous Peoples' Day in Petoskey.

IN WITNESS THEREOF, I have hereunto set my hand this 7th day of October, 2019.

Dated this 7th day of October, 2019

Mayor John Murphy



City of Petoskey

Agenda Memo

BOARD: City Council

MEETING DATE: October 7, 2019

PREPARED: October 3, 2019

AGENDA SUBJECT: Consent Agenda Resolution

RECOMMENDATION: That the City Council approve this proposed resolution

The City Council will be asked to adopt a resolution that would approve the following consent agenda items:

- (1) Draft minutes of the September 16, 2019 regular session City Council meeting; and
- (2) Acknowledge receipt of a report from the City Manager concerning all checks that have been issued since September 16, 2019 for contract and vendor claims at \$1,249,577.20, intergovernmental claims at \$0, and the September 19 and October 3 payrolls at \$424,229.23 for a total of \$1,673,806.43.

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Enclosures



CITY COUNCIL

September 16, 2019

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, September 16, 2019. This meeting was called to order at 7:00 P.M.; then, after a recitation of the Pledge of Allegiance to the Flag of the United States of America, a roll call then determined that the following were

Present: John Murphy, Mayor
Kate Marshall, City Councilmember
Suzanne Shumway, City Councilmember
Grant Dittmar, City Councilmember
Lindsey Walker, City Councilmember

Absent: None

Also in attendance were City Manager Robert Straebel, Clerk-Treasurer Alan Terry, Public Works Director Michael Robbins, Downtown Director Becky Goodman and City Attorney James Murray.

Consent Agenda - Resolution No. 19321

Following introduction of the consent agenda for this meeting of September 16, 2019, City Councilmember Dittmar moved that, seconded by City Councilmember Marshall adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the August 19, 2019 regular session City Council meeting be and are hereby approved; and

BE IT RESOLVED that receipt by the City Council of a report concerning all checks that had been issued since August 19, for contract and vendor claims at \$10,025,953.26, intergovernmental claims at \$4,719,145.11, and the August 22 and September 5 payrolls at \$485,375.62, for a total of \$15,230,473.99 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

AYES: Marshall, Shumway, Dittmar, Walker, Murphy (5)

NAYS: None (0)

Hear Public Comment

Mayor Murphy asked for public comments and heard a comment that Council should consider honoring the first nation's people through a proclamation for Indigenous Day. The Mayor requested the City Manager be provided a copy of the proclamation and the Mayor would review it. A concern was expressed about the Bay Harbor traffic signal and the speed limit, which should be reduced to 45mph.

Hear City Manager Updates

The City Manager reported that approximately 50 people attended the initial Master Plan update meeting, reviewed that information will be available on the www.livablepetoskey.org website and that there was a presentation on ALICE (Asset Limited, Income Constrained, Employed) rate which has increased in Petoskey; that staff received a proposal from NTH Consultants to explore the feasibility of developing a solar array project on the existing Howard Road Landfill at a cost of \$52,000 with no monies budgeted in 2019; reviewed US-31 highway project updates with hopes to open highway by late September and starting in late September/early October, MDOT will be repaving the streets that were part of the summer detour; that the Little Traverse Wheelway from the eastern edge of the new retaining wall to the bathrooms on Bayfront Park will be widened to 10' and should be completed in four weeks; reported that a date needed to set to discuss the 2018 Action Plan; and reviewed that Bayfront Park erosion continues and that staff is researching having a shoreline engineer visit the coastline to assist staff in a potential short and long-range plan to stabilize the community's existing shoreline.

City Councilmembers suggested scheduling a special meeting on October 14, 2019 to discuss Action Plan. The City Manager will confirm that the date works for all Councilmembers and set a time.

Third First Reading of a Proposed Ordinance Amending the Zoning Ordinance Allowing Medical Marihuana Provisioning Facilities

The City Manager reviewed that at the August 5 and August 19 Council meetings, City Council discussed a zoning ordinance to allow medical marijuana provisioning centers in the community; that at the August 19 meeting, Council determined that medical marijuana provisioning centers would be allowed in the B-3 General Business District, B-3B Business Industrial District and Planned Unit Development (PUDs); that Council determined that the ordinance include a 1,000-foot buffer from any K-12 school; that a 500-foot butter between provisioning centers would be required; that per the licensing ordinance, the City would allow a maximum of three (3) provisioning centers; and that there was one additional public comment received via email dated August 29, 2019 from Joe Blachy.

City Councilmembers inquired if Council made substantial changes to ordinance if an additional first reading would be required and discussed allowable zoning districts and potential issues.

Mayor Murphy asked for public comments and heard a comment that Council approved strict zoning to uphold character of downtown and is opposed to pot stores, especially at gateways to town; heard an inquiry if all school owned facilities such as Curtis Field are considered within K-12 school buffer zones; heard an inquiry if there had been any contact with PUD owners and if PUD agreements would be affected by allowing medical marijuana provisioning centers; heard a concern that there was no public hearing at the Planning Commission on allowing in B-3B District, which isn't required; and that a protest petition has been filed under Zoning Enabling Act with many citizens in opposition of allowing provisioning centers.

City Council will conduct a second reading of the proposed zoning ordinance at the next regular scheduled meeting.

Third First Reading of a Proposed Ordinance Amending Chapter 8 Creating a New Article IX – Medical Marihuana Facilities

The City Manager reviewed that at the August 5 and August 19 Council meetings, City Council discussed a licensing ordinance that will need to be adopted with the proposed zoning ordinance for medical marijuana provisioning centers as well as the application fee and license/renewal fee per resolution; that at the August 19 meeting, Council determined a maximum number of three (3) medical marijuana provisioning facilities would be allowed within the City; reviewed information and Act concerning transferring a provisioning facility license; reviewed that Affiliate was added to ordinance to eliminate the "stacking" of multiple applications for one site for a "holding company" that may own various Limited Liability Corporations; that language was clarified for conducting the random drawing; and added language stating eligibility list expires in three years or until a new lottery is conducted, whichever is first.

Mayor Murphy asked for public comments and heard a comment that it is unlikely for a provisioning center to be located at old Kmart plaza, that owners can change and it may happen; heard an inquiry concerning fees and if amounts were justifiable and why fees weren't included in ordinances; and heard concerns that costs include social impacts and law enforcement costs that are not being taken into consideration.

City Council will conduct a second reading of the proposed licensing ordinance at the next regular scheduled meeting.

Discuss 2020-2025 Capital Improvement Plan

The City Manager reviewed that copies of the proposed 2020-2025 CIP were distributed to City Council and Planning Commission in advance of this meeting. The Plan was unanimously accepted and recommended for City Council approval by the Planning Commission on August 15, 2019. The City Manager reviewed that the six-year plan totals \$48.8M in expenditures, with capital spending in 2020 proposed at \$6.4M, of which \$1.138M (17.5%) is anticipated to come from grants and other outside sources of revenue; that if approved, projects will be included within the 2020 proposed annual City budget; and reviewed 2020 projects in detail including full reconstruction of Kalamazoo Avenue from Jennings to East Mitchell Street along with added parking to Corner Grocer; Jackson Street improvements; various park projects including pickle ball courts, Bear River pedestrian bridge and Sunset Park improvements; electric system improvements; solar demonstration project installation on the roof of City Hall with further studies on a potential solar array project at former landfill on Howard Road; and parking deck engineering for Division and Lake Street location, contingent upon a viable financial plan. The City Manager gave a brief overview of 2021-2025 projects.

The City Manager reviewed that staff recommended sending the Kalamazoo Street conceptual plans including the area near Corner Grocer back to Planning Commission for further review. City Councilmembers concurred with staff.

Mayor Murphy asked for public comments and heard a comment opposing removal of left turn light at Hill Street.

City Council deferred action on the proposed CIP and will further discuss at the next regular scheduled meeting.

Hear MERS Retirement Plan Update

The Director of Finance reviewed that the City provides retirement benefits through the Michigan Municipal Employees' Retirement System (MMERS), which has four separate divisions including General Nonunion, DPW Teamsters union, Public Safety union and Public Safety Lieutenants union; that in late 2015 MMERS announced several changes to the actuarial assumptions used in determining required contributions for defined benefit retirement programs, with the changes taking effect in 2017; that the new assumptions have significantly increased the City's Unfunded Accrued Liability (UAL), along with required annual contributions; and that the City took several steps to mitigate the increase in contributions as well as reduce the UAL.

The Finance Director further reviewed retirement plan changes; the 2018 MERS Actuarial Valuation Report; summarized the City's UAL; that the City made another \$1,000,000 payment in 2018 towards the UAL of the Nonunion staff which resulted in a funded amount of 82% in 2018; reviewed MERS 2019 changes in assumptions; that the 2019 additional contribution of \$1,000,000 should offset the increase in liability and contributions projected for next year; and that going forward in 2020, the City will be back on track with the City's goal of achieving a 90% funding level.

Approve Motor Pool Vehicle Purchases – Resolution No. 19322

The Director of Public Works reviewed that the City's 2019 budget allocated funds within the Motor Pool Fund to purchase certain vehicles and equipment and that staff recommended that City Council authorize replacement purchases under the Mi-Deal State Purchasing Contract.

City Councilmember Marshall moved that, seconded by City Councilmember Walker approval of the following two purchases:

- Purchase of a latest-production two-wheel-drive, heavy-duty GMC 3500 Cab & Chassis from Todd Wenzel Buick GMC Fleet Sales, Westland, Michigan, at a cost not to exceed \$29,841.75. Along with purchasing and contracting with Truck and Trailer Specialties, Boyne Falls, for the installation of a carbon steel dump body box, rear hitch assembly and safety lighting at a cost not to exceed \$13,418. Combined cost of truck chassis and specified equipment not to exceed \$43,259.75 to replace Parks and Recreation unit; and
- Purchase of a latest-production two-wheel-drive, heavy-duty GMC 3500 Cab & Chassis from Todd Wenzel Buick GMC Fleet Sales, Westland, Michigan, at a cost not to exceed \$29,841.75. Along with purchasing and contracting with Truck and Trailer Specialties, Boyne Falls, for the installation of a stainless steel dump body box, rear hitch assembly and safety lighting at a cost not to exceed \$14,113. Combined cost of truck chassis and specified equipment not to exceed \$43,954.75 to replace Streets unit.

Said motion was adopted by the following vote:

AYES: Marshall, Shumway, Dittmar, Walker, Murphy (5)

NAYS: None (0)

Council Comments

Mayor Murphy asked for Council comments and Councilmember Walker commented that she has received concerns regarding Harbor Hall construction.

Recess to Closed Session – Resolution No. 19323

City Council was being asked to adopt a resolution that would recess to a closed session pursuant to Section 8(a) of the Michigan Open Meetings Act, to consider a periodic personnel evaluation of the City Manager.

City Councilmember Shumway moved that, seconded by City Councilmember Marshall adoption of the following resolution:

WHEREAS, the City Manager has requested that the City Council recess to a closed session, pursuant to Section 8(a) of the Michigan Open Meetings Act, to consider a periodic personnel evaluation of the City Manager, at the City Council's regular meeting of September 16, 2019:

NOW, THEREFORE, BE IT RESOLVED that the City Council does and hereby authorizes to recess to a closed session, to consider a periodic personnel evaluation of the City Manager.

Said resolution was adopted by the following vote:

AYES: Marshall, Shumway, Dittmar, Walker, Murphy (5)

NAYS: None (0)

Recessed to closed session at 8:40 P.M. and reconvened into open session at 10:30 P.M.

There being no further business to come before the City Council, this September 16, 2019, meeting of the City Council adjourned at 10:31 P.M.

John Murphy, Mayor

Alan Terry, Clerk-Treasurer

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
09/19	09/25/2019	86036	GEMPLER'S	101-754-775.000	515.88- V
10/19	10/02/2019	86036	Gempler's	101-754-775.000	515.88
09/19	09/12/2019	86351	State of Michigan - MiMATS	101-215-751.000	212.24
09/19	09/18/2019	86364	1000Bulbs	582-590-775.000	1,157.63
09/19	09/18/2019	86365	5H Irrigation & Maintenance	202-467-802.000	165.43
09/19	09/18/2019	86366	Access Locksmithing Inc.	101-770-802.000	480.00
09/19	09/18/2019	86367	ACH-CHILD SUPPORT	701-000-230.160	160.23
09/19	09/18/2019	86368	ACH-EFTPS	701-000-230.100	21,907.42
09/19	09/18/2019	86368	ACH-EFTPS	701-000-230.200	13,093.66
09/19	09/18/2019	86368	ACH-EFTPS	701-000-230.200	13,093.66
09/19	09/18/2019	86368	ACH-EFTPS	701-000-230.200	3,062.29
09/19	09/18/2019	86368	ACH-EFTPS	701-000-230.200	3,062.29
09/19	09/18/2019	86369	ACH-ICMA 457	701-000-230.700	2,178.28
09/19	09/18/2019	86369	ACH-ICMA 457	701-000-230.700	5,239.23
09/19	09/18/2019	86370	Aflac	701-000-230.180	728.62
09/19	09/18/2019	86371	Airgas USA LLC	661-598-785.000	27.05
09/19	09/18/2019	86371	Airgas USA LLC	661-598-785.000	54.84
09/19	09/18/2019	86372	All Scapes LLC	101-345-802.100	400.00
09/19	09/18/2019	86372	All Scapes LLC	202-470-802.000	2,830.00
09/19	09/18/2019	86372	All Scapes LLC	592-537-802.000	1,200.00
09/19	09/18/2019	86372	All Scapes LLC	592-554-802.000	870.00
09/19	09/18/2019	86372	All Scapes LLC	592-543-802.000	160.00
09/19	09/18/2019	86372	All Scapes LLC	592-558-802.000	1,395.00
09/19	09/18/2019	86373	American Waste	582-593-930.000	170.00
09/19	09/18/2019	86373	American Waste	101-528-802.000	6,252.50
09/19	09/18/2019	86373	American Waste	101-770-802.000	162.80
09/19	09/18/2019	86373	American Waste	101-756-802.000	66.60
09/19	09/18/2019	86373	American Waste	101-789-802.000	74.00
09/19	09/18/2019	86373	American Waste	101-754-802.000	170.20
09/19	09/18/2019	86373	American Waste	101-268-802.000	103.60
09/19	09/18/2019	86373	American Waste	101-265-802.000	162.80
09/19	09/18/2019	86374	AT & T MOBILITY	514-587-920.000	348.91
09/19	09/18/2019	86375	AT&T	592-558-920.000	203.16
09/19	09/18/2019	86375	AT&T	592-560-850.000	413.70
09/19	09/18/2019	86376	AT&T LONG DISTANCE	101-345-850.000	136.78
09/19	09/18/2019	86377	Beckett & Raeder Inc.	101-770-970.000	1,602.60
09/19	09/18/2019	86377	Beckett & Raeder Inc.	582-588-802.000	2,900.00
09/19	09/18/2019	86377	Beckett & Raeder Inc.	204-481-802.000	580.00
09/19	09/18/2019	86377	Beckett & Raeder Inc.	247-751-802.000	1,020.00
09/19	09/18/2019	86377	Beckett & Raeder Inc.	204-481-802.000	2,460.00
09/19	09/18/2019	86377	Beckett & Raeder Inc.	101-770-802.000	1,560.00
09/19	09/18/2019	86378	Blue Care Network	101-172-724.000	1,171.68
09/19	09/18/2019	86378	Blue Care Network	101-201-724.000	1,033.84
09/19	09/18/2019	86378	Blue Care Network	101-208-724.000	516.92
09/19	09/18/2019	86378	Blue Care Network	101-215-724.000	344.61
09/19	09/18/2019	86378	Blue Care Network	101-265-724.000	310.15
09/19	09/18/2019	86378	Blue Care Network	101-268-724.000	361.84
09/19	09/18/2019	86378	Blue Care Network	101-345-724.000	11,854.69
09/19	09/18/2019	86378	Blue Care Network	101-400-724.000	551.38
09/19	09/18/2019	86378	Blue Care Network	101-441-724.000	1,447.38
09/19	09/18/2019	86378	Blue Care Network	101-754-724.000	465.23
09/19	09/18/2019	86378	Blue Care Network	101-756-724.000	1,275.07
09/19	09/18/2019	86378	Blue Care Network	101-770-724.000	2,239.98
09/19	09/18/2019	86378	Blue Care Network	101-773-724.000	351.50
09/19	09/18/2019	86378	Blue Care Network	101-789-724.000	716.79
09/19	09/18/2019	86378	Blue Care Network	271-790-724.000	2,205.52

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
09/19	09/18/2019	86378	Blue Care Network	514-587-724.000	344.61
09/19	09/18/2019	86378	Blue Care Network	582-588-724.000	3,583.97
09/19	09/18/2019	86378	Blue Care Network	592-549-724.000	2,929.21
09/19	09/18/2019	86378	Blue Care Network	592-560-724.000	1,033.84
09/19	09/18/2019	86379	BLUE CROSS\BLUE SHIELD - MICH.	101-201-724.000	2,906.30
09/19	09/18/2019	86379	BLUE CROSS\BLUE SHIELD - MICH.	101-208-724.000	181.64
09/19	09/18/2019	86379	BLUE CROSS\BLUE SHIELD - MICH.	101-265-724.000	155.21
09/19	09/18/2019	86379	BLUE CROSS\BLUE SHIELD - MICH.	101-268-724.000	620.85
09/19	09/18/2019	86379	BLUE CROSS\BLUE SHIELD - MICH.	101-345-724.000	5,983.44
09/19	09/18/2019	86379	BLUE CROSS\BLUE SHIELD - MICH.	101-441-724.000	1,453.15
09/19	09/18/2019	86379	BLUE CROSS\BLUE SHIELD - MICH.	204-481-724.000	2,688.33
09/19	09/18/2019	86379	BLUE CROSS\BLUE SHIELD - MICH.	271-790-724.000	1,980.09
09/19	09/18/2019	86379	BLUE CROSS\BLUE SHIELD - MICH.	592-549-724.000	1,271.51
09/19	09/18/2019	86379	BLUE CROSS\BLUE SHIELD - MICH.	592-560-724.000	363.29
09/19	09/18/2019	86380	Bowen, William	101-345-912.000	80.00
09/19	09/18/2019	86381	BSN Sports Inc.	101-756-808.110	748.31
09/19	09/18/2019	86382	CCP Industries Inc.	661-598-785.000	131.89
09/19	09/18/2019	86383	Center Point Large Print	271-790-760.000	80.41
09/19	09/18/2019	86384	Char-Em United Way	701-000-230.800	81.75
09/19	09/18/2019	86385	CHARLEVOIX PUBLIC LIBRARY	271-790-955.000	29.95
09/19	09/18/2019	86386	Chemco Products Inc.	592-551-783.000	10,912.98
09/19	09/18/2019	86387	Consumers Energy	592-538-920.000	11,242.91
09/19	09/18/2019	86387	Consumers Energy	582-584-802.000	3,812.50
09/19	09/18/2019	86388	CynergyComm.net Inc.	271-790-850.000	262.62
09/19	09/18/2019	86389	Decka Digital LLC	101-345-751.000	50.00
09/19	09/18/2019	86390	Demco	271-790-751.000	189.18
09/19	09/18/2019	86391	Derrer Oil Co.	661-598-759.000	1,725.31
09/19	09/18/2019	86392	DONOVAN, LAWRENCE	101-345-912.000	20.92
09/19	09/18/2019	86393	Drost Landscape	101-770-802.000	289.98
09/19	09/18/2019	86394	Dunkel Excavating Services Inc.	247-751-802.000	53,917.46
09/19	09/18/2019	86395	Dunn's Business Solutions	204-481-751.000	20.67
09/19	09/18/2019	86395	Dunn's Business Solutions	582-593-751.000	20.68
09/19	09/18/2019	86395	Dunn's Business Solutions	582-588-751.000	20.68
09/19	09/18/2019	86395	Dunn's Business Solutions	592-549-751.000	20.68
09/19	09/18/2019	86395	Dunn's Business Solutions	592-560-751.000	20.68
09/19	09/18/2019	86395	Dunn's Business Solutions	661-598-751.000	20.68
09/19	09/18/2019	86395	Dunn's Business Solutions	101-268-775.000	52.55
09/19	09/18/2019	86396	Emmet Co. Dept of Public Works	101-528-802.000	3,682.24
09/19	09/18/2019	86397	Englebrecht, Robert	101-257-802.100	3,750.00
09/19	09/18/2019	86398	Factor Systems Inc.	101-208-803.000	3,538.04
09/19	09/18/2019	86399	Fastenal Company	661-598-785.000	70.66
09/19	09/18/2019	86399	Fastenal Company	101-770-775.000	97.50
09/19	09/18/2019	86399	Fastenal Company	101-770-775.000	105.00
09/19	09/18/2019	86400	FLETCH'S INC.	661-598-932.000	282.98
09/19	09/18/2019	86401	Gibby's Garage	582-593-930.000	204.00
09/19	09/18/2019	86401	Gibby's Garage	661-598-931.000	340.00
09/19	09/18/2019	86401	Gibby's Garage	661-598-932.000	340.00
09/19	09/18/2019	86401	Gibby's Garage	582-593-930.000	102.00
09/19	09/18/2019	86401	Gibby's Garage	661-598-931.000	510.00
09/19	09/18/2019	86401	Gibby's Garage	661-598-932.000	918.00
09/19	09/18/2019	86402	Gibson Excavating LLC	592-545-802.000	770.00
09/19	09/18/2019	86403	Great Lakes Energy	592-538-920.000	44.59
09/19	09/18/2019	86403	Great Lakes Energy	592-558-920.000	64.25
09/19	09/18/2019	86403	Great Lakes Energy	101-345-920.100	314.37
09/19	09/18/2019	86403	Great Lakes Energy	592-538-920.000	48.47
09/19	09/18/2019	86403	Great Lakes Energy	592-558-920.000	72.21

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
09/19	09/18/2019	86404	Gruler's Farm Supply Inc.	204-481-767.000	45.99
09/19	09/18/2019	86404	Gruler's Farm Supply Inc.	592-556-775.000	151.92
09/19	09/18/2019	86405	Haley's Plumbing & Heating	592-545-802.000	233.72
09/19	09/18/2019	86405	Haley's Plumbing & Heating	592-547-802.000	120.00
09/19	09/18/2019	86405	Haley's Plumbing & Heating	101-773-802.000	743.56
09/19	09/18/2019	86405	Haley's Plumbing & Heating	101-770-802.000	335.95
09/19	09/18/2019	86406	Haviland Products Company	592-558-775.000	1,360.00
09/19	09/18/2019	86407	Hubbell Roth & Clark Inc.	592-560-802.000	2,727.47
09/19	09/18/2019	86407	Hubbell Roth & Clark Inc.	592-560-802.000	725.45
09/19	09/18/2019	86407	Hubbell Roth & Clark Inc.	592-549-802.000	2,067.70
09/19	09/18/2019	86407	Hubbell Roth & Clark Inc.	592-549-802.000	107.30
09/19	09/18/2019	86407	Hubbell Roth & Clark Inc.	592-560-802.000	1,377.94
09/19	09/18/2019	86407	Hubbell Roth & Clark Inc.	592-549-802.000	449.44
09/19	09/18/2019	86408	ICMA-ROTH	701-000-230.900	460.00
09/19	09/18/2019	86409	Infogeographics	592-549-802.000	3,690.00
09/19	09/18/2019	86410	Ingram Library Services	271-790-760.000	2,603.30
09/19	09/18/2019	86410	Ingram Library Services	271-790-760.100	1,278.97
09/19	09/18/2019	86410	Ingram Library Services	271-790-760.200	538.18
09/19	09/18/2019	86410	Ingram Library Services	271-790-958.100	94.45
09/19	09/18/2019	86410	Ingram Library Services	271-790-958.200	154.76
09/19	09/18/2019	86411	JGB ENTERPRISES INC.	101-770-775.000	761.48
09/19	09/18/2019	86412	Kring Chevrolet Cadillac, Dave	661-598-932.000	1,779.53
09/19	09/18/2019	86412	Kring Chevrolet Cadillac, Dave	661-598-932.000	52.85
09/19	09/18/2019	86413	Lowery Underground Service	582-020-360.000	9,101.50
09/19	09/18/2019	86413	Lowery Underground Service	582-598-802.000	6,741.50
09/19	09/18/2019	86413	Lowery Underground Service	582-586-802.000	3,640.00
09/19	09/18/2019	86413	Lowery Underground Service	582-598-802.000	1,575.00
09/19	09/18/2019	86413	Lowery Underground Service	204-470-802.000	900.00
09/19	09/18/2019	86414	MACKINAC ENVIRONMENTAL	582-588-802.000	1,750.00
09/19	09/18/2019	86415	McLaren Northern Mich Hospital	101-345-802.000	159.12
09/19	09/18/2019	86416	McLean Engineering Co. Inc.	582-588-802.000	843.75
09/19	09/18/2019	86417	MDC CONTRACTING LLC	592-556-802.000	162.00
09/19	09/18/2019	86418	Metro Wire & Cable Corp.	582-010-111.000	1,260.00
09/19	09/18/2019	86419	Michigan Fire Inspectors Society	101-345-913.000	350.00
09/19	09/18/2019	86420	Michigan Public Power Agency	582-576-920.000	53,407.80
09/19	09/18/2019	86420	Michigan Public Power Agency	582-576-920.000	83,816.91
09/19	09/18/2019	86420	Michigan Public Power Agency	582-576-920.000	57,267.76
09/19	09/18/2019	86420	Michigan Public Power Agency	582-576-920.000	4,738.25
09/19	09/18/2019	86420	Michigan Public Power Agency	582-576-920.000	84,559.13
09/19	09/18/2019	86420	Michigan Public Power Agency	582-576-920.000	1,019.73
09/19	09/18/2019	86420	Michigan Public Power Agency	582-576-920.000	1,134.08
09/19	09/18/2019	86420	Michigan Public Power Agency	582-576-920.000	5,685.17
09/19	09/18/2019	86420	Michigan Public Power Agency	582-576-920.000	5,897.98
09/19	09/18/2019	86421	MICHIGAN SECTION A.W.W.A.	592-549-915.000	40.00
09/19	09/18/2019	86421	MICHIGAN SECTION A.W.W.A.	592-549-915.000	60.00
09/19	09/18/2019	86422	Michigan Water Environment Assoc.	592-560-915.000	270.00
09/19	09/18/2019	86422	Michigan Water Environment Assoc.	592-560-915.000	135.00
09/19	09/18/2019	86423	Mountaintop Tree Company	101-770-802.100	550.00
09/19	09/18/2019	86424	mParks	101-770-912.000	100.00
09/19	09/18/2019	86425	North Central Laboratories	592-553-775.000	1,773.29
09/19	09/18/2019	86426	NORTHERN A-1 SERVICES KALKASKA	592-556-802.000	3,803.00
09/19	09/18/2019	86427	Northern Copy Express Inc.	204-444-802.000	235.00
09/19	09/18/2019	86428	Peninsula Fiber Network LLC	271-790-850.000	133.80
09/19	09/18/2019	86429	Performance Painting	582-590-802.000	720.00
09/19	09/18/2019	86429	Performance Painting	592-554-802.000	2,098.00
09/19	09/18/2019	86430	Plunkett Cooney	101-266-802.000	1,785.00

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
09/19	09/18/2019	86430	Plunkett Cooney	101-266-802.000	4,830.50
09/19	09/18/2019	86430	Plunkett Cooney	101-266-802.000	4,217.50
09/19	09/18/2019	86430	Plunkett Cooney	101-266-802.000	7,236.30
09/19	09/18/2019	86430	Plunkett Cooney	101-266-802.000	233.73
09/19	09/18/2019	86430	Plunkett Cooney	204-481-802.000	233.73
09/19	09/18/2019	86430	Plunkett Cooney	582-588-802.000	233.73
09/19	09/18/2019	86430	Plunkett Cooney	592-549-802.000	233.73
09/19	09/18/2019	86430	Plunkett Cooney	592-560-802.000	233.73
09/19	09/18/2019	86430	Plunkett Cooney	101-266-802.000	2,541.35
09/19	09/18/2019	86431	Range Telecommunications	204-481-850.000	50.00
09/19	09/18/2019	86431	Range Telecommunications	101-756-850.000	24.00
09/19	09/18/2019	86431	Range Telecommunications	582-593-850.000	75.00
09/19	09/18/2019	86431	Range Telecommunications	592-549-850.000	50.00
09/19	09/18/2019	86431	Range Telecommunications	592-560-850.000	50.00
09/19	09/18/2019	86431	Range Telecommunications	661-598-850.000	24.00
09/19	09/18/2019	86432	Reichenbach Finley, Heidi	271-790-958.100	190.00
09/19	09/18/2019	86433	ROB'S ELECTRIC INC.	101-268-802.000	97.50
09/19	09/18/2019	86433	ROB'S ELECTRIC INC.	101-789-802.000	130.00
09/19	09/18/2019	86433	ROB'S ELECTRIC INC.	101-773-802.000	260.00
09/19	09/18/2019	86433	ROB'S ELECTRIC INC.	101-770-802.000	360.00
09/19	09/18/2019	86434	Royal Tire	661-598-931.000	24.33
09/19	09/18/2019	86435	SiteOne Landscape Supply	101-770-775.000	14.70
09/19	09/18/2019	86435	SiteOne Landscape Supply	101-770-775.000	31.35
09/19	09/18/2019	86435	SiteOne Landscape Supply	203-467-802.000	326.35
09/19	09/18/2019	86436	Smith, Daniel	101-345-912.000	1,029.21
09/19	09/18/2019	86437	SPARTAN DISTRIBUTORS INC.	661-598-931.000	149.97
09/19	09/18/2019	86438	Spectrum Business	101-770-850.000	124.98
09/19	09/18/2019	86438	Spectrum Business	582-593-850.000	35.38
09/19	09/18/2019	86438	Spectrum Business	101-172-850.000	125.65
09/19	09/18/2019	86438	Spectrum Business	101-201-850.000	67.04
09/19	09/18/2019	86438	Spectrum Business	101-208-850.000	41.90
09/19	09/18/2019	86438	Spectrum Business	101-257-850.000	41.90
09/19	09/18/2019	86438	Spectrum Business	101-215-850.000	33.52
09/19	09/18/2019	86438	Spectrum Business	101-345-850.000	92.18
09/19	09/18/2019	86438	Spectrum Business	101-400-850.000	41.90
09/19	09/18/2019	86438	Spectrum Business	101-441-850.000	75.42
09/19	09/18/2019	86438	Spectrum Business	204-481-850.000	25.14
09/19	09/18/2019	86438	Spectrum Business	204-481-850.000	25.14
09/19	09/18/2019	86438	Spectrum Business	582-588-850.000	83.80
09/19	09/18/2019	86438	Spectrum Business	582-593-850.000	33.52
09/19	09/18/2019	86438	Spectrum Business	592-549-850.000	50.28
09/19	09/18/2019	86438	Spectrum Business	592-560-850.000	50.28
09/19	09/18/2019	86438	Spectrum Business	101-756-850.000	50.28
09/19	09/18/2019	86439	Spok	204-481-850.000	27.77
09/19	09/18/2019	86439	Spok	582-588-850.000	27.77
09/19	09/18/2019	86439	Spok	592-560-850.000	27.77
09/19	09/18/2019	86439	Spok	661-598-850.000	27.77
09/19	09/18/2019	86439	Spok	592-549-850.000	27.77
09/19	09/18/2019	86440	Standard Electric Company	582-586-775.000	66.29
09/19	09/18/2019	86441	Staples Advantage	592-560-751.000	71.66
09/19	09/18/2019	86441	Staples Advantage	101-172-751.000	377.99
09/19	09/18/2019	86441	Staples Advantage	101-268-775.000	45.90
09/19	09/18/2019	86441	Staples Advantage	101-201-751.000	5.99
09/19	09/18/2019	86441	Staples Advantage	101-345-751.000	312.17
09/19	09/18/2019	86442	State of Michigan-Department of LARA	582-081-642.300	3,682.80
09/19	09/18/2019	86442	State of Michigan-Department of LARA	582-081-642.400	741.21

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
09/19	09/18/2019	86442	State of Michigan-Department of LARA	582-081-642.500	10.23
09/19	09/18/2019	86442	State of Michigan-Department of LARA	582-081-642.200	169.26
09/19	09/18/2019	86443	State of Michigan-Dept of LARA	271-790-931.000	185.00
09/19	09/18/2019	86444	Stuart C Irby Co	582-010-111.000	2,410.00
09/19	09/18/2019	86444	Stuart C Irby Co	582-010-111.000	1,430.00
09/19	09/18/2019	86445	Tahquamenon Area School Public Library	271-790-955.000	10.99
09/19	09/18/2019	86446	TEAMSTERS LOCAL #214	701-000-230.400	1,089.00
09/19	09/18/2019	86447	Thompson, William S.	514-587-802.100	760.97
09/19	09/18/2019	86448	Trace Analytical Laboratories LLC	592-553-802.000	275.00
09/19	09/18/2019	86449	UpNorth Fire & Safety LLC	101-789-802.000	130.00
09/19	09/18/2019	86449	UpNorth Fire & Safety LLC	101-268-802.000	60.00
09/19	09/18/2019	86449	UpNorth Fire & Safety LLC	101-770-802.000	20.00
09/19	09/18/2019	86449	UpNorth Fire & Safety LLC	101-770-802.000	50.00
09/19	09/18/2019	86449	UpNorth Fire & Safety LLC	101-268-802.000	50.00
09/19	09/18/2019	86450	USA BLUE BOOK	592-558-775.000	17.63
09/19	09/18/2019	86450	USA BLUE BOOK	592-558-775.000	102.40
09/19	09/18/2019	86450	USA BLUE BOOK	592-558-775.000	57.65
09/19	09/18/2019	86450	USA BLUE BOOK	592-545-775.000	399.09
09/19	09/18/2019	86451	Van's Business Machines	271-790-931.000	65.00
09/19	09/18/2019	86452	Verizon Wireless	101-345-850.000	80.92
09/19	09/18/2019	86452	Verizon Wireless	592-538-850.000	80.04
09/19	09/18/2019	86452	Verizon Wireless	592-538-920.000	280.09
09/19	09/18/2019	86453	Walters Sharpening Service Inc.	101-770-802.000	57.50
09/19	09/18/2019	86454	Windemuller	592-537-802.000	154.00
09/19	09/25/2019	86459	5H Irrigation & Maintenance	101-770-802.000	974.92
09/19	09/25/2019	86460	Access Locksmithing Inc.	101-770-802.000	75.00
09/19	09/25/2019	86461	Alliance Entertainment	271-790-761.000	466.13
09/19	09/25/2019	86461	Alliance Entertainment	271-790-761.000	191.60
09/19	09/25/2019	86461	Alliance Entertainment	271-790-761.100	72.23
09/19	09/25/2019	86462	AT&T	592-538-850.000	212.35
09/19	09/25/2019	86463	BATTERY PRODUCTS INC.	101-345-775.000	72.12
09/19	09/25/2019	86463	BATTERY PRODUCTS INC.	101-345-775.000	682.90
09/19	09/25/2019	86464	BEAR CREEK TOWNSHIP	271-081-405.000	122.13
09/19	09/25/2019	86465	Bek, Sarah	101-172-860.000	27.98
09/19	09/25/2019	86465	Bek, Sarah	101-101-751.000	20.30
09/19	09/25/2019	86466	Border States Industries Inc.	582-010-111.000	1,657.42
09/19	09/25/2019	86467	Center Point Large Print	271-790-760.000	25.87
09/19	09/25/2019	86468	Consumers Energy	592-558-920.000	306.78
09/19	09/25/2019	86468	Consumers Energy	592-558-920.000	15.15
09/19	09/25/2019	86468	Consumers Energy	592-558-920.000	42.76
09/19	09/25/2019	86468	Consumers Energy	592-558-920.000	440.73
09/19	09/25/2019	86468	Consumers Energy	592-558-920.000	111.61
09/19	09/25/2019	86468	Consumers Energy	592-558-920.000	54.52
09/19	09/25/2019	86468	Consumers Energy	592-558-920.000	61.35
09/19	09/25/2019	86468	Consumers Energy	592-558-920.000	53.71
09/19	09/25/2019	86468	Consumers Energy	592-558-920.000	10.82
09/19	09/25/2019	86468	Consumers Energy	202-475-920.000	61.83
09/19	09/25/2019	86469	Contractors Supply Inc.	101-265-775.000	1,014.04
09/19	09/25/2019	86470	David L Hoffman Landscaping & Nursery	204-470-802.000	13,450.00
09/19	09/25/2019	86471	Dearborn Life Insurance Co	701-000-230.190	1,990.98
09/19	09/25/2019	86471	Dearborn Life Insurance Co	101-172-724.000	19.16
09/19	09/25/2019	86471	Dearborn Life Insurance Co	101-201-724.000	44.89
09/19	09/25/2019	86471	Dearborn Life Insurance Co	101-208-724.000	19.16
09/19	09/25/2019	86471	Dearborn Life Insurance Co	101-215-724.000	21.35
09/19	09/25/2019	86471	Dearborn Life Insurance Co	101-265-724.000	4.79
09/19	09/25/2019	86471	Dearborn Life Insurance Co	101-268-724.000	11.98

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
09/19	09/25/2019	86471	Dearborn Life Insurance Co	101-345-724.000	559.97
09/19	09/25/2019	86471	Dearborn Life Insurance Co	101-400-724.000	11.50
09/19	09/25/2019	86471	Dearborn Life Insurance Co	101-441-724.000	32.57
09/19	09/25/2019	86471	Dearborn Life Insurance Co	101-754-724.000	5.27
09/19	09/25/2019	86471	Dearborn Life Insurance Co	101-756-724.000	16.29
09/19	09/25/2019	86471	Dearborn Life Insurance Co	101-770-724.000	35.45
09/19	09/25/2019	86471	Dearborn Life Insurance Co	101-773-724.000	5.75
09/19	09/25/2019	86471	Dearborn Life Insurance Co	101-789-724.000	10.54
09/19	09/25/2019	86471	Dearborn Life Insurance Co	204-481-724.000	66.24
09/19	09/25/2019	86471	Dearborn Life Insurance Co	271-790-724.000	69.25
09/19	09/25/2019	86471	Dearborn Life Insurance Co	514-587-724.000	13.61
09/19	09/25/2019	86471	Dearborn Life Insurance Co	582-588-724.000	54.13
09/19	09/25/2019	86471	Dearborn Life Insurance Co	592-549-724.000	59.67
09/19	09/25/2019	86471	Dearborn Life Insurance Co	592-560-724.000	19.16
09/19	09/25/2019	86472	Delta Dental	101-172-724.000	49.38
09/19	09/25/2019	86472	Delta Dental	101-201-724.000	237.08
09/19	09/25/2019	86472	Delta Dental	101-208-724.000	40.29
09/19	09/25/2019	86472	Delta Dental	101-215-724.000	1.02
09/19	09/25/2019	86472	Delta Dental	101-265-724.000	23.52
09/19	09/25/2019	86472	Delta Dental	101-268-724.000	47.29
09/19	09/25/2019	86472	Delta Dental	101-345-724.000	915.95
09/19	09/25/2019	86472	Delta Dental	101-400-724.000	31.47
09/19	09/25/2019	86472	Delta Dental	101-441-724.000	181.06
09/19	09/25/2019	86472	Delta Dental	101-754-724.000	24.59
09/19	09/25/2019	86472	Delta Dental	101-756-724.000	73.49
09/19	09/25/2019	86472	Delta Dental	101-770-724.000	121.45
09/19	09/25/2019	86472	Delta Dental	101-773-724.000	15.81
09/19	09/25/2019	86472	Delta Dental	101-789-724.000	31.65
09/19	09/25/2019	86472	Delta Dental	204-481-724.000	129.95
09/19	09/25/2019	86472	Delta Dental	271-790-724.000	215.07
09/19	09/25/2019	86472	Delta Dental	514-587-724.000	17.45
09/19	09/25/2019	86472	Delta Dental	582-588-724.000	179.61
09/19	09/25/2019	86472	Delta Dental	592-549-724.000	230.70
09/19	09/25/2019	86472	Delta Dental	592-560-724.000	74.12
09/19	09/25/2019	86472	Delta Dental	701-000-230.110	1,404.32
09/19	09/25/2019	86473	Demco	271-790-751.000	102.76
09/19	09/25/2019	86474	Derrerr Oil Co.	661-598-759.000	1,600.42
09/19	09/25/2019	86475	DTE Energy	101-770-924.000	45.92
09/19	09/25/2019	86475	DTE Energy	514-587-802.100	39.38
09/19	09/25/2019	86475	DTE Energy	592-538-920.000	39.38
09/19	09/25/2019	86475	DTE Energy	271-790-924.000	60.95
09/19	09/25/2019	86475	DTE Energy	592-551-920.000	65.52
09/19	09/25/2019	86475	DTE Energy	592-555-920.000	44.24
09/19	09/25/2019	86475	DTE Energy	592-538-920.000	38.73
09/19	09/25/2019	86475	DTE Energy	101-265-924.000	42.00
09/19	09/25/2019	86475	DTE Energy	582-593-924.000	39.38
09/19	09/25/2019	86475	DTE Energy	101-773-924.000	106.02
09/19	09/25/2019	86475	DTE Energy	101-265-924.000	53.76
09/19	09/25/2019	86475	DTE Energy	592-538-920.000	38.73
09/19	09/25/2019	86475	DTE Energy	271-790-924.000	43.31
09/19	09/25/2019	86475	DTE Energy	101-268-924.000	51.15
09/19	09/25/2019	86475	DTE Energy	101-345-920.000	64.86
09/19	09/25/2019	86475	DTE Energy	592-551-920.000	475.76
09/19	09/25/2019	86476	Dunkel Excavating Services Inc.	247-751-802.000	31,088.04
09/19	09/25/2019	86476	Dunkel Excavating Services Inc.	592-554-802.000	23,794.64
09/19	09/25/2019	86476	Dunkel Excavating Services Inc.	592-554-802.000	7,605.00

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
09/19	09/25/2019	86477	Dunn's Business Solutions	101-268-775.000	85.54
09/19	09/25/2019	86478	Fettig's Landscaping Inc.	101-268-802.000	239.80
09/19	09/25/2019	86478	Fettig's Landscaping Inc.	202-467-802.000	1,311.02
09/19	09/25/2019	86478	Fettig's Landscaping Inc.	101-770-802.000	3,069.07
09/19	09/25/2019	86479	Fishbeck Thompson Carr & Huber	592-560-802.000	1,181.00
09/19	09/25/2019	86480	Gale/Cengage Learning	271-790-760.000	114.96
09/19	09/25/2019	86480	Gale/Cengage Learning	271-790-760.000	27.99
09/19	09/25/2019	86481	Grand Valley Concrete Products	582-020-360.000	2,688.42
09/19	09/25/2019	86482	Haviland Products Company	592-540-783.000	2,743.92
09/19	09/25/2019	86483	IR Electric Motor Service	592-554-802.000	359.00
09/19	09/25/2019	86484	Johnstone Supply #234	101-268-930.000	449.63
09/19	09/25/2019	86484	Johnstone Supply #234	101-789-775.000	24.11
09/19	09/25/2019	86485	K & J Septic Service LLC	101-770-802.000	130.00
09/19	09/25/2019	86486	KARR, ADRIAN	101-345-912.000	45.00
09/19	09/25/2019	86487	KSS Enterprises	101-268-775.000	24.95
09/19	09/25/2019	86487	KSS Enterprises	101-268-775.000	290.90
09/19	09/25/2019	86488	Lakeshore Learning	271-790-958.000	154.00
09/19	09/25/2019	86489	LexisNexis Risk Data Management Inc.	101-208-802.000	150.00
09/19	09/25/2019	86490	MacDonald Garber Broadcasting	248-540-882.140	960.00
09/19	09/25/2019	86491	McCardel Culligan	514-587-802.100	40.00
09/19	09/25/2019	86492	McLean Engineering Co. Inc.	582-588-802.000	236.25
09/19	09/25/2019	86493	MEYERSON, VALERIE	271-790-912.000	305.00
09/19	09/25/2019	86494	Michigan Municipal League	701-000-230.201	421.60
09/19	09/25/2019	86495	Midwest Tape	271-790-761.000	144.96
09/19	09/25/2019	86495	Midwest Tape	271-790-761.000	124.97
09/19	09/25/2019	86495	Midwest Tape	271-790-761.000	69.98
09/19	09/25/2019	86495	Midwest Tape	271-790-761.000	44.99
09/19	09/25/2019	86496	Mitchell Graphics Inc.	101-756-802.000	3,207.00
09/19	09/25/2019	86497	NEOPOST USA INC.	101-268-775.000	210.00
09/19	09/25/2019	86498	North Country IT	271-790-931.000	945.00
09/19	09/25/2019	86498	North Country IT	271-790-802.000	386.00
09/19	09/25/2019	86499	Northern Michigan Review Inc.	271-790-905.000	193.20
09/19	09/25/2019	86500	Nye Uniform	101-345-775.000	78.50
09/19	09/25/2019	86501	Pendo	271-790-752.000	50.50
09/19	09/25/2019	86501	Pendo	271-790-752.000	47.60
09/19	09/25/2019	86501	Pendo	271-790-752.000	151.50
09/19	09/25/2019	86502	Performance Painting	101-770-802.000	4,214.00
09/19	09/25/2019	86503	Petoskey Emmet USBC	101-756-808.020	644.00
09/19	09/25/2019	86504	Power Line Supply	101-770-802.000	348.00
09/19	09/25/2019	86504	Power Line Supply	582-010-111.000	1,233.54
09/19	09/25/2019	86504	Power Line Supply	592-544-775.000	270.32
09/19	09/25/2019	86504	Power Line Supply	582-010-111.000	2,585.64
09/19	09/25/2019	86504	Power Line Supply	582-592-775.000	29.40
09/19	09/25/2019	86504	Power Line Supply	582-586-775.000	444.68
09/19	09/25/2019	86504	Power Line Supply	582-586-775.000	84.90
09/19	09/25/2019	86504	Power Line Supply	582-590-775.000	66.36
09/19	09/25/2019	86505	Proclean North	592-554-802.000	786.50
09/19	09/25/2019	86506	Renkes, Tom	248-739-880.200	150.00
09/19	09/25/2019	86507	Select Electric	101-789-802.000	526.00
09/19	09/25/2019	86508	Sign & Design	514-587-775.000	950.00
09/19	09/25/2019	86509	SOS Analytical Inc.	592-553-802.000	160.00
09/19	09/25/2019	86510	Spectrum Business	101-789-850.000	85.01
09/19	09/25/2019	86510	Spectrum Business	101-770-850.000	99.98
09/19	09/25/2019	86510	Spectrum Business	101-345-850.000	60.99
09/19	09/25/2019	86510	Spectrum Business	514-587-802.100	120.53
09/19	09/25/2019	86510	Spectrum Business	101-345-850.100	173.60

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
09/19	09/25/2019	86511	STAFFORD'S HOSPITALITY	248-739-886.100	408.00
09/19	09/25/2019	86512	STRUBLE, CHRIS	248-540-882.140	135.00
09/19	09/25/2019	86512	STRUBLE, CHRIS	248-540-882.140	142.50
09/19	09/25/2019	86513	Structures Inc.	582-020-360.000	752.29
09/19	09/25/2019	86514	SUNRISE ELECTRONICS & SECURITY	101-770-934.000	3,249.72
09/19	09/25/2019	86515	Swank Movie Licensing USA	248-540-882.140	403.00
09/19	09/25/2019	86516	Taylor Rental Center	101-770-934.000	107.25
09/19	09/25/2019	86517	Thru Glass Window Cleaning	514-587-802.100	25.00
09/19	09/25/2019	86518	Total Communications Services LLC	101-228-802.000	176.50
09/19	09/25/2019	86519	Traffic & Safety Control Systems Inc.	514-587-947.000	550.00
09/19	09/25/2019	86520	Trophy Case, The	271-790-751.000	16.00
09/19	09/25/2019	86521	UpNorth Fire & Safety LLC	592-554-802.000	170.00
09/19	09/25/2019	86521	UpNorth Fire & Safety LLC	592-555-802.000	15.00
09/19	09/25/2019	86521	UpNorth Fire & Safety LLC	592-558-802.000	15.00
09/19	09/25/2019	86521	UpNorth Fire & Safety LLC	592-537-802.000	40.00
09/19	09/25/2019	86522	Utility Financial Solutions LLC	582-588-802.000	517.50
09/19	09/25/2019	86523	VSP	101-172-724.000	27.11
09/19	09/25/2019	86523	VSP	101-201-724.000	109.54
09/19	09/25/2019	86523	VSP	101-208-724.000	20.05
09/19	09/25/2019	86523	VSP	101-215-724.000	40.09
09/19	09/25/2019	86523	VSP	101-265-724.000	12.08
09/19	09/25/2019	86523	VSP	101-268-724.000	23.52
09/19	09/25/2019	86523	VSP	101-345-724.000	422.93
09/19	09/25/2019	86523	VSP	101-400-724.000	16.60
09/19	09/25/2019	86523	VSP	101-441-724.000	81.19
09/19	09/25/2019	86523	VSP	101-754-724.000	13.35
09/19	09/25/2019	86523	VSP	101-756-724.000	36.87
09/19	09/25/2019	86523	VSP	101-770-724.000	65.78
09/19	09/25/2019	86523	VSP	101-773-724.000	8.13
09/19	09/25/2019	86523	VSP	101-789-724.000	15.76
09/19	09/25/2019	86523	VSP	204-481-724.000	67.20
09/19	09/25/2019	86523	VSP	271-790-724.000	118.02
09/19	09/25/2019	86523	VSP	514-587-724.000	10.73
09/19	09/25/2019	86523	VSP	582-588-724.000	107.29
09/19	09/25/2019	86523	VSP	592-549-724.000	118.86
09/19	09/25/2019	86523	VSP	592-560-724.000	40.09
09/19	09/25/2019	86524	W.W. Fairbairn & Sons	101-773-775.000	22.99
09/19	09/27/2019	86525	Gempler's	101-770-775.000	59.00
09/19	09/27/2019	86525	Gempler's	101-754-775.000	515.88
09/19	09/27/2019	86525	Gempler's	101-770-775.000	38.25
09/19	09/27/2019	86525	Gempler's	101-770-775.000	147.98
10/19	10/02/2019	86538	5H Irrigation & Maintenance	101-770-802.000	3,102.50
10/19	10/02/2019	86538	5H Irrigation & Maintenance	101-268-802.000	183.67
10/19	10/02/2019	86539	ACH-CHILD SUPPORT	701-000-230.160	160.23
10/19	10/02/2019	86540	ACH-EFTPS	701-000-230.100	20,364.21
10/19	10/02/2019	86540	ACH-EFTPS	701-000-230.200	12,622.07
10/19	10/02/2019	86540	ACH-EFTPS	701-000-230.200	12,622.07
10/19	10/02/2019	86540	ACH-EFTPS	701-000-230.200	2,951.96
10/19	10/02/2019	86540	ACH-EFTPS	701-000-230.200	2,951.96
10/19	10/02/2019	86541	ACH-ICMA 457	701-000-230.700	1,929.12
10/19	10/02/2019	86541	ACH-ICMA 457	701-000-230.700	5,239.23
10/19	10/02/2019	86542	Agile Safety	582-593-775.000	736.35
10/19	10/02/2019	86542	Agile Safety	582-593-775.000	2,612.26
10/19	10/02/2019	86543	All-Phase Electric Supply	101-770-775.000	314.05
10/19	10/02/2019	86543	All-Phase Electric Supply	101-770-775.000	67.58
10/19	10/02/2019	86543	All-Phase Electric Supply	101-770-775.000	20.50

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
10/19	10/02/2019	86543	All-Phase Electric Supply	101-770-775.000	42.62
10/19	10/02/2019	86543	All-Phase Electric Supply	101-770-775.000	7.44
10/19	10/02/2019	86543	All-Phase Electric Supply	101-770-775.000	3.50
10/19	10/02/2019	86543	All-Phase Electric Supply	582-586-775.000	333.91
10/19	10/02/2019	86543	All-Phase Electric Supply	582-590-775.000	265.76
10/19	10/02/2019	86543	All-Phase Electric Supply	101-770-802.000	42.96
10/19	10/02/2019	86543	All-Phase Electric Supply	101-268-775.000	73.96
10/19	10/02/2019	86543	All-Phase Electric Supply	101-770-775.000	161.40
10/19	10/02/2019	86543	All-Phase Electric Supply	582-590-775.000	15.21
10/19	10/02/2019	86543	All-Phase Electric Supply	582-593-930.000	57.00
10/19	10/02/2019	86544	Amazon Credit Plan	592-543-775.000	547.71
10/19	10/02/2019	86544	Amazon Credit Plan	592-537-775.000	912.85
10/19	10/02/2019	86544	Amazon Credit Plan	271-790-964.000	450.96
10/19	10/02/2019	86544	Amazon Credit Plan	271-790-986.000	185.05
10/19	10/02/2019	86544	Amazon Credit Plan	271-790-958.000	51.60
10/19	10/02/2019	86544	Amazon Credit Plan	271-790-760.000	89.99
10/19	10/02/2019	86544	Amazon Credit Plan	271-790-958.100	100.56
10/19	10/02/2019	86545	APX INC.	582-588-915.000	60.17
10/19	10/02/2019	86546	Barrette, Terry	204-481-850.000	120.00
10/19	10/02/2019	86547	Beckett & Raeder Inc.	101-770-802.000	945.00
10/19	10/02/2019	86547	Beckett & Raeder Inc.	204-481-802.000	1,450.00
10/19	10/02/2019	86547	Beckett & Raeder Inc.	247-751-802.000	3,800.00
10/19	10/02/2019	86547	Beckett & Raeder Inc.	247-751-802.000	3,780.00
10/19	10/02/2019	86547	Beckett & Raeder Inc.	101-770-802.000	360.00
10/19	10/02/2019	86548	Breed, Matthew	101-345-850.000	120.00
10/19	10/02/2019	86549	Char-Em United Way	701-000-230.800	81.75
10/19	10/02/2019	86550	Cintas Corp #729	582-593-802.000	31.27
10/19	10/02/2019	86550	Cintas Corp #729	204-481-767.000	60.04
10/19	10/02/2019	86550	Cintas Corp #729	582-588-767.000	60.24
10/19	10/02/2019	86550	Cintas Corp #729	592-560-767.000	30.89
10/19	10/02/2019	86550	Cintas Corp #729	592-549-767.000	30.90
10/19	10/02/2019	86550	Cintas Corp #729	101-268-802.000	15.54
10/19	10/02/2019	86550	Cintas Corp #729	592-554-802.000	45.45
10/19	10/02/2019	86550	Cintas Corp #729	204-481-767.000	60.04
10/19	10/02/2019	86550	Cintas Corp #729	582-588-767.000	60.24
10/19	10/02/2019	86550	Cintas Corp #729	592-560-767.000	58.88
10/19	10/02/2019	86550	Cintas Corp #729	592-549-767.000	58.89
10/19	10/02/2019	86550	Cintas Corp #729	582-593-802.000	31.27
10/19	10/02/2019	86550	Cintas Corp #729	204-481-767.000	60.04
10/19	10/02/2019	86550	Cintas Corp #729	582-588-767.000	60.24
10/19	10/02/2019	86550	Cintas Corp #729	592-560-767.000	30.89
10/19	10/02/2019	86550	Cintas Corp #729	592-549-767.000	30.90
10/19	10/02/2019	86550	Cintas Corp #729	101-268-802.000	15.54
10/19	10/02/2019	86550	Cintas Corp #729	592-554-802.000	45.45
10/19	10/02/2019	86550	Cintas Corp #729	204-481-767.000	60.04
10/19	10/02/2019	86550	Cintas Corp #729	582-588-767.000	60.24
10/19	10/02/2019	86550	Cintas Corp #729	592-560-767.000	30.89
10/19	10/02/2019	86550	Cintas Corp #729	592-549-767.000	30.90
10/19	10/02/2019	86551	CONTI, JOSEPH	101-268-850.000	120.00
10/19	10/02/2019	86552	David L Hoffman Landscaping & Nursery	204-470-802.000	4,435.00
10/19	10/02/2019	86553	Davis, Jeff	582-588-850.000	120.00
10/19	10/02/2019	86554	Decka Digital LLC	592-546-775.000	246.31
10/19	10/02/2019	86555	Derrer Oil Co.	661-598-759.000	2,205.70
10/19	10/02/2019	86556	Drost Landscape	101-770-802.000	932.59
10/19	10/02/2019	86557	DTE Energy	101-345-920.100	55.06
10/19	10/02/2019	86557	DTE Energy	592-558-920.000	38.73

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
10/19	10/02/2019	86557	DTE Energy	592-538-920.000	41.35
10/19	10/02/2019	86558	Dunkel Excavating Services Inc.	202-469-802.000	1,685.00
10/19	10/02/2019	86558	Dunkel Excavating Services Inc.	592-554-802.000	8,527.90
10/19	10/02/2019	86558	Dunkel Excavating Services Inc.	592-554-802.000	3,400.00
10/19	10/02/2019	86558	Dunkel Excavating Services Inc.	247-751-802.000	19,495.33
10/19	10/02/2019	86558	Dunkel Excavating Services Inc.	247-751-802.000	7,650.00
10/19	10/02/2019	86559	Dunn's Business Solutions	101-268-775.000	52.55
10/19	10/02/2019	86560	Elliott, Sherrie	592-560-850.000	120.00
10/19	10/02/2019	86561	Emmet Brick & Block Co.	202-469-775.000	55.00
10/19	10/02/2019	86561	Emmet Brick & Block Co.	203-469-775.000	55.00
10/19	10/02/2019	86561	Emmet Brick & Block Co.	592-556-775.000	55.00
10/19	10/02/2019	86561	Emmet Brick & Block Co.	592-558-775.000	857.30
10/19	10/02/2019	86561	Emmet Brick & Block Co.	204-444-775.000	322.25
10/19	10/02/2019	86561	Emmet Brick & Block Co.	592-558-775.000	30.00-
10/19	10/02/2019	86561	Emmet Brick & Block Co.	204-444-775.000	18.72-
10/19	10/02/2019	86562	Englebrecht, Robert	101-257-802.100	3,750.00
10/19	10/02/2019	86563	Environmental Systems Research Institute	101-400-751.000	400.00
10/19	10/02/2019	86563	Environmental Systems Research Institute	582-593-802.000	600.00
10/19	10/02/2019	86563	Environmental Systems Research Institute	582-588-802.000	700.00
10/19	10/02/2019	86563	Environmental Systems Research Institute	592-549-802.000	700.00
10/19	10/02/2019	86563	Environmental Systems Research Institute	592-560-802.000	700.00
10/19	10/02/2019	86563	Environmental Systems Research Institute	204-481-802.000	700.00
10/19	10/02/2019	86564	Fate, Jason	101-441-850.000	120.00
10/19	10/02/2019	86565	Fettig's Landscaping Inc.	204-470-802.000	4,150.00
10/19	10/02/2019	86566	Five Star Screen Printing Plus	101-756-808.040	1,245.00
10/19	10/02/2019	86567	Flynn, Martin	592-549-850.000	120.00
10/19	10/02/2019	86567	Flynn, Martin	592-549-915.000	14.20
10/19	10/02/2019	86568	Fraternal Order of Police	701-000-230.400	971.00
10/19	10/02/2019	86569	Goodman, Becky	514-587-775.000	581.94
10/19	10/02/2019	86570	Great Lakes Pipe & Supply	101-770-775.000	52.58
10/19	10/02/2019	86570	Great Lakes Pipe & Supply	101-770-775.000	1,715.48
10/19	10/02/2019	86570	Great Lakes Pipe & Supply	101-770-775.000	60.13
10/19	10/02/2019	86570	Great Lakes Pipe & Supply	101-770-775.000	36.77
10/19	10/02/2019	86570	Great Lakes Pipe & Supply	101-770-775.000	22.99
10/19	10/02/2019	86570	Great Lakes Pipe & Supply	101-770-775.000	7.48
10/19	10/02/2019	86570	Great Lakes Pipe & Supply	101-770-775.000	22.89
10/19	10/02/2019	86570	Great Lakes Pipe & Supply	101-770-775.000	54.59
10/19	10/02/2019	86570	Great Lakes Pipe & Supply	101-770-775.000	6.38
10/19	10/02/2019	86571	GRP Engineering Inc.	582-588-802.000	347.50
10/19	10/02/2019	86571	GRP Engineering Inc.	582-588-802.000	2,806.60
10/19	10/02/2019	86572	Hart, Tyler	101-770-850.000	120.00
10/19	10/02/2019	86573	Hummel, Jon	101-754-920.000	120.00
10/19	10/02/2019	86574	ICMA-ROTH	701-000-230.900	460.00
10/19	10/02/2019	86575	K & J Septic Service LLC	592-556-802.000	250.00
10/19	10/02/2019	86575	K & J Septic Service LLC	101-770-802.000	190.00
10/19	10/02/2019	86576	KARR, ADRIAN	101-345-850.000	120.00
10/19	10/02/2019	86577	Klingelsmith, Kendall	101-770-850.000	120.00
10/19	10/02/2019	86578	Kring Chevrolet Cadillac, Dave	661-598-932.000	1,128.65
10/19	10/02/2019	86578	Kring Chevrolet Cadillac, Dave	661-598-932.000	134.70
10/19	10/02/2019	86578	Kring Chevrolet Cadillac, Dave	661-598-932.000	52.85
10/19	10/02/2019	86579	Kruskie, Davie	101-770-850.000	120.00
10/19	10/02/2019	86580	LENNEMANN, MARK	101-773-850.000	120.00
10/19	10/02/2019	86581	Lowery Underground Service	582-020-360.000	6,526.00
10/19	10/02/2019	86581	Lowery Underground Service	582-598-802.000	5,321.00
10/19	10/02/2019	86581	Lowery Underground Service	582-586-802.000	6,597.50
10/19	10/02/2019	86582	Mead & Hunt	592-545-802.000	5,795.00

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
10/19	10/02/2019	86582	Mead & Hunt	592-556-802.000	500.00
10/19	10/02/2019	86582	Mead & Hunt	592-559-802.000	300.00
10/19	10/02/2019	86583	Meyer Ace Hardware	514-587-802.100	6.29
10/19	10/02/2019	86583	Meyer Ace Hardware	514-587-802.100	51.00
10/19	10/02/2019	86583	Meyer Ace Hardware	514-587-775.000	6,655.67
10/19	10/02/2019	86584	MICHIGAN PIPE & VALVE	202-469-775.000	100.00
10/19	10/02/2019	86585	MISTRAS GROUP INC.	661-598-932.000	1,550.00
10/19	10/02/2019	86586	Mitchell Graphics Inc.	248-739-880.200	25.00
10/19	10/02/2019	86587	Morrison Industrial Equipment Co.	661-598-931.000	154.41
10/19	10/02/2019	86588	North Central Mich. College	101-400-912.000	275.00
10/19	10/02/2019	86589	OCLC Inc.	271-790-762.000	538.20
10/19	10/02/2019	86590	OHM Advisors	202-473-802.000	519.00
10/19	10/02/2019	86591	P.C. LAWN CARE	582-593-930.000	375.00
10/19	10/02/2019	86591	P.C. LAWN CARE	582-584-802.000	120.00
10/19	10/02/2019	86592	PARKER, MICHAEL	101-345-850.000	120.00
10/19	10/02/2019	86593	Paul Matthews	592-040-286.000	500.00
10/19	10/02/2019	86594	Petoskey Youth Soccer Assoc.	101-756-808.110	2,263.05
10/19	10/02/2019	86595	Plath, Audrey	101-215-850.000	120.00
10/19	10/02/2019	86596	Pontius Flower Shop, A.R.	248-739-774.000	74.25
10/19	10/02/2019	86597	Print Shop, The	514-587-955.000	1,112.00
10/19	10/02/2019	86598	Proclean North	582-593-930.000	1,463.00
10/19	10/02/2019	86599	Quality First Aid & Safety Inc.	582-593-930.000	52.45
10/19	10/02/2019	86599	Quality First Aid & Safety Inc.	582-593-930.000	12.99
10/19	10/02/2019	86600	Rasmussen, Derek	101-770-850.000	120.00
10/19	10/02/2019	86601	Rhea, Jordan	592-560-915.000	257.52
10/19	10/02/2019	86602	Richard Neumann Architect	101-268-970.000	1,019.00
10/19	10/02/2019	86602	Richard Neumann Architect	101-265-970.000	8,129.00
10/19	10/02/2019	86603	ROBBINS, MICHAEL	101-441-850.000	120.00
10/19	10/02/2019	86604	Safety-Kleen Systems Inc.	101-789-802.000	349.00
10/19	10/02/2019	86605	SCHULTZ, DAVID	101-345-850.000	120.00
10/19	10/02/2019	86606	Sign & Design	101-770-802.000	806.80
10/19	10/02/2019	86607	SiteOne Landscape Supply	101-770-775.000	359.59
10/19	10/02/2019	86607	SiteOne Landscape Supply	101-770-775.000	266.86
10/19	10/02/2019	86607	SiteOne Landscape Supply	101-770-775.000	82.50
10/19	10/02/2019	86607	SiteOne Landscape Supply	101-770-775.000	122.12
10/19	10/02/2019	86607	SiteOne Landscape Supply	101-770-775.000	61.84
10/19	10/02/2019	86607	SiteOne Landscape Supply	101-770-775.000	25.71
10/19	10/02/2019	86607	SiteOne Landscape Supply	101-770-775.000	12.16
10/19	10/02/2019	86607	SiteOne Landscape Supply	101-754-775.000	591.01
10/19	10/02/2019	86607	SiteOne Landscape Supply	101-754-775.000	464.43
10/19	10/02/2019	86608	Smith, Daniel	101-345-850.000	120.00
10/19	10/02/2019	86609	Smith, Edward J	101-756-850.000	120.00
10/19	10/02/2019	86610	Spectrum Business	582-588-850.000	94.99
10/19	10/02/2019	86611	Standard Electric Company	582-586-775.000	22.60
10/19	10/02/2019	86611	Standard Electric Company	582-590-775.000	158.75
10/19	10/02/2019	86611	Standard Electric Company	582-590-775.000	16.00-
10/19	10/02/2019	86611	Standard Electric Company	582-010-111.000	15,342.80
10/19	10/02/2019	86611	Standard Electric Company	582-586-775.000	1.00
10/19	10/02/2019	86611	Standard Electric Company	582-586-775.000	339.42
10/19	10/02/2019	86611	Standard Electric Company	582-590-775.000	449.19
10/19	10/02/2019	86611	Standard Electric Company	582-010-111.000	35.29
10/19	10/02/2019	86611	Standard Electric Company	582-010-111.000	14.12
10/19	10/02/2019	86611	Standard Electric Company	582-010-111.000	2.82
10/19	10/02/2019	86611	Standard Electric Company	582-010-111.000	11.30
10/19	10/02/2019	86611	Standard Electric Company	582-010-111.000	98.05
10/19	10/02/2019	86611	Standard Electric Company	582-010-111.000	9.80

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
10/19	10/02/2019	86611	Standard Electric Company	582-010-111.000	29.41
10/19	10/02/2019	86612	Staples Advantage	101-208-751.000	247.85-
10/19	10/02/2019	86612	Staples Advantage	101-201-751.000	247.86-
10/19	10/02/2019	86612	Staples Advantage	101-215-751.000	27.99
10/19	10/02/2019	86612	Staples Advantage	101-268-775.000	8.59
10/19	10/02/2019	86612	Staples Advantage	101-268-775.000	35.47
10/19	10/02/2019	86612	Staples Advantage	101-215-751.000	95.99
10/19	10/02/2019	86612	Staples Advantage	101-268-775.000	1.84
10/19	10/02/2019	86612	Staples Advantage	592-560-751.000	490.90
10/19	10/02/2019	86612	Staples Advantage	101-215-751.000	71.66
10/19	10/02/2019	86613	STATE OF MICHIGAN DEPT OF TRANSP	592-020-342.000	146,352.00
10/19	10/02/2019	86613	STATE OF MICHIGAN DEPT OF TRANSP	592-025-343.000	40,459.00
10/19	10/02/2019	86613	STATE OF MICHIGAN DEPT OF TRANSP	582-020-360.000	227.72
10/19	10/02/2019	86613	STATE OF MICHIGAN DEPT OF TRANSP	202-451-802.000	29,307.01
10/19	10/02/2019	86614	State of Michigan-Department of LARA	582-081-642.300	5,429.84
10/19	10/02/2019	86614	State of Michigan-Department of LARA	582-081-642.400	736.00
10/19	10/02/2019	86614	State of Michigan-Department of LARA	582-081-642.500	8.28
10/19	10/02/2019	86614	State of Michigan-Department of LARA	582-081-642.200	166.52
10/19	10/02/2019	86615	State of Michigan-Dept of Environment	592-542-802.000	175.00
10/19	10/02/2019	86616	Straebel, Robert	101-172-850.000	120.00
10/19	10/02/2019	86617	Stuart C Irby Co	582-010-111.000	326.00
10/19	10/02/2019	86617	Stuart C Irby Co	582-010-111.000	978.00
10/19	10/02/2019	86618	TEAMSTERS LOCAL #214	701-000-230.400	1,089.00-
10/19	10/02/2019	86618	TEAMSTERS LOCAL #214	701-000-230.400	1,089.00
10/19	10/02/2019	86619	Terry, Alan	101-215-850.000	120.00
10/19	10/02/2019	86620	Trace Analytical Laboratories LLC	592-553-802.000	245.00
10/19	10/02/2019	86620	Trace Analytical Laboratories LLC	592-553-802.000	275.00
10/19	10/02/2019	86621	Troxel, Todd	101-345-850.000	120.00
10/19	10/02/2019	86622	TWOGLASSGENTS	582-590-802.000	1,825.00
10/19	10/02/2019	86623	ULINE	592-554-775.000	1,314.60
10/19	10/02/2019	86623	ULINE	592-554-775.000	1,722.62
10/19	10/02/2019	86623	ULINE	592-554-775.000	1,150.00-
10/19	10/02/2019	86623	ULINE	592-554-775.000	100.00-
10/19	10/02/2019	86624	UPS Store, The	592-553-802.000	109.77
10/19	10/02/2019	86624	UPS Store, The	592-553-802.000	125.70
10/19	10/02/2019	86625	WESCO RECEIVABLES CORP.	582-010-111.000	13,217.00
10/19	10/02/2019	86626	West Marine Pro	101-789-775.000	14.98
10/19	10/02/2019	86627	Windemuller	592-554-802.000	382.00
10/19	10/02/2019	86627	Windemuller	592-558-802.000	420.00
10/19	10/02/2019	86628	Zachritz Mai, G. D.	582-588-802.000	2,000.00
10/19	10/02/2019	86629	Gibby's Garage	101-770-802.000	68.00
10/19	10/02/2019	86629	Gibby's Garage	582-593-930.000	102.00
10/19	10/02/2019	86629	Gibby's Garage	661-598-931.000	136.00
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10/19	10/02/2019	86629	Gibby's Garage	661-598-931.000	340.00
10/19	10/02/2019	86629	Gibby's Garage	661-598-932.000	578.00
10/19	10/02/2019	86629	Gibby's Garage	202-475-802.000	68.00
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10/19	10/02/2019	86629	Gibby's Garage	661-598-931.000	34.00
10/19	10/02/2019	86629	Gibby's Garage	661-598-932.000	442.00
10/19	10/02/2019	86629	Gibby's Garage	582-593-930.000	68.00
10/19	10/02/2019	86629	Gibby's Garage	661-598-931.000	102.00
10/19	10/02/2019	86629	Gibby's Garage	661-598-932.000	340.00
10/19	10/02/2019	86630	Robert H. Wager Co. Inc.	592-556-775.000	2,930.00-
10/19	10/02/2019	86630	Robert H. Wager Co. Inc.	592-556-775.000	6,923.81

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
Grand Totals:					1,246,875.55

Report Criteria:

Check.Date = 09/12/2019-10/02/2019

Check Number	Date	Name	GL Account	Amount
86352	09/12/2019	Petersen, Christie	582010040000	246.38
86353	09/18/2019	Becenti, Danielle	101087654000	50.00
86354	09/18/2019	Bensman, Taylor	582040285000	43.73
86355	09/18/2019	Burnham, Linda	101087654000	150.00
86356	09/18/2019	Fought, John	582588803000	150.00
86357	09/18/2019	Goodwin, Kimberyle	101087654000	50.00
86358	09/18/2019	Kummer, Kenneth	582588803000	50.00
86359	09/18/2019	Lawry, Sue	582588803000	50.00
86360	09/18/2019	McCarron, Joseph	582588803000	50.00
86361	09/18/2019	Milheim, Ashley	101087654000	100.00
86362	09/18/2019	Scherphorn, Gary	101087654000	50.00
86362	10/01/2019	Scherphorn, Gary	101087654000	50.00-
86363	09/18/2019	Van Wagoner, Paul	582588803000	50.00
86455	09/25/2019	Beer, Kevin	101087654000	50.00
86456	09/25/2019	Demiro, Kayla	582081642300	89.64
86457	09/25/2019	Dominic, Ashley	582040285000	19.68
86458	09/25/2019	Hankins, Mariah	582040285000	55.38
86526	10/02/2019	Andrews, Karen	582081642300	10.00
86527	10/02/2019	Cicotte, Catherine	582081642300	46.68
86528	10/02/2019	Johnnecheck, Norma	582081642300	40.13
86529	10/02/2019	Liegl, John	582081642300	10.75
86530	10/02/2019	McGarvey, Stephen	582040285000	12.39
86531	10/02/2019	Penny Saved	582081642300	128.69
86532	10/02/2019	Rugport	582040285000	380.75
86533	10/02/2019	Scott, Charles	582588803000	600.00
86534	10/02/2019	Tamila Walker	101087654000	50.00
86535	10/02/2019	Traverse Woods	582081642300	42.47
86536	10/02/2019	Vital Care Home Medical Equip	582081642300	75.00
86537	10/02/2019	Wheelock, Gary	582588803000	100.00
Grand Totals:				2,701.67



City of Petoskey

Agenda Memo

BOARD: City Council

MEETING DATE: October 7, 2019

PREPARED: October 1, 2019

AGENDA SUBJECT: Appointment Recommendation

RECOMMENDATION: That the City Council consider this appointment

The City Council will be asked to consider the following appointment:

- ZONING BOARD OF APPEALS – Appointment of Jessica Shaw-Nolff, 517 East Lake Street, to fill a vacated term ending April 1, 2020.

Id
Enclosures



City of Petoskey

101 East Lake Street, Petoskey, Michigan 49770 • 231 347-2500 • Fax 231 348-0350

RECEIVED

JUL 25 2018

CITY OF PETOSKEY
CITY MANAGER

Application to Serve on a Board or Commission

Please print. Answer each question accurately and completely. If you require any accommodation to complete the application process, please notify a City staff member.

■ Name	SHAW-NOLFF	JESSICA	L	■ Date	07	24	2018		
	Last	First	Initial						
■ Residence Address	517	E LAKE	PETOSKEY	MI	49770	■ Home Phone	616	240	1449
	Number	Street	City	State	Zip				
■ Email Address	JNOLFF6@GMAIL.COM					■ Work Phone			

Please answer the following questions using the space provided.

1. What Board or Commission interests you and why are you applying? PLANNING, ZONING, DOWNTOWN MANAGEMENT
2. How do you believe your appointment would benefit the City? I HAVE EXPERIENCE WORKING WITH DEVELOPERS AND COMMERCIAL TENANTS IN GRAND RAPIDS AND BUFFALO, NY.
3. Describe any involvement in the community on a Board or Commission or in another volunteer capacity. I AM CURRENTLY ON THE CHAR-EM UNITED WAY BOARD. I HAVE VOLUNTEERED IN MANY CAPACITIES OVER THE YEARS, WITH BOTH MY TIME AND SERVICES AS A GRAPHIC DESIGNER.
4. How many continuous years have you lived in Petoskey? 9 YEARS
5. Any other helpful information relevant to your application. I AM A COMMITTED RESIDENT OF THE DOWNTOWN AREA AND HAVE ALWAYS BEEN QUICK TO VOLUNTEER MANY HOURS TOWARD WELL-BEING OF THE CITY. I HAVE ALSO RECENTLY FILED TO RUN FOR SCHOOL BOARD.

While it is not required, a resume is helpful in the recruitment process for City Boards and Commissions.

<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO	Are you a registered voter?
<input type="checkbox"/>	YES	<input checked="" type="checkbox"/>	NO	Are you currently in default of taxes or fines to the City of Petoskey?
<input type="checkbox"/>	YES	<input checked="" type="checkbox"/>	NO	Do you or immediate family members currently serve on a City Board or Commission? If yes, which Board or Commission?
<input type="checkbox"/>	YES	<input checked="" type="checkbox"/>	NO	Have you ever been convicted of a felony? If yes, please explain.

The applicant acknowledges that the City may be required from time to time to release records in its possession. The applicant hereby gives permission to the City to release any records or materials received by the City from the applicant as it may be requested to do so as permitted by the Freedom of Information Act, MCL 15.231 et seq.

Applicant Signature: Jessica Shaw-Nolff Date: 7.24.2018

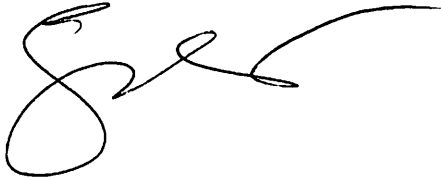
Jessica Shaw-Nolff
517 East Lake Street
Petoskey, MI 49770
(616) 240-1449

July 17, 2018

Dear Mr. Straebel:

Thank you for considering me for a board position with the City of Petoskey. As a resident of the downtown area, I would most be interested in serving on the Zoning Board or Downtown Development Board if an opening should arise.

I have experience working in project management and marketing for retail and residential developers in both Buffalo, NY and Grand Rapids, MI. I currently work for a small business here in Petoskey and run my own small company.

A handwritten signature in black ink, appearing to be 'J. Shaw-Nolff', with a large loop at the start and a long horizontal stroke extending to the right.

Sincerely,

Jessica Shaw-Nolff

PROFILE

Over the past 25 years, I have used my skills as a graphic designer to grow my own business and to contribute my time and talent to local organizations and community leaders. I hope to continue on this path and as I become more involved in the community.

EXPERIENCE

OWNER/DESIGNER, BIG SPLASH STUDIO, LTD. 2003-PRESENT

Specializing in sign design, I work with sign manufacturers and salespeople across the country by creating, scaled sign designs that are production-ready.

I also create print advertising for Bearcub Outfitters, in Petoskey, as well as graphics and campaigns for the Little Traverse Wheelway, Top of Michigan Trails Council, Emmet County Smart Commute, Char-Em United Way, Joanne Galloway (MI Representative candidate), Carla Crockett (Petoskey City Council candidate) and Lauri Hartmann (Emmet County Commissioner candidate).

BOOKKEEPER, BEARCUB OUTFITTERS, PETOSKEY, MI 2009-PRESENT

Working in Quickbooks, I manage the accounts payable, payroll, and enter daily sales.

PROJECT MANAGER, TOL DEVELOPMENT, GRAND RAPIDS, MI 2003-2007

I managed marketing of various commercial and residential developments. I worked closely with investors and potential tenants. I also designed marketing materials from websites, presentations, brochures, and signage; following them through to production and installation.

PROJECT MANAGER/MARKETING, BENDERSON DEVELOPMENT, BUFFALO, NY 1997-2000

As a project manager and principle sign designer, I worked with development tenants on their sign projects as well as working with manufacturers for plaza and corporate sign production.

GRAPHIC DESIGNER, VALLEY CITY SIGN, GRAND RAPIDS, MI 1992-1997

I created scaled, production-ready, sign designs for sales presentations and construction. I worked closely with sales people during concept and the fabricators and assemblers in the factory during production.

EDUCATION

KENDALL COLLEGE OF ART & DESIGN, GRAND RAPIDS, MI — BFA, 1992

SKILLS

Marketing and media software; Adobe Illustrator, Photoshop, Acrobat, and InDesign for sign and graphic design. Experience with Squarespace.com for web production. I have been using Quickbooks 15 years for bookkeeping for Bearcub Outfitters, myself at Big Splash Studio, and as bookkeeper for the Petoskey Robotics team (Petoskey Middle & High Schools).

VOLUNTEERING/BOARD EXPERIENCE

BOARD MEMBER, CHAR-EM UNITED WAY, 2017-PRESENT. Serving on the Marketing and Special Events Committees, I have helped plan and market events and campaigns.

PETOSKEY SCHOOLS ZERO WASTE INITIATIVE, 2018-PRESENT. Worked at Ottawa Elementary with GroundWorks and Emmet County Recycling to help students sort lunch waste. I hope to be a part of this program and to see it roll into the other schools in the district.

ACCOUNTING/BOOKKEEPING, PETOSKEY ROBOTICS, 2017-PRESENT. I keep accounts for both the high school and middle school robotics teams in Petoskey. I work with coaches and school administration to keep records and budgets accurate.

ART INSTRUCTOR, SHERIDAN ELEMENTARY, 2014-2015. Taught a special, pull-out art class, bi-weekly at Sheridan Elementary for fifth graders with a special interest in art.

CENTRAL ELEMENTARY PTO, PETOSKEY, MI, 2010-2013. Board member-at-large.

GIRL SCOUT LEADER, PETOSKEY, MI/GRANDVILLE, MI, 2007-2012. I led students from Central Elementary in Petoskey from Brownies into Juniors. I also worked with a Daisy and Brownie troop in Grandville, MI.

CLASSROOM VOLUNTEER, PETOSKEY, MI, 2009-2012. I volunteered by reading to students, sorting Friday folders and chaperoning field trips at Central Elementary in Petoskey.

CLASSROOM VOLUNTEER, GRANDVILLE, MI, 2004-2009. Worked in the classrooms to assist teachers. I also worked one-on-one with students on literacy at Century Park Learning Center, Grandville, MI

REFERENCES

Available upon request



City of Petoskey

Agenda Memo

BOARD: City Council

MEETING DATE: October 7, 2019

DATE PREPARED: October 3, 2019

AGENDA SUBJECT: Second Reading and Possible Adoption of a Zoning Ordinance Allowing Medical Marijuana Provisioning Facilities in the B-3 General Business District, Certain Planned Unit Development (PUDs) Zoning Districts, and in the B-3B Business Industrial District

RECOMMENDATION: Discussion. Ordinance may be approved at this time.

After three, first readings of a zoning ordinance allowing medical marijuana provisioning centers, the City Council may now consider approving the attached ordinance as written. There were no changes to the ordinance made from the last discussion on September 16, 2019. Since our last meeting, one additional comment dated October 3, 2019 was received from Mr. Joe Blachy.

The following was included in past agenda items:

At the August 5 and August 19, 2019 City Council meeting, City Council discussed a zoning ordinance to allow medical marijuana provisioning centers in the community. At the August 19, 2019 meeting, City Council determined that medical marijuana provisioning centers would be allowed in the following zoning districts:

- B-3 General Business District;
- B-3B Business Industrial District;
- Planned Unit Development (PUDs).

City Council also determined that the ordinance will include a 1,000 foot buffer from any K-12 school and that a 500 buffer between provisioning centers would be required. Per the licensing ordinance, the City would allow a maximum of three (3) provisioning centers in the community.

See attached map highlighting the three aforementioned zoning districts in blue that are located outside the 1,000 foot school buffer zones. These areas could accommodate no more than three (3) medical marijuana provisioning facilities. See also zoning maps with the 1,000 foot K-12 school buffers. Changes to the medical marijuana ordinance to include the B-3B zoning district have been highlighted in yellow for easy review.

There was one additional public comment received via email dated August 29, 2019 from Joe Blachy that has been included in your packet.

The following was included in past agenda items:

Joe Blachy and Kansandre Dangler have submitted comments that are included in the packet.

At its July 18 meeting, by a 7-2 vote, the Planning Commission recommended to City Council they consider approval of the attached zoning ordinance for medical marijuana provisioning centers. As proposed, the ordinance would allow provisioning centers as a special condition use in the following two zoning districts:

1. **B-3 General Business District-** The intent of the B-3 Business District is to provide sites for more diversified business types which would often be incompatible with the pedestrian movement in the local business district or the central business district.
2. **Planned Unit Development (PUD) Districts-** The intent of the PUD District is to permit flexibility in the regulation of land development; encourage innovation in land use and variety in design, layout, and type of structures constructed; achieve economy and efficiency in the use of land, natural resources, energy, and the provision of public services and utilities; encourage provision of useful open space; provide adequate housing, employment, and shopping opportunities particularly suited to the needs of the residents of the city; and encourage the use, reuse and improvement of existing sites and buildings when the uniform regulations contained in other zoning districts do not provide adequate protection and safeguards for the site or surrounding area. This district is intended to accommodate developments with mixed or varied uses, sites with unusual topography or unique structures or settings within the community, or on land which exhibits difficult or costly development problems.

See attached map-*“Possible Medical Marijuana Provisioning Facility Locations in the B-3 General Business District and PUD Zoning Districts.”* The highlighted areas in blue take into consideration a 1,000 foot buffer from K-12 schools. The proposed ordinance also includes a separation of at least 500 feet between provisioning facilities.

The Planning Commission also recommended that if City Council wanted to consider other locations, they think the B-3B Business Industrial District is most appropriate.

- **B-3B Business Industrial-** The intent of the Business Industrial District is designed to permit a broad range of uses, including light industrial, commercial and residential activities. Performance standards are imposed to assure these uses are compatible and to maintain a quality image of sites of such uses.

See attached Zoning Map with the B-3B Business Industrial District colored in dark green and located west of town along Charlevoix Avenue. The draft ordinance does not specifically include reference to the B-3B zoning district at this time but could be easily revised based upon City Council's direction.

Any provisioning center would need to be at least a 1,000 feet from a K-12 public and private schools. In discussion of the use and appropriate locations, the Commission determined that provisioning centers will generate significant vehicle turnover and therefore should be located along commercial corridors at sites that provide sufficient parking and safe access. The B-3 General Business, two of the existing three PUD districts, and the B-3B Business Industrial districts all have sites that could meet these criteria. The Planning Commission did not feel either the General Industrial or Light Industrial Zoning Districts would be appropriate for medical marijuana provisioning centers. The Planning Commission also strongly recommended that City Council give ample opportunity for public comment and education while soliciting additional public input.

On July 30, the City Manager was contacted by Mr. Joe Blachy regarding a potential “protest petition” opposing medical marijuana provisioning centers in the community. Details of these efforts were not specific and little is known about the initiative. Mr. Blachy has stated he will be attending the August 5 meeting.

According to State legislation there is a provision in the Michigan Regulation and Taxation of Marijuana Act (MRTMA-recreational marijuana) to allow a petition to initiate an ordinance to provide for a number of recreational marijuana establishments in a municipality or to completely prohibit recreational marijuana facilities. See Section 333.27956 from the MRTMA. There is no such petition clause in the medical marijuana state legislation. Nonetheless, Chapter 7 of the City Charter does allow for either a referendum petition that would repeal all or some of an adopted ordinance or an initiative petition that states the ordinance it would enact. See Chapter 7 included in your packet.

Also included in your packet is a survey from Councilmember Dittmar.

Action

Barring any changes to the ordinance, City Council may approve the attached ordinance as written at this time. A motion could be made to *“approve a Zoning Ordinance Allowing Medical Marijuana Provisioning Facilities in the B-3 General Business District, Certain Planned Unit Development (PUDs) Zoning Districts, and in the B-3B Business Industrial District.”*

Keep in mind that the zoning and licensing ordinance, as well as the resolution setting medical marijuana fees, should all be passed at the same meeting.

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE CITY OF PETOSKEY TO

- **AMEND ARTICLE II, SECTION 201, ADD NEW DEFINITIONS PERTAINING TO MEDICAL MARIHUANA FACILITIES;**
- **AMEND ARTICLE X, SECTION 1002, ADD MEDICAL MARIHUANA FACILITIES;**
- **AMEND ARTICLE XXV, SECTION 2502, ADD MEDICAL MARIHUANA FACILITIES;**
- **AMEND ARTICLE XXVI, SECTION 2601, ADD MEDICAL MARIHUANA FACILITIES AS A SPECIAL CONDITION USE;**
- **AMEND ARTICLE XIII, SECTION 1301(1) EXCEPTING MARIHUANA FACILITIES; AND**
- **ADD ARTICLE XXXII, PROVIDING ADDITIONAL ZONING PROVISIONS FOR THE SPECIAL USE OF MEDICAL MARIHUANA FACILITIES.**

The City of Petoskey ordains:

ARTICLE II, SECTION 201

Sec. 201. – Definitions. Section 201 of the City of Petoskey's Zoning Ordinance is amended to include the following definitions, in alphabetical order:

LARA: The Michigan Department of Licensing and Regulatory Affairs

Licensee: An entity that holds a license issued under the Medical Marihuana Facilities Licensing Act, Act 281 of 2016, as amended, that allows the licensee to operate as one of the following, specified in the license:

- A grower
- A processor
- A secure transporter
- A provisioning center
- A safety compliance facility

Marihuana: The term as defined in section 7106 of the public health code, 1978 PA 368, MCL § 333.7106 et seq.; the Michigan Medical Marihuana Act, MCL § 333.26421 et seq.; the Medical Marihuana Facilities Licensing Act, MCL § 333.27101 et seq.; and the Marihuana Tracking Act, MCL§ 333.27901 et seq.

Medical Marihuana Facility: An enterprise at a specific location at which a licensee is licensed and a permit holder is permitted to operate under the Medical Marihuana Facilities Licensing Act. The term does not include or apply to a "primary caregiver" or "caregiver" as that term is defined in the Michigan Medical Marihuana Act, MCL § 333.26421 et seq.

Medical Marihuana Permit: A current and valid Permit for a Medical Marihuana Facility issued under the City's Medical Marihuana Facilities Ordinance, granted in accordance with that Ordinance.

Provisioning Center: A licensee that is a commercial entity located in this State that purchases marihuana from a grower or processor and sells, supplies, or provides marihuana to registered qualifying patients, directly or through the patients' registered primary caregivers. Provisioning center includes any commercial property where marihuana is sold at retail to registered qualifying patients or registered primary caregivers. A noncommercial location used by a primary caregiver to assist a qualifying patient connected to the caregiver through the department's marihuana registration process in accordance with the Michigan Medical Marihuana Act (MCL § 333.26421 et seq.) is not a provisioning center for purposes of this Ordinance.

ARTICLE X, SECTION 1002

Article X, Section 1002 of the City of Petoskey's Zoning Ordinance is amended to include the following additional principal use permitted subject to special conditions:

10. Medical Marihuana Facilities, to the extent permitted by and subject to the terms and conditions of the City of Petoskey's general ordinances regulating same and subject to the requirements of Article XXXII and the provisions of sections 1716 through 1718 of this ordinance.

ARTICLE XIII, SECTION 1301

Article XIII, Section 1301(1) of the City of Petoskey Zoning Ordinance is hereby amended to read:

All uses permitted and as regulated in the B-3 General Commercial District except for Medical Marihuana Facilities.

ARTICLE XXV, SECTION 2502

Article XXV, Section 2502 of the City of Petoskey Zoning Ordinance is hereby amended to read:

1. All uses permitted in the B-3 General Business District of Petoskey Zoning Ordinance 451 shall be permitted for possible inclusion in a PUD. Accessory buildings and uses customarily incidental to any of the above permitted uses shall be permitted provided that they meet the conditions of section 2503(3)m.
2. Medical Marihuana Facilities shall be permitted in existing Planned Unit Development Districts provided that the development plan is amended. Medical Marihuana Facilities shall only be allowed to the extent permitted by and subject to the terms and conditions of the City of Petoskey's general ordinances regulating same and subject to the requirements of Subsection 1. Above, Article XXXII, and the provisions of sections 1716 through 1718 of this ordinance.

ARTICLE XXVI, SECTION 2601

Article XXVI, Section 2601 of the City of Petoskey's Zoning Ordinance is amended to read:

Sec. 2601. - Principal uses permitted and principal uses permitted subject to special conditions:

In a B-3B Business Industrial District, no building or land shall be used and no building shall be erected except for one or more of the following specified uses, unless otherwise provided in this ordinance:

- (1) Any uses permitted in the I-1 Light Industrial District, provided that:
 - (a) Residential uses shall be allowed with the permitted density and setback requirements of the RM-2 district; and
 - (b) All uses shall also be subject to the conditions set forth in this district; and
 - (c) The following principal uses shall not be permitted;
 - 1. Open storage facilities or yards;
 - 2. Railroad transfer and storage tracks;
 - 3. Commercial kennels;
 - 4. Auto engine and body repair;
 - 5. Lumber and planing mills;
 - 6. Trade or industrial schools specializing in auto mechanics, heavy equipment operation, engine repair and overhaul, and uses with similar industrial-type characteristics; and
 - 7. Other uses of a similar character to the above uses.
- (2) Principal uses permitted subject to Special Condition Standards for Review Section 1717
 - (a) Medical marihuana facilities.

ARTICLE XXXII – MEDICAL MARIHUANA FACILITIES.

Article XXXII of the City of Petoskey's Zoning Ordinance, Medical Marihuana Facilities, is hereby added, as follows:

Sec. 3200. Intent.

It is the purpose of this Article to regulate Medical Marihuana Facilities so as to protect the public health, safety, and welfare of the residents and patients of the City and to establish reasonable and uniform regulations for their operation. It is further the intent of this Article to implement the provisions of the Michigan Medical Marihuana Facilities Licensing Act, MCL § 333.27101, et seq., with respect to local zoning and land use, and to permit the sale and distribution of medical marihuana consistent with applicable State statutes.

The provisions of this article have neither the purpose nor effect of granting immunity from any criminal prosecution under Federal law or granting immunity from criminal or civil prosecution, penalty or sanction for the cultivation, manufacture, possession, use, sale, distribution or transport of marihuana in any form, that is not in strict compliance with all applicable laws and rules promulgated by the State of Michigan and the City of Petoskey regarding medical marihuana. This Article does not provide any rights or privileges with regard to marihuana under the Michigan Regulation and Taxation of Marihuana Act, MCL § 333.27102.

Sec. 3201. General Provisions.

Medical marihuana facilities as defined by this Ordinance shall be subject to the following general regulations:

(a) Any uses or activities found by the State of Michigan or a court with jurisdiction to be unconstitutional or otherwise not permitted by State law are prohibited in the City. In the event that a court with jurisdiction declares some or all of this Section invalid, the City may suspend the acceptance of applications for licensing pending the resolutions of the legal issue in question.

(b) An operator of a medical marihuana facility shall at all times have a valid Medical Marihuana Facility permit issued by the City pursuant to Chapter 8, Article IX of the Petoskey Code of Ordinances, as amended, and a State operating license as issued by LARA pursuant to the Medical Marihuana Facilities Licensing Act, MCL § 333.27101 et seq.

(c) A property owner or operator of a medical marihuana facility shall not have vested rights or nonconforming use rights that would serve as a basis for failing to comply with this ordinance or any applicable amendment thereto.

(d) Discontinuation of a State medical marihuana facility license shall be also considered a discontinuance of a medical marihuana facility, at which time any permit granted by the City pursuant to this Ordinance would be considered ineffective.

Sec. 3202. Site development performance standards for all uses.

- (a) Only one medical marihuana facility per parcel or lot.
- (b) A separation distance of five hundred (500) feet is required from any other medical marihuana facility or marihuana establishment.
- (c) A medical marihuana facility is not permitted within one thousand (1000) feet of: any private or public elementary or secondary school (K-12).
- (d) The distances described in this section shall be computed by direct measurement in a straight line from the nearest property line of the land used for the purposes stated in this section above to the nearest portion of the building or unit in which the medical marihuana facility is located.
- (e) The separation distances contained in this section are applicable to marihuana facilities and establishments located in adjacent governmental jurisdictions.
- (f) A medical marihuana facility is not permitted on the same property or parcel or within the same building where any of the following are located: a package liquor store, a convenience store that sells alcoholic beverages or a fueling station that sells alcoholic beverages.

Nothing in this ordinance shall be construed to affect any suit or proceeding pending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing, under any act or ordinance hereby revised as cited in this ordinance; nor shall any just or legal right or remedy of any character be lost, impaired, or affected by this ordinance.

If any of the standards set forth in this amendment conflict with any other standards of previous or further ordinances or amendments, the stricter standards shall apply.

All ordinances, resolutions, or orders, or parts thereof, in conflict with the provisions of this ordinance are, to the extent of such conflict, repealed.

The various parts, sections and clauses of this Ordinance are hereby declared to be severable. If any part, sentence, paragraph, section, or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the Ordinance shall not be affected thereby.

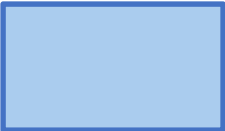
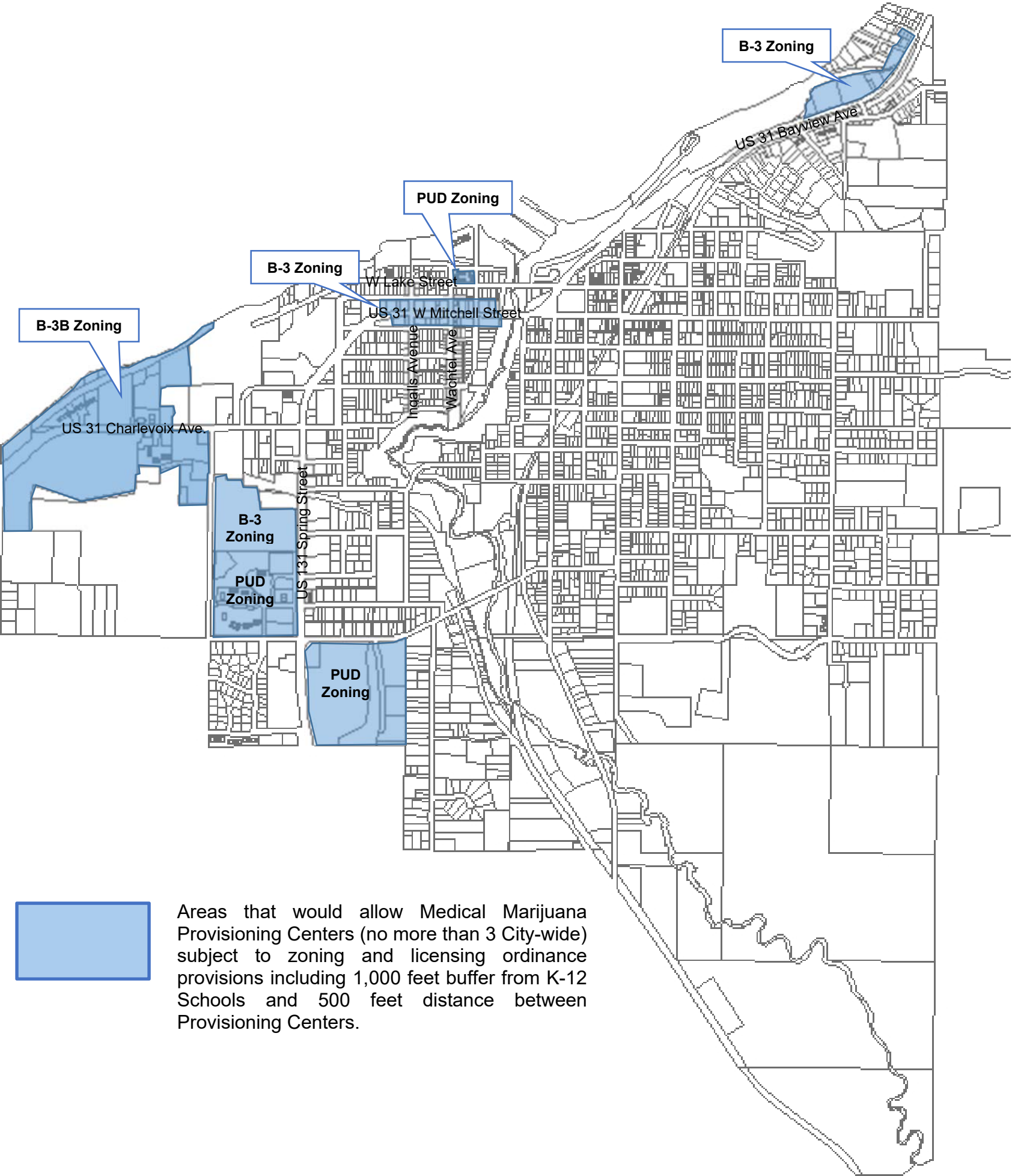
This ordinance shall take effect fifteen (15) days following its enactment and shall be published once within seven (7) days after its enactment as provided by Charter.

Adopted, enacted and ordained by the City of Petoskey City Council this _____ day _____ of _____ 2019.

John Murphy
Its Mayor

Alan Terry
Its Clerk

Potential areas for Medical Marijuana
Provisioning Centers in the B-3 General
Business, B-3B Business Industrial and PUD
Planned Unit Development Zoning Districts



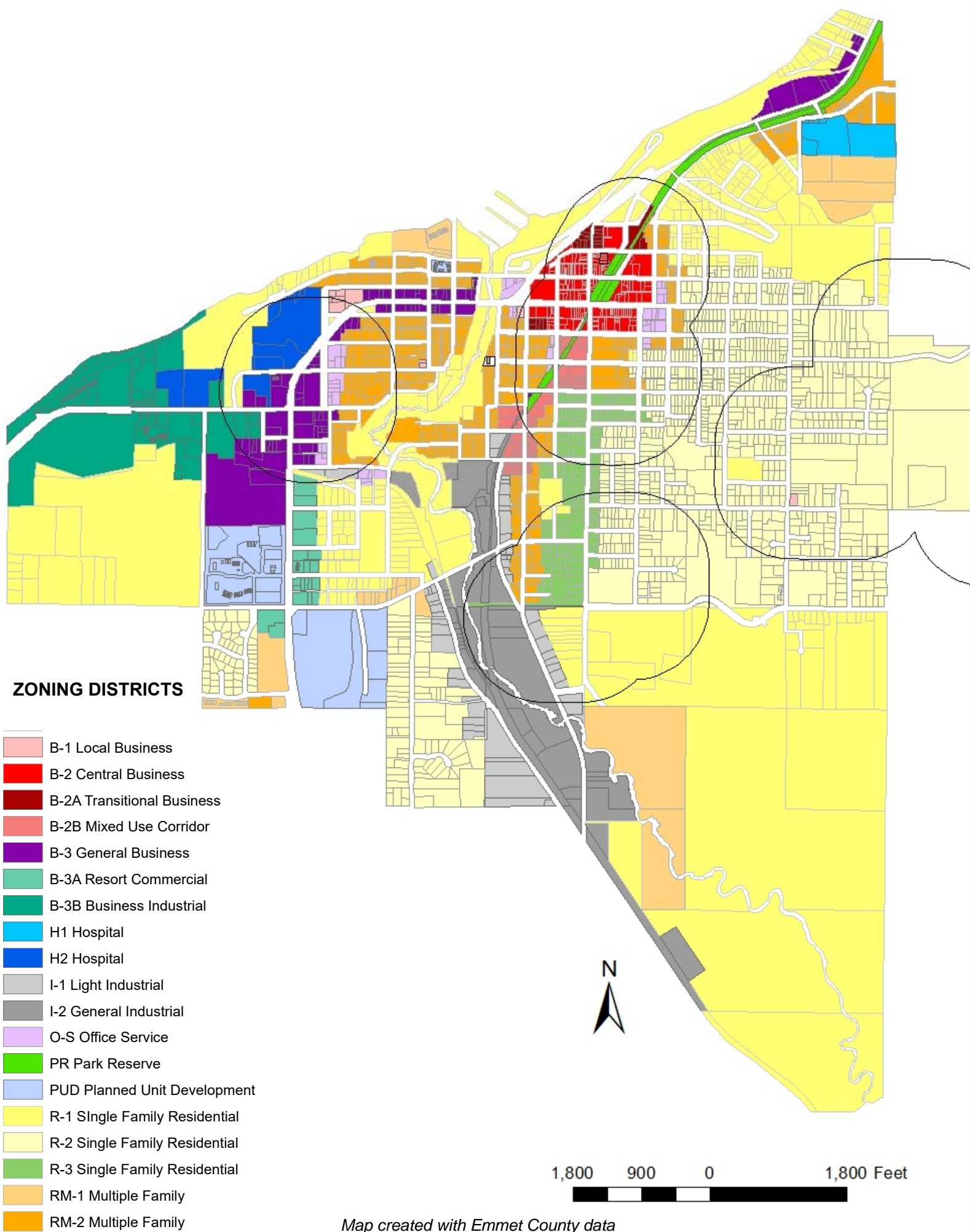
Areas that would allow Medical Marijuana Provisioning Centers (no more than 3 City-wide) subject to zoning and licensing ordinance provisions including 1,000 feet buffer from K-12 Schools and 500 feet distance between Provisioning Centers.



DISCLAIMER

Draft map for discussion purposes only until ordinances adopted by City Council. Map created with Emmet County data by the Office of City Planner; Not to Scale
(alt 8/26/19)

ZONING DISTRICTS WITH BUFFER OF 1000 FEET FROM SCHOOLS



Map created with Emmet County data
by Office of City Planner for illustrative
purposes only (alt 4/19/19)

Jobst W. F. "Joe" Blachy

Office: 316 ½ E. Mitchell St. – Suite 5 ■ Petoskey, MI 49770
Home: 810 Harbor Watch Dr. - #102 ■ Petoskey, MI 49770
231-409-9119 ■ joe@joeblachy.com

October 3, 2019

City of Petoskey
City Council Members
Police Chief
City Manager
City Planning Commission Members

Dear Neighbors...who are to represent your fellow Citizens!

I know, that all the many comments from Citizens who are concerned about bringing Marijuana Stores to Petoskey, have fallen on totally deaf ears!

I just received the attached from the Jim Harington...the MSU Extension Educator for Emmet County

ABSOLUTELY SCHOCKING FACTS!!

One of the quotes that REALLY affected me:

**“LIVING NEAR A MARIJUANA DISPENSARY RELATES TO A
4-6-FOLD INCREASE IN THE PAST 30 DAYS USE AMONG
YOUNG PEOPLE 18 – 22 YEARS OF AGE!”**

And...we all know...how drastically the brains of young people are affected by marijuana!

PLEASE...STOP your move to allow THREE Marijuana stores in Petoskey!

It is NOT good for your neighbors...and for our many guests!

You obviously want MJ store in your wonderful little town...BUT your neighbors do NOT want Marijuana stores in Petoskey! Period!


Joe Blachy

Public Health Concerns Related to the Availability and Use of Marijuana

Public Health concerns regarding marijuana use are focused on Health, Safety, and factors that support Success and Well-Being for our **Children, Grandchildren and Friends of all ages.**
Look to Science Based Research; Replicable, Double-Blind, etc.

DIFFERENT DRUG ---

	% THC Levels	% CBD Levels	Net % THC Levels
Then – Leaf	1.5 – 2.5%	1.0 – 1.5%	0.5 -1.5%
Current – Leaf	15.0 – 25.0%	0 – 0.5%	15.0 – 24.5%
Edibles	40 – 55+%	0.0%	40 – 55+%
Oils (THC)	80 – 90+%	0.0%	80 – 90+%

Local Availability = Access by Youth =  Use by Youth

*MM = Medical Marijuana Card Holders
Sources: State of Michigan LARA and MiPHY Student Survey

County	Population	Number of MM* Cards	9 th Grade Use	11 th Grade Use
Isabella	71,282	597	8.3%	12.5%
Montcalm	62,974	1064	12.3%	18.9%



Living near a marijuana dispensary relates to a 4-6 fold increase in past 30 day use among young people, 18-22 years of age.

Source: The journal Addiction, as reported by Smart Approaches to Marijuana.

Experience with alcohol & tobacco:

\$10 in social costs for every \$1 collected in taxes

Note: With the legalization vote, **Limited Taxes** may be collected on 'medical marihuana'.

Social costs have many faces;

fatal vehicle crashes, local employer costs, emergency department and other health care services, drops in youth success, psychotic episodes, violence, as well as family problems, and other costs that occur around addiction and mental health illness

The Netherlands limit THC levels to no more than 15%! Michigan has yet to address THC levels.

Epidiolex (CBD) & Marinol (THC) are already available through the pharmacy, with FDA approval and public protections.



**MICHIGAN
PREVENTION
ASSOCIATION**

9/18/19

Page 1 of 4

Edited by: John Kroneck, MA, LPC, CPC-R
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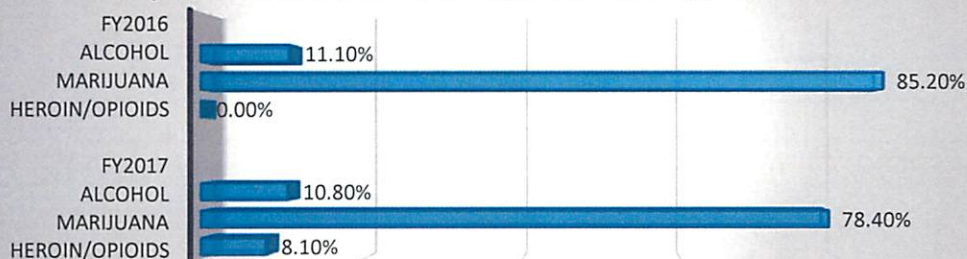


**Montcalm Prevention
COLLABORATIVE**

Public Health Concerns Related to the Availability and Use of Marijuana

Montcalm Youth in Treatment

Primary Drug at Admission for Treatment; 0-17 ages in Montcalm County - Fiscal Year 2016 and Fiscal Year 2017 (October - June)



Marijuana is already the #1 Reason for Youth being in Treatment for the use of substances

Source: CareNet – Mid-State Health Network

A New Zealand study showed that “people who started smoking marijuana heavily in their teens ... lost up to eight IQ points between the ages of 13 and 38”. These lost mental abilities failed to return to even those who quit using ... in their adult years.

Source: Safeguard Michigan's Future; Prosecuting Attorneys Association of Michigan

↓ IQ – loss of 8 points & employability

Weekly use by adolescents is associated with impaired learning, memory, math, and reading, as well as failure to graduate from high school.

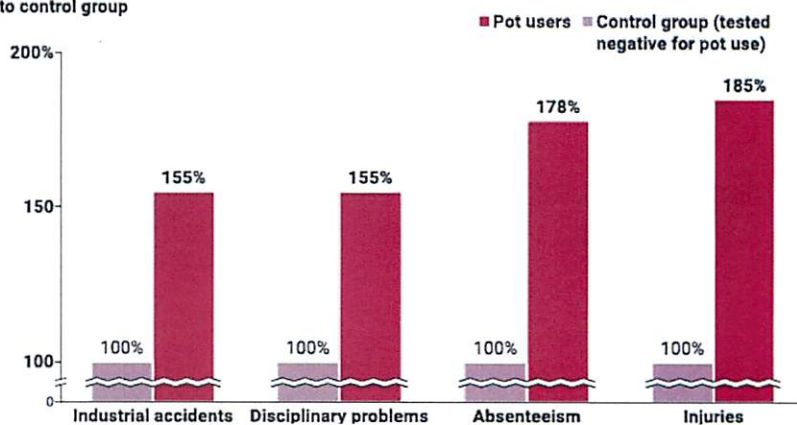
Source: Medical and Recreational Marijuana from a Public Health Perspective: Michigan Association for Local Public Health, et.al.

“Adolescents and young adults who use cannabis weekly have abnormal brain structure in the rostral anterior cingulate cortex (rACC), a region involved in processing and regulating emotions.”

Study author and doctoral candidate Kristin E. Maple, University of Wisconsin-Milwaukee

Accidents, injuries, absenteeism, and disciplinary problems are far more common among pot users

Incidence of problem compared to control group



Source: Zwerling et al (1990)

BUSINESS EXPERIENCES



**MICHIGAN
PREVENTION
ASSOCIATION**

9/18/19

Page 2 of 4

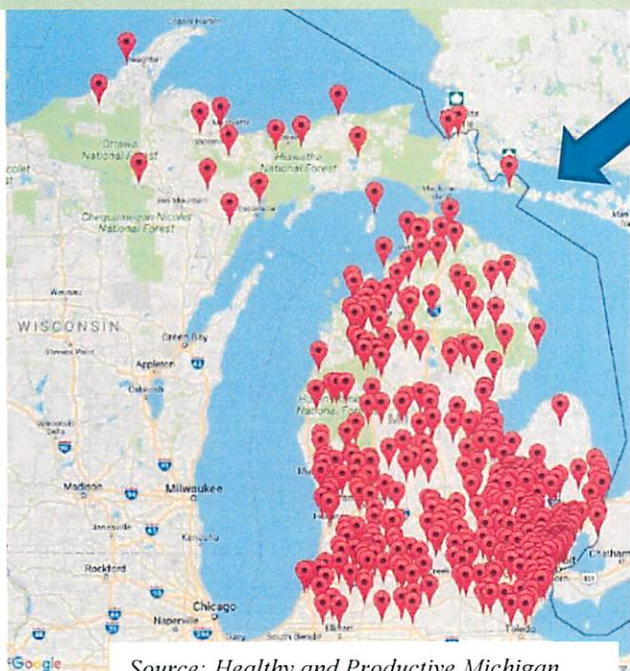
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**Montcalm Prevention
COLLABORATIVE**

Public Health Concerns Related to the Availability and Use of Marijuana

Marijuana Related Fatal Car Crashes 2012 - 2016

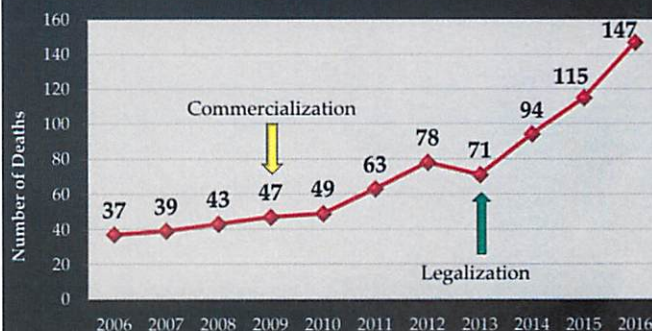


Michigan State Police (MSP)
Drivers Tested Positive for Cannabinoid Drugs
(Delta 9, Hashish Oil, Hashish, Marijuana/Marihuana, Marinol, Tetrahydrocannabinols, THC, or Cannabinoid, type unknown)
2016 Traffic Crash Data
& 2012-2016 5-Year Trends

Colorado Data: Number of Fatalities Involving Operators Testing Positive for Marijuana.

Source: Fatality Analysis Reporting System (FARS), Colorado Department of Transportation (CDOT).

Traffic Deaths Related to Marijuana



Marijuana, Mental Illness, and Violence;

Alex Berenson

- 2x's ↑** • Study of 9,000+ adolescents found marijuana use doubled domestic violence
- 5x's ↑** • Study of 6,000 men found a five-fold increase in violence.
- 37% ↑** • First 4 states to legalize for recreational use saw increase of 37% for murders & 25% for aggravated assaults.
- 25% ↑**

Medical Marijuana and Opioid Overdose Deaths

STAT Website; By BRITTANY FLAHERTY JUNE 10, 2019

Reversing an earlier study, States with medical marijuana laws had average rates of opioid overdose deaths that were nearly **23% higher** than those without these laws.



MICHIGAN
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9/18/19

Page 3 of 4

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Montcalm Prevention
COLLABORATIVE

Public Health Concerns Related to the Availability and Use of Marijuana

1 Minute of Second Hand Smoke

~ ARTERY RECOVERY TIME ~

Tobacco Smoke	30 Minutes
Marijuana Smoke	90 Minutes

Source: Journal of the American Heart Association; July 2016; Springer, et al; as reported on, PubMed.gov



Marijuana use can cause an increase in the risk of a heart attack more than four-fold in the hour after use and provokes

chest pain in patients with heart disease.

Source: Smart Approaches to Marijuana

JAMA Psychiatry - Systematic review and meta-analysis of 11 studies & 23,317 individuals found that: Adolescent cannabis consumption was associated with **increased risk** of developing **depression and suicidal behavior** later in life ...



- 1) Biological evidence shows that THC can pass through the placenta as well as through the breast milk.
- 2) Marijuana use may be associated with an increased risk of **heart defects** or **stillbirth**.
- 3) Stronger evidence highlights the effects seen months or years after the birth if the child's mother used during gestation. Some effects include **decreased growth**, **impaired cognitive function**, **decreased academic ability** and **increased depression symptoms**. Source: Medical and Recreational Marijuana from a Public Health Perspective: Michigan Association for Local Public Health, et.al.

As reported on Forbes website on June 18, 2019, CBD is not necessarily a safe substance:

- 1) Hepatitis C patients had **more liver scarring and more progression of their liver disease** when using CBD;
- 2) In studies, mice given higher doses of CBD showed **signs of liver disease within 24 hrs**;
- 3) In **human studies 5% to 20% developed elevated liver enzymes** and had to drop out.
- 4) Epidiolex (an FDA approved CBD product for epilepsy) has a warning label of potential liver damage, and further indicates that one **should monitor liver enzyme levels**;



MICHIGAN
PREVENTION
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9/18/19

Page 4 of 4

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Montcalm Prevention
COLLABORATIVE

From: Jobst Blachy [<mailto:joe@joelblachy.com>]
Sent: Thursday, August 29, 2019 3:25 PM
To: Robert Straebel <rstraebel@petoskey.us>
Subject: FW: 'This isn't your mother's marijuana,' surgeon general says

Rob:

I was very disappointed with your “very casual” impression of the “war” against and eventual closing of the 9 Marijuana stores in Gaylord.

The Gaylord State Police...were “overwhelmed” by the number of Police actions...resulting from the presence of those stores...as the Petoskey Police will be...IF any stores that open in our wonderful City!

It may be interesting to find out some specific facts...like:

- 1. How many arrests were made in conjunction with those stores**
- 2. How many court actions took place**
- 3. How did the nearby businesses and residents react to the presence of the stores.**
- 4. How did neighboring stores react to many addicts hanging out around their town**
- 5. How much money was estimated to have been spent by law enforcement entities...including courts and jails...to battle those people...until they finally got rid of them?**

The LINK below illustrates the very critical danger to our young people...by today's Marijuana.

Joe

Today's news:

<https://apnews.com/3bfbeecf9c654c76b6037ffb4ec20188>

August 12, 2019

Letters to the Editor...News Review

SAY NO...TO MARIJUANA STORES IN PETOSKEY

During its August 5th meeting some of the Council members appeared to be “frantic” to bring Marijuana Stores to Petoskey.

Some Councilmembers say that they are only discussing “medical” stores...but we know from past experiences in Gaylord and in Colorado, and trends in Michigan, that medical stores, in fact will...one way or the other...eventually be selling recreational products.

I DO NOT WANT MARIJUANA STORES IN PETOSKEY...LIKE IN DETROIT!!! How about you??

Two of the council members gave as their rational for pushing for stores as “we are only representing our constituents!”

The fact is that there are two distinctly different subjects...and therefore strongly different opinions from Citizens:

- A. Voting for Marijuana legalization in the State and**
- B. Having Retailers in our wonderful City of Petoskey!**

Councilman Grant Dittmar surveyed 335 of 3rd Ward voters. Although they voted in favor of legalization...when surveyed about Marijuana stores: 73% do NOT want recreational retailers and 62% do NOT want medical retailers in Petoskey!

Three towns, which all voted for Marijuana legalization in November...on August 6th they voted AGAINST Retailers in their communities: Vanderbilt, Highland Park, Chrystal Lake Township.

A lot of “Men in Suits (and some in T-shirts) from out of town” are infiltrating Petoskey with promises of a wonderful life with Marijuana!

The factual experiences in towns who have or had retailers in Michigan and Colorado...prove that Marijuana stores are NOT good for our high-quality family-oriented resort community, our youth, or for surrounding businesses! Check out Gaylord’s experience with 9 stores...which were all closed because of police actions!

PLEASE...contact your Council Members and tell them how you feel...or come to the Monday August 19th Council Meeting at 7 PM and voice your opinion!

**Joe Blachy
joe@joelblachy.com**

CITIZENS AGAINST MARIJUANA RETAILERS
IN PETOSKEY CITY LIMITS

Petoskey City Council

Hon. John Murphy, Mayor
Kate Marshall
Suzanne Rosenthal Shumway

Grant Dittmar
Lindsey Walker

Copy to: City Manager, City Planner, Planning Commission members

We would appreciate your HELP in developing a more solid and REAL representation of the Marijuana sale proposal in Petoskey.

It appears to us, that during the City Council meeting of August 5, 2019, your perceptions of the key critically relevant details were grossly incorrect!

There are 4 major areas:

1. It's "only medical" Marijuana that you are considering.
2. You are truly representing your constituents by virtue of how they voted in favor of Marijuana.
3. Marijuana is not harmful, nor addictive.
4. "Men in suits" from out of town are here to help the people of the City of Petoskey.

We KNOW that Marijuana retailers WILL HAVE AN EXTREMELY NEGATIVE IMPACT ON PETOSKEY BASED UPON WHAT HAS HAPPENED IN DENVER, GAYLORD AND MANY OTHER COMMUNITIES WHICH HAVE MADE THE MISTAKE OF ALLOWING MARIJUANA SALES IN THEIR TOWNS!

We would appreciate it if you would carefully review the following FACTS and very carefully consider the POWERFUL impact Marijuana retailers would have on the businesses and people of this wonderful community.

1. IT'S ONLY MEDICAL MARIJUANA DISTRIBUTION THAT WE ARE CONSIDERING.

Council member Lindsey Walker passionately made this statement, but this is wrong for the following reasons:

- A. We agree that many people voted FOR Marijuana because they have sympathy for people who want to use the various products for medications. We recognize that Marijuana has some medicinal values important to some patients and that per Michigan law there are a limited number of medical conditions for which a medical marijuana card is allowed.
- B. This is a small community, so one store would be more than adequate to meet the needs of residents who desire to purchase Marijuana for medicinal reasons. But the Petoskey City Council is considering many stores! We ask you why?
- C. It is likely that there are not many medical Marijuana users in our small community. It makes sense then that a Marijuana provisioning center will need to sell to more than just medical marijuana cardholders. This is especially true if the provisioning center is competing with many other stores.
- D. The Michigan law that was approved by voters last November requires that Recreational Stores MUST HAVE A MEDICAL LICENSE FIRST! So, it is highly likely that any stores in Petoskey that begin as a medical store will eventually pressure the City Council to allow the sale of RECREATIONAL MARIJUANA.
- E. When Colorado authorized medical marijuana, at one point 93% of all prescriptions FOR THE ENTIRE STATE were written by only 2 doctors. What that tells us is that it was NOT for medical use at all!
- F. Gaylord had 9 marijuana stores right after it was authorized a few years ago. Nine stores in one little town for medical purposes? That would mean that every person in the 2-county area, and many more, would have an illness outlined by statute that permits purchase and use of medical marijuana! We might also add that EVERY ONE OF THOSE STORES WAS SHUT DOWN BY THE POLICE FOR INFRACTIONS OF VARIOUS LAWS!

NOTE: DO WE WANT THIS DUPLICATED IN PETOSKEY?

This is the excerpt from the MICHIGAN REGULATION AND TAXATION OF MARIJUANA ACT, Initiated Law 1 of 2018, which has the “medical” prerequisite:

MCL 333.27959(6)

The department shall begin accepting applications for marijuana establishments within 12 months after the effective date of this act. Except as otherwise provided in this section, for 24 months after the department begins to receive applications for marijuana establishments, the department may only accept applications for licensure: for a class A marijuana grower or for a marijuana processor, class B marijuana grower, class C marijuana grower, or a marijuana

secure transporter, from persons holding a state operating license pursuant to the medical marijuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801; and for a marijuana safety compliance facility, from any applicant. One year after the department begins to accept applications pursuant to this section, the department shall begin accepting applications from any applicant if the department determines that additional state licenses are necessary to minimize the illegal market for marijuana in this state, to efficiently meet the demand for marijuana, or to provide for reasonable access to marijuana in rural areas.

Our summary:

As of today, the state intends to start accepting "recreational" applications on November 1, 2019.		
Type of recreational license:	For the first 24 months after accepting applications, these licensing rules apply:	Alternatively, one year after starting to accept applications, the state is not limited to MI resident applicants or existing medical applicants, if it deems the rationale of the law is not being met by those restrictions:
Class A grower	Any MI resident applicant	Any applicant
Class B grower	Requires a medical license	Any applicant
Class C grower	Requires a medical license	Any applicant
Microbusiness	Any MI resident applicant	Any applicant
Retailer	Requires a medical license	Any applicant
Processor	Requires a medical license	Any applicant
Secure transporter	Requires a medical license	Any applicant
Safety compliance facility	Any applicant	Any applicant

G. How easy is it to get a medical card? Easy-just find a doctor to sign for you.

H. Recreational rules will be issued sometime soon to be effective on November 1st of this year.

2. YOU ARE "TRULY REPRESENTING YOUR CONSTITUENTS" BY VIRTUE OF THE FACT THAT THEY VOTED IN FAVOR OF MARIJUANA.

Voting in favor of marijuana ABSOLUTELY DOES NOT MEAN that those constituents want marijuana distribution provisioning centers in Petoskey.

NOTE: WE BELIEVE THAT IT IS CRITICAL THAT THE CITY COUNCIL FIND A WAY TO DETERMINE WHICH OF THE CITIES VOTERS DESIRE AUTHORIZING ANY MARIJUANA STORES IN PETOSKEY....AND WHICH DO NOT!

A. Council member Grant Dittmar took the VERY ADMIRABLE initiative and spent his own money to mail a survey to his constituents in the 3rd Ward. The following are the results of this survey:

- 38% of the 335 survey recipients responded. Wow, an excellent response rate!
- Question: “Should Petoskey add medical marijuana provisioning centers, with THC products, in addition to caregiver growers and patient growers that are already allowed in Petoskey?” **NO: 62% YES: 32%**
- Question: “Should Petoskey allow recreational marijuana businesses with THC products?” **NO: 73% YES: 27%**

VERY CONCLUSIVELY, A SUBSTANTIAL SAMPLE OF THE VOTERS OF PETOSKEY HAVE SPOKEN! They voted for legalization, BUT THEY DO NOT WANT THE NEGATIVES ASSOCIATED WITH STORES IN PETOSKEY!

NOTE: Based upon follow up with Petoskey voters, it appears that the reason the medical number was not higher was because of the “sympathy factor” that many people have for patients that REALLY need medical treatment via marijuana.

B. The following are the results of August 6, 2019, votes in Michigan where in EVERY CASE the voters who voted for legalization are AGAINST distribution centers for their communities:

Vanderbilt

- 59% voted FOR the recreational marijuana initiative in the 2018 election (proposal 18-1)
- Vanderbilt passed an ordinance to opt-out (like Petoskey)
- There was a referendum to overturn the opt-out in the 2019 primary election.
- It failed to overturn the opt-out
- **54% voted to keep the opt-out**

Highland Park

- 71% voted FOR the recreational marijuana initiative in the 2018 election (proposal 18-1)
- Highland Park passed an ordinance to opt-out (like Petoskey)
- There was a referendum to overturn the opt-out in the 2019 primary election
- It failed to overturn the opt-out
- **57% voted to keep the opt-out**

Crystal Lake Township

- 54% voted FOR the recreational marijuana initiative in the 2018 election (proposal 18-1)
- There was an initiative to opt-out in the 2019 primary election, using the initiative clause in the recreational statute
- **59% approved the opt-o**

3. MARIJUANA IS NOT HARMFUL, NOR ADDICTIVE.

- A. The self-proclaimed 20-year heroin user, who spoke at the August 5th City Council meeting in favor of marijuana sales in our city stated that marijuana is not a gateway drug, but that it is an “exit drug” as it was in his case. Interesting?
- B. Hillsdale College *IMPRIMIS*, of January 2019 quotes the speech by Alex Berenson, who wrote “*Tell your children: The truth about marijuana, mental illness, and violence*”. The following are a couple of quotes, but you may see the entire speech here:

<https://imprimis.hillsdale.edu/marijuana-mental-illness-violence/>

- After an exhaustive review, the National Academy of Medicine found in 2017 that “cannabis is likely to increase the risk of developing schizophrenia and other psychosis; the higher the use, the greater the risk.”
- Even cannabis advocates, like Bob Kampia, the co-founder of the Marijuana Policy Project, acknowledged that they “have always viewed medical marijuana laws as a way to protect recreational users!”
- In the 1970’s most marijuana contained less than 2% THC. Today, marijuana routinely contains 20 to 25% THC (NOTE: is that good?)
- Far less work has been done on marijuana than on alcohol, in part because advocates have stigmatized anyone who raised the issue. But studies showing that marijuana use is a significant risk factor for violence, have quietly piled up!

4. “MEN IN SUITS”, FROM OUT OF TOWN, ARE HERE TO HELP THE PEOPLE IN THE CITY OF PETOSKEY.

- A. Are those the same type of “men in suits” who told us for years that cigarette smoking is not harmful? THEY ARE HERE FOR ONE REASON AND THAT IS TO GENERATE BIG PROFITS FROM SELLING TO RECREATIONAL USERS!

- B. One of the “men in suits” at the meeting (in the interest of full disclosure, he wore a sport coat) who announced that he represented Bay Mall stated that the owners would welcome a marijuana store in their mall. (NOTE: We wonder how the other tenants and the nearby owners feel about that?)
- C. After Council Member Lindsey Walker suggested that a 1,000 ft. distance between marijuana stores and schools was not needed, another of the “men in suits” (who said that he was an attorney and represented several local and downstate potential marijuana merchants) suggested that 1000 ft. was not objectionable to his clients. In fact, he said that once federal involvement begins, a 1,000 ft distance was likely to be required. NOTE: We cannot understand how members of the council think but even after that statement the council kept pursuing that concept. One reason given was that with 500 ft. there would be more locations available for more stores! Does the council have no regard for the children of this community?
- D. Below is a copy of a recent newspaper article that highlights the horribly negative effects of the “marijuana revolution” in Colorado. NOTE: Do you think that our Petoskey citizens want these kinds of changes in our town?

From Alan Todd who is co-publisher of the Ouray County Plaindealer:
Potent numbers at the five-year mark of legalized marijuana:

There sure is a lot to wade through in a recently released report from the Rocky Mountain High Intensity Drug Trafficking Area, a drug-prohibition enforcement program run by the U.S. office of National Drug Control Policy. The program, which is focuses on Colorado, Utah, Wyoming and Montana, published a 94-page report entitled "The Legalization of Marijuana in Colorado: The Impact, Volume 5." It has published the report each year since marijuana retail sales were legalized in Colorado.

Here are some of the findings:

- Since recreational marijuana was legalized, marijuana related traffic deaths increased 151 percent while all Colorado traffic deaths increased 35 percent;
- In that same time, traffic deaths involving drivers who tested positive for marijuana more than doubled from 55 in 2013 to 138 people killed in 2017, which equates to one person killed every 2.5 days compared to one person killed every 6.5 days;
- The percentage of all Colorado traffic deaths that were marijuana related increased from 11.43 percent in 2013 to 21.3 percent in 2017;
- Colorado past month marijuana use shows a 45 percent increase in comparing a three-year average prior to recreational marijuana being legalized to the three years after legalization;
- Colorado's past month marijuana use for ages 12 and older is ranked third in the nation and is 85 percent higher than the national average;

The yearly rate of emergency department visits related to marijuana increased 52 percent after the legalization of recreational marijuana (2012 compared to 2016);

- The yearly rate of marijuana-related hospitalizations increased 148 percent after the legalization of recreational marijuana (2012 compared to 2016);
- Marijuana only exposures more than tripled in the five-year average (2013-2017) since Colorado legalized recreational marijuana compared to the five-year average (2008-2012) prior to legalization;
- RMHIDTA Colorado Task Forces conducted 144 investigations of black market marijuana in Colorado in 2017 resulting in 239 felony arrests, 7.3 tons of marijuana seized, 43,949 plants seized and 24 different states the marijuana was destined for;
- The number of highway seizures increased 39 percent from 242 seizures from 2009-2012 to 336 seizures from 2013-2017;
- Seizures of Colorado marijuana in the U.S. mail system increased 1.42 percent from an average of 52 parcels (2009-2012) to an average of 594 parcels (2013-2017);
- Marijuana tax revenue represented approximately 0.9 of 1 percent of Colorado's 2017 budget;
- Violent crime increased 18.6 percent and property crime increased 8.3 percent in Colorado since 2013; and,
- 65 percent of local jurisdictions in Colorado have banned medical and recreational marijuana businesses.

There are so many more stats and findings in this report, including 69 percent of marijuana users admitted to driving high in the last year, and marked increases in THC potency in all products progressively each year since 2013.

Here's one more to leave you with: As of June 2017, there were 491 retail marijuana stores in Colorado compared to 392 Starbucks and 208 McDonald's.

- E. Below is the story of just one example of how our community has already been affected by marijuana users. It is just another example of: "I can drive, I am OK." But in the case of marijuana users, it is very difficult to detect and test for.

The March 21st story in the News Review discussing the nearly head on crash of Kathleen Lynette Willis, 34, and two other vehicles stated that she admitted to regularly using marijuana!

Please consider these FACTS and ask your constituents: DO YOU WANT MARIJUANA RETAILERS IN PETOSKEY, as Grant Dittmar did.

Then search your heart, soul, and mind, relative to what is REALLY THE BEST for families of the City of Petoskey, our many neighbors in counties that surround us, and our visitors and potential new residents who are our primary source of income.

I have lived in Europe and have traveled to many other places in this world, and I have not found one place that offers as positive an environment and people who are as wonderful as ours, who have chosen this place as their home.

PLEASE DO NOT DESTROY THIS POSITIVE ENVIRONMENT BY ADDING MARIJUANA STORES TO PETOSKEY.

Sincerely,

Citizens Against Marijuana Retailers in the Petoskey City Limits

Joe Blachy

joe@joeblachy.com

ATTENTION PETOSKEY!

CITIZENS AGAINST MARIJUANA RETAILERS IN PETOSKEY CITY LIMITS



Yes, I want to help!

I care about my community, my neighbors,
and the families who live here.

If you are interested
in supporting this
effort...or if you are in
favor of **NO STORES
IN PETOSKEY ...**

Please fill out and scan
this form and send to:

Joe Blachy

Email: joe@joeblachy.com

Please mark all that apply to you!

- | | |
|--|--|
| <input type="checkbox"/> I Support the effort | <input type="checkbox"/> Go to City Council meetings to voice my opposition |
| <input type="checkbox"/> Add my name to an ad | <input type="checkbox"/> Assist with obtaining signatures on petitions |
| <input type="checkbox"/> Come to a meeting to plan future activities | <input type="checkbox"/> Assist with research and other work undertaken by the group |
| <input type="checkbox"/> Contribute \$_____ to the effort | <input type="checkbox"/> Other:

_____ |
| <input type="checkbox"/> Sign a petition to stop marijuana stores in Petoskey | <input type="checkbox"/> Other:

_____ |
| <input type="checkbox"/> Vote against marijuana stores in a referendum ... if it comes to that | |
| <input type="checkbox"/> Talk to and write to my City Council representative and other council members about my opposition | |

Name _____ Address _____

Email _____ Phone _____

CITIZENS AGAINST MARIJUANA RETAILERS IN PETOSKEY CITY LIMITS

Kasandre Dangler
1407 Standish Ave
Petoskey, MI 49770
(231)348-8520

August 8, 2019

RECEIVED

AUG 12 2019

CITY OF PETOSKEY
CITY MANAGER

CB

To Whom It May Concern:

Upon researching the proposals for medical marijuana ordinance provisions, I would like to submit a suggestion for another zoning ordinance. The first few properties on Standish Ave are, I believe, a prime area for zoning consideration, my own property included. The reasons why it should be considered are as follows:

- It is outside of the suggested 500 feet buffer from churches and school as well as the 400 feet buffer from parks and recreational areas.
- It is zoned as an I-1 light industrial property.
- It is on a side road that is still fairly accessible.
- It is far enough away from the downtown area to not interfere with the family friendly downtown experience.
- It already comes equipped with adequate parking to cater to the needs of clients.
- It falls in the guidelines of being 500 feet away from any other zoned areas already suggested for provisioning centers.

If this is not able to be a suggested zoning consideration **in addition to** the area that are already being considered, I am asking that it be a suggested zoning consideration **in lieu of** the Kmart property area. I believe that this would be a better fit for our community because the Kmart property is very close to a low income apartment complex as well as the senior center and there have been avid voiced concerns about provisioning centers being too close to small children.

Thank you for your time and consideration. I plan on attending the next city council meeting on August 19, 2019, and I look forward to seeing where the city proceeds with this.

Sincerely,

Kasandre Dangler

age or older, as long as the transfer is not advertised or promoted to the public.

2. Notwithstanding any other law or provision of this act, except as otherwise provided in section 4 of this act, the use, manufacture, possession, and purchase of marihuana accessories by a person 21 years of age or older and the distribution or sale of marihuana accessories to a person 21 years of age or older is authorized, is not unlawful, is not an offense, is not grounds for seizing or forfeiting property, is not grounds for arrest, prosecution, or penalty in any manner, and is not grounds to deny any other right or privilege.

3. A person shall not be denied custody of or visitation with a minor for conduct that is permitted by this act, unless the person's behavior is such that it creates an unreasonable danger to the minor that can be clearly articulated and substantiated.

History: 2018, Initiated Law 1, Eff. Dec. 6, 2018.

Compiler's note: This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675 against.

333.27956 Adoption or enforcement of ordinances by municipality; marihuana establishment local license; annual fee; restrictions on transportation or other facilities prohibited.

Sec. 6. 1. Except as provided in section 4, a municipality may completely prohibit or limit the number of marihuana establishments within its boundaries. Individuals may petition to initiate an ordinance to provide for the number of marihuana establishments allowed within a municipality or to completely prohibit marihuana establishments within a municipality, and such ordinance shall be submitted to the electors of the municipality at the next regular election when a petition is signed by qualified electors in the municipality in a number greater than 5% of the votes cast for governor by qualified electors in the municipality at the last gubernatorial election. A petition under this subsection is subject to section 488 of the Michigan election law, 1954 PA 116, MCL 168.488.

2. A municipality may adopt other ordinances that are not unreasonably impracticable and do not conflict with this act or with any rule promulgated pursuant to this act and that:

- (a) establish reasonable restrictions on public signs related to marihuana establishments;
- (b) regulate the time, place, and manner of operation of marihuana establishments and of the production, manufacture, sale, or display of marihuana accessories;
- (c) authorize the sale of marihuana for consumption in designated areas that are not accessible to persons under 21 years of age, or at special events in limited areas and for a limited time; and
- (d) designate a violation of the ordinance and provide for a penalty for that violation by a marihuana establishment, provided that such violation is a civil infraction and such penalty is a civil fine of not more than \$500.

3. A municipality may adopt an ordinance requiring a marihuana establishment with a physical location within the municipality to obtain a municipal license, but may not impose qualifications for licensure that conflict with this act or rules promulgated by the department.

4. A municipality may charge an annual fee of not more than \$5,000 to defray application, administrative, and enforcement costs associated with the operation of the marihuana establishment in the municipality.

5. A municipality may not adopt an ordinance that restricts the transportation of marihuana through the municipality or prohibits a marihuana grower, a marihuana processor, and a marihuana retailer from operating within a single facility or from operating at a location shared with a marihuana facility operating pursuant to the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.

History: 2018, Initiated Law 1, Eff. Dec. 6, 2018.

Compiler's note: This new act was proposed by initiative petition pursuant to Const. 1963, art 2, section 9. The proposed language was certified to the legislature on April 26, 2018 with the 40-day consideration period lapsing on June 5, 2018. The initiative petition was submitted to the voters as proposal 18-1 at the November 6, 2018 general election where it was approved 2,356,422 for and 1,859,675 against.

333.27957 Implementation, administration, and enforcement by department; powers; duties; public meetings; annual report.

Sec. 7. 1. The department is responsible for implementing this act and has the powers and duties necessary to control the commercial production and distribution of marihuana. The department shall employ personnel and may contract with advisors and consultants as necessary to adequately perform its duties. No person who is pecuniarily interested, directly or indirectly, in any marihuana establishment may be an employee, advisor, or consultant involved in the implementation, administration, or enforcement of this act. An employee, advisor, or consultant of the department may not be personally liable for any action at law for damages sustained by a person because of an action performed or done in the performance of their duties in the

dains." With the exception of emergency ordinances, no ordinance shall be finally passed by the city council at the same meeting at which it is introduced. All ordinances shall be recorded in "The Ordinance Book" when enacted and shall be authenticated by the signatures of the mayor and the city clerk. With the exception of emergency ordinances, all ordinances shall specify an effective date no less than fourteen (14) days after enactment.

Section 6.4. Repeal of Ordinances.

An ordinance may be repealed by the adoption of a repealing ordinance in the same manner as provided for enactment.

Section 6.5. Emergency Ordinances.

The city council may adopt one (1) or more emergency ordinances to meet a public emergency affecting life, health, property, or the public peace. The city council must first declare the existence of the emergency and describe it in specific terms. Ordinances enacted for an emergency may not levy taxes; grant, renew or extend a franchise; or regulate the rate charged by any public utility for its services. An emergency ordinance may be adopted at the same meeting at which it is introduced, may have immediate effect, and shall be published and printed in the same manner as prescribed for other ordinances. Every emergency ordinance shall automatically stand repealed as of the sixty-first (61st) day following the date of adoption, but may be reenacted if the emergency continues to exist. An emergency ordinance may also be repealed by the enactment of an emergency ordinance.

Section 6.6. Penalties.

The city council shall provide in each ordinance for the punishment of those who violate its provisions.

Section 6.7. Publication.

Each ordinance passed by the city council shall be published at least once within seven (7) days after adoption. This publication shall be in a newspaper of general circulation within the City.

Section 6.8. Technical Codes.

The council may adopt into an ordinance by citation any provision of state law or any detailed technical regulations. The adopting ordinance shall clearly identify and state the purpose of the provisions adopted in this way. Copies of the regulations cited shall be available for free inspection at the office of the city clerk and for purchase at reasonable cost.

Section 6.9. Codification.

Copies of all ordinances that are in effect and all amendments to this Charter shall be prepared by the city clerk and available for distribution. At least once each year the council shall direct the compilation or codification of the Charter and of all the ordinances of the City then in force and available at reasonable charge.

CHAPTER 7. INITIATIVE AND REFERENDUM

Section 7.1. Initiation of Petitions.

Citizens of the City may initiate legislation or call for a referendum on legislation by means of petition. An initiative or referendum petition shall be signed by at least ten (10) percent of the registered voters of the City as of the date of the last regular city election before the filing of the petition. All signatures shall be obtained within thirty (30) days before the filing. A referendum petition shall be filed within thirty (30) days of the enactment of the ordinance that it seeks to repeal.

Section 7.2. Form of Petitions.

An initiative or referendum petition shall be addressed to the city council. The petition need not be on one (1) paper, but if it is the aggregate of two (2) or more papers, they shall be identical as to contents. A referendum petition shall clearly identify the ordinance or a portion of it that is proposed for repeal. An initiative petition shall clearly state the ordinance that it proposes to see enacted. No petition shall propose more than one (1) ordinance.

Section 7.3. Circulating Petitions.

Each signer of the petition shall include his residence address and the date of signature. To each page of the petition there shall be attached a sworn affidavit of the circulator that each signature on the page is genuine and that the circulator believes each signer to be a registered voter in the City of Petoskey. Completed petitions shall be filed with the city clerk.

Section 7.4. Canvass by the City Clerk.

The city clerk shall canvass the signatures on any initiative or referendum petition to determine if the signatures are in sufficient number and are not more than thirty (30) days old. The canvass shall be completed within five (5) days and the city clerk shall notify the circulator of any deficiency. The city clerk shall then allow ten (10) days from the notification of deficiency to permit the filing of supplemental petition papers. When a petition of sufficient signatures is filed within the allowed time and is in compliance with provisions of this Charter, the city clerk shall present the petition at the next regular meeting of the city council. The filing of a referendum petition shall suspend effectiveness of the ordinance in question until the issue is determined.

Section 7.5. City Council Action.

Upon receiving an initiative or referendum petition from the city clerk, the city council shall, within thirty (30) days, either:

- (a) If it be an initiative petition, enact the ordinance as submitted in the petition;
- (b) If it be a referendum petition, repeal the ordinance or portion of the ordinance referred; or
- (c) Submit the proposal to the voters.

Section 7.6. Submission to Voters.

Should the city council submit the proposal to the voters, it shall be submitted at the next election held in the City for any other purpose, or, at the discretion of the city council, at a special election called for that specific purpose. In the case of an initiative petition, if no election is to be held in the City for any other purpose within one hundred fifty (150) days from the time the petition is presented to the city council and the city council does not adopt the ordinance, then the city council shall call a special election within sixty (60) days from such time for the submission of the initiative proposal. The result shall be determined by a majority vote of the voters voting thereon, except in cases where otherwise required by the general laws of the State of Michigan. If two (2) or more ordinances adopted at the same election shall have conflicting provisions, the provisions in the ordinance receiving the highest number of affirmative votes shall govern.

Section 7.7. Limitation.

An ordinance adopted by the electorate through initiative proceedings may not be amended or repealed for a period of two (2) years after the date of the election at which it was adopted. An ordinance repealed by the voters may not be reenacted within a period of two (2) years after the date of the election in which it was repealed.

July 31, 2019

Dear City Council,

Most of the marijuana business zones being proposed are in the Third Ward.

Therefore, I conducted a survey of Third Ward voters.

Surveys were mailed to all those who voted in the 2017 election in Ward 3.

The results were published in my convention newsletter, as follows:

There was 38% response from 335 surveys delivered by the post office.

Question 1:

Should Petoskey add “medical” marijuana provisioning centers, with THC products, in addition to the “caregiver” growers and “patient” growers that are already allowed in Petoskey?

*Yes: 38%; **No: 62%***

Question 2:

Should Petoskey allow “recreational” marijuana businesses, with THC products?

*Yes: 27%; **No: 73%***

Thank you,

Grant Dittmar
Councilmember, Ward 3



BOARD: City Council

MEETING DATE: October 7, 2019

PREPARED: October 3, 2019

AGENDA SUBJECT: Second Reading and Possible Adoption of an Ordinance to Amend Chapter 8 of the Petoskey Code of Ordinances, Businesses and Business Regulations, Creating a New Article IX – Medical Marihuana Facilities, within the City of Petoskey

RECOMMENDATION: That the City Council discuss and conduct a second reading with possible approval.

Background After three, first readings of the enclosed licensing ordinance allowing up to three (3) medical marijuana provisioning centers within the City, the City Council may now consider approving the enclosed ordinance as written. There were no changes to the ordinance made from the last discussion on September 16, 2019.

The following was included in past agenda items:

At the August 5 and August 19, 2019 City Council meetings, City Council discussed a licensing ordinance that will need to be adopted with the proposed zoning ordinance for medical marijuana provisioning centers as well as the application fee and license/renewal fee per resolution. At the August 19 meeting, City Council determined a maximum number of 3 medical marijuana provisioning facilities would be allowed within the City.

There was a question of transferring a provisioning facility license. The Act provides, at MCL 333.27406 that, “No transfer, sale, or other conveyance of an interest in a Permit is allowed, unless the transfer, sale or other conveyance has been approved by the State and prior written approval is obtained from the City. The transferee must be in strict compliance with State laws and regulations governing such transfers.” From staff’s perspective, a provisioning center is like any other business that will change ownership from time to time. The key point here is that the property owner to whom the license is being transferred must comply with all State and local laws.

The following significant changes to the ordinance have been made since the last meeting. The changes are highlighted in yellow for easy review:

- 8-326 (b) – Added a definition of an “Affiliate” to eliminate the “stacking” of multiple applications for one site for a “holding company” that may own various Limited Liability Corporations (LLCs).
- 8-329 (e) Clarified language for conducting the random drawing. Added language stating eligibility list expires in three years or until a new lottery is conducted, whichever is first.
- Added additional language to 8-329 (i).

The following information has been included in past agenda items:

Along with the medical marijuana zoning ordinance, the City needs to adopt a licensing ordinance regarding medical marijuana provisioning centers. See enclosed draft licensing ordinance. The Planning Commission was given a copy of the draft licensing ordinance for informational purposes only. They did not take any formal action on the licensing ordinance as this is outside their purview:

The purpose of the ordinance is as follows:

- (a) Provide for a means for the distribution of marijuana to patients who qualify to obtain, possess, and use marijuana for medical purposes under State medical marijuana regulations;
- (b) Authorize the establishment of medical marijuana facilities and provide standards and procedures for the review, issuance, renewal and revocation of City-issued permits;
- (c) Coordinate the City's ordinance and procedures with laws and regulations that are and may be enacted by the State of Michigan pertaining to medical marijuana;
- (d) Protect public health and safety through reasonable limitations on marijuana facility operations as they relate to noise, air and water quality, neighborhood and patient safety, security for the facility and its personnel, and other health and safety concerns;
- (e) Protect the character of residential neighborhoods by limiting the location and the concentration of types of marijuana commercial entities to specific areas of the City; and
- (f) Impose fees to defray the cost to the City of the administrative and enforcement costs associated with medical marijuana facilities.

According to direction from City Council at a past City Council meeting, Councilmembers chose to allow medical marijuana provisioning centers only. Councilmembers directed the Planning Commission to *"research and recommend 3-4 provisioning centers in 1-2 locations and addressing signage and hours of operation."* See enclosed copy of the February 18, 2019 City Council meeting minutes. Within Section 8-327 Authorized Facilities, City Council will need to determine the number of provisioning centers allowed within the community.

All future provisioning centers must abide by all zoning requirements and other applicable building, construction and other codes at the time of issuance. Based upon a recommendation by City staff, the City Council will need to establish the non-refundable initial application fee as well as the yearly license renewal fee per resolution for a medical marijuana provisioning center permit. Adoption of the fees should occur at the same meeting whereby the zoning and licensing ordinances are approved.

It is anticipated that there will be more applications for medical marijuana licenses than available local permits. Therefore, per the draft ordinance, the City will host a lottery to randomly select the applicants who are "prequalified" by the State of Michigan for conditional authorization and to establish a waiting list for future conditional authorizations. Sequentially, only applicants drawn early in the lottery will be directed to continue the review process by proceeding to the Planning Commission for Special Condition Use review. (Ex. If Council selects to have three provisioning centers in the community, only the first three applicants drawn through the lottery will be allowed to proceed forward with further local review). Applicants at this stage will have six months to receive their Special Conditional Use Permit.

Once approved by the Planning Commission, staff will send proof of the approved application to the Michigan Department of Licensing and Regulatory Affairs (LARA) for the State's final issuance of the license. The City will not issue the final permit for a provisioning center facility to operate until the State issues their final State license.

Other notables are as follows:

- All permits will need to be renewed on an annual basis with forfeiture, suspension or non-renewal of any permit according to Section 8-331.
- Facility requirements are referenced in Section 8-332.
- Prohibited Acts in Section 8-333 with hours of operation including receiving shipments occurring between the hours of 9:00 A.M. to 9:00 P.M..
- The City Clerk is granted the power to implement and administer the permit application process.

Staff has included the Medical Marijuana Facilities Licensing Act (MMFLA) as it is referenced many times throughout the draft licensing ordinance.

Action Barring any changes, City Council may approve the enclosed ordinance as written at this time. A motion could be made *"to approve the enclosed ordinance to Amend Chapter 8 of the Petoskey Code of Ordinances, Businesses and Business Regulations, Creating a New Article IX – Medical Marihuana Facilities, within the City of Petoskey."*

Keep in mind that the zoning and licensing ordinance, as well as the resolution setting medical marijuana fees, should all be passed at the same meeting.

rs
Enclosures

ORDINANCE NO. _____

**AN ORDINANCE TO AMEND CHAPTER 8 OF THE PETOSKEY CODE OF ORDINANCES,
BUSINESSES AND BUSINESS REGULATIONS, CREATING A NEW ARTICLE IX- MEDICAL
MARIHUANA FACILITIES, WITHIN THE CITY OF PETOSKEY**

The City of Petoskey ordains:

ARTICLE IX MEDICAL MARIHUANA FACILITIES

DIVISION I: GENERAL PROVISIONS

8-325: Purpose and Intent.

The purpose of this Ordinance is to implement the provisions of Public Act 281 of 2016, being the Michigan Medical Marihuana Facilities Licensing Act, so as to protect the public health, safety, and welfare of the residents and patients of the City by setting forth the manner in which medical Marihuana facilities can be operated in the City. Specifically, the purpose of this Ordinance is to:

- (a) Provide for a means for the distribution of Marihuana to patients who qualify to obtain, possess, and use Marihuana for medical purposes under the Michigan Medical Marihuana Act, (MCL§ 333.26421 et seq.), the Medical Marihuana Facilities Licensing Act (MCL § 333.27101 et seq.) and the Marihuana Tracking Act (MCL § 333.27901 et seq.);
- (b) Authorize the establishment of medical Marihuana facilities and provide standards and procedures for the review, issuance, renewal and revocation of City-issued permits;
- (c) Coordinate the City's ordinance and procedures with laws and regulations that are and may be enacted by the State of Michigan pertaining to medical Marihuana;
- (d) Protect public health and safety through reasonable limitations on Marihuana facility operations as they relate to noise, air and water quality, neighborhood and patient safety, security for the facility and its personnel, and other health and safety concerns;
- (e) Protect the character of residential neighborhoods by limiting the location and the concentration of types of Marihuana commercial entities to specific areas of the City; and
- (f) Impose fees to defray the cost to the City of the administrative and enforcement costs associated with medical Marihuana facilities.

Nothing in this ordinance is intended to grant immunity from any criminal prosecution under Federal law. Nothing in this Ordinance is intended to promote or condone the production, distribution, or possession of Marihuana in violation of any applicable law and nothing in this ordinance is intended to grant immunity from criminal or civil prosecution, penalty or sanction for the cultivation, manufacture, possession, use, sale, distribution or transport of Marihuana in any form, that is not in strict compliance with all applicable laws and rules promulgated by the State of Michigan and the City of Petoskey regarding medical Marihuana. Nothing in this Ordinance is intended to provide any approvals, permits or licenses for any other type of facility, except for a medical Marihuana facility. Specifically, this Ordinance does not provide any rights or privileges with regard to Marihuana under the Michigan Regulation and Taxation of Marihuana Act, MCL § 333.27951 et seq.

By accepting a permit issued pursuant to this Chapter, the holder waives and releases the City, its officers and employees from any liability for injuries, damages or liabilities of any kind that result from the arrest or prosecution of medical Marihuana facility owners, operators, employees, clients or customers for a violation of state or federal laws, rules or regulations. Further, the holder agrees to indemnify, defend and hold harmless the City, its officers, elected officials, employees and insurers against all liability, claims or demands, including, but not limited to, arising as a result of any claim of diminution of property value by a property owner whose property is located in proximity to a permitted Marihuana facility, arising out of, claimed to have arisen out of or in any manner connected with the operation of a medical Marihuana facility.

8-326: Definitions.

Unless otherwise specifically defined in this ordinance, any terms in this ordinance that are defined or described in any of the Acts shall have the definitions or descriptions as set forth in those Acts. Additionally, as used in this Ordinance:

(a) "Acts" means any combination thereof of the following Michigan State laws:

- (1) "Michigan Medical Marihuana Act" or "MMMA" means 2008 IL1, MCL § 333.26421 et seq. as, may be amended.
- (2) "Michigan Medical Marihuana Facilities Licensing Act" or "MMFLA" means Public Act 281 of 2016, MCL § 333.27101 et seq., as may be amended
- (3) "Michigan Marihuana Tracking Act" means Public Act 282 of 2016, MC § 333.27901 et seq., as may be amended.

(b) "Affiliate" shall have the same meaning as the identical term in the MMFLA, MCL § 333.27102(b), as amended.

(c) "Applicant" means a person who applies for a state operating license and a City Permit. With respect to disclosures in an application, or for purposes of ineligibility for a license, the term "Applicant" shall have the same meaning as the identical term in the Michigan Medical Marihuana Facilities Licensing Act at MCL § 324.27102(c). "Applicant" includes an Affiliate, officer, director and managerial employee of the Applicant and an Applicant shall disclose the identity of any person or entity that controls, directly or indirectly, the Applicant.

- (d) "Cultivate" or "Cultivation" means (1) all phases of Marihuana growth from seed to harvest; and (2) the preparation, packaging, and labeling of harvested usable Marihuana.
- (e) "Grower" shall have the same meaning as the identical term in the MMFLA, MCL § 333.27102(g), as amended.
- (f) "Permit" means a current and valid permit for a Marihuana facility issued under this Ordinance. "Permit holder" means a person holding a City of Petoskey operating permit issued under the provisions of this ordinance.
- (g) "Marihuana" shall have the same meaning as the identical term in the MMFLA, MCL § 333.27102(k), as amended.
- (h) "Marihuana facility" shall have the same meaning as the identical term in the MMFLA, MCL § 333.27102(l), as amended.
- (i) "Marihuana plant" shall have the same meaning as the identical term in the MMFLA, MCL § 333.27102(m), as amended.
- (j) "Processor" shall have the same meaning as the identical term in the MMFLA, MCL § 333.27102(u), as amended.
- (k) "Provisioning Center" shall have the same meaning as the identical term in the MMFLA, MCL § 333.27102(v), as amended.
- (l) "Safety compliance facility" shall have the same meaning as the identical term in the MMFLA, MCL § 333.27102(aa), as amended.
- (m) "Secure transporter" "Provisioning Center" shall have the same meaning as the identical term in the MMFLA, MCL § 333.27102(bb), as amended.
- (n) "State operating license" "Provisioning Center" shall have the same meaning as the identical term in the MMFLA, MCL § 333.27102(ee), as amended.

8-327: Authorized Facilities.

The following types of Marihuana facilities may be established and operated by a licensee in the City, subject to compliance with the MMFLA, the Rules promulgated thereunder and this ordinance:

Provisioning Center – Not more than three (3) Provisioning Centers shall be established, operated or permitted in the City.

No Marihuana facility shall be eligible to be issued a Permit unless the location of the proposed facility complies with all zoning requirements for the Marihuana facility as set forth in the City Zoning Ordinance and all other applicable building, construction, and other similar codes at the time of issuance. No Applicant or Permit holder may operate more than one Marihuana facility in the City.

To the extent the State adopts in the future any additional or stricter law or regulation governing the sale or distribution of medical Marihuana, the additional or stricter regulation shall control the establishment or operation of any Marihuana facility in the City. Compliance with any applicable state law or regulation shall be deemed an additional requirement for issuance or denial of any Permit under this Article, and noncompliance with any applicable state law or regulation shall be grounds for revocation or suspension of any Permit issued hereunder.

DIVISION II: LICENSING.

8-328: Permit and Annual Fee Required.

- (a) No person shall establish or operate a Marihuana facility in the City without first having obtained a City Permit and State operating license for the Marihuana facility. License and Permit certificates shall be kept current and publically and prominently displayed within the facility. The facility shall be operated only so long as both the City Permit and state operating license remain in effect. Failure to maintain or display a current license and Permit shall be a violation of this ordinance.
- (b) An annual non-refundable fee to defray the administrative and enforcement costs associated with Marihuana facilities will be set by resolution and adopted by the City Council. The fee will not exceed the state maximum. The Permit fee requirement set forth in this ordinance shall be in addition to, and not in lieu of, any other licensing and permitting requirements imposed by any other federal, state, or City ordinance, including, by way of example, any applicable zoning or building permits or approvals.
- (c) A separate Permit shall be required for each premises from which a Marihuana facility is operated. A Marihuana facility's Permit is valid only for the owner named thereon, the type of business disclosed on the application for the Permit, and the location for which the Permit is issued. No transfer, sale, or other conveyance of an interest in a Permit is allowed, unless the transfer, sale or other conveyance has been approved by the State and prior written approval is obtained from the City. The transferee must be in strict compliance with State laws and regulations governing such transfers, per MCL § 333.27406 and the provisions of this Ordinance.
- (d) The permit fee requirement set forth in this Chapter shall be in addition to, and not in lieu of, any other licensing and permitting requirements imposed by any state regulatory agency or City ordinance, including, but not limited to, any applicable fees for site plan review, zoning review, inspections or building permits.

8-329: Permit Application and Approval.

- (a) A person seeking a City Permit to operate a medical Marihuana facility pursuant to the provisions of this Ordinance shall submit an application to the City Clerk on forms provided by the City. At the time of Permit application submission, each applicant shall pay the nonrefundable application fee as established by City resolution. The City shall accept only one Application, per Applicant, per location.

- (b) Applications will only be accepted from those applicants that have been prequalified by the State of Michigan for a Marihuana facility license. Proof of prequalification shall be submitted with the license application.
- (c) Upon an applicant's submission of the above-provided form, the City Clerk shall accept the application for review and consideration and assign it an application number. Only one Permit application, per Applicant, will be accepted for consideration for a single location. Applicant must demonstrate that it has or will have lawful possession of the proposed Marihuana facility for the period during which the Permit will apply (such proof may include a deed, a lease, a real estate contract contingent upon successful licensing, or letter of intent by the owner of the premises indicating an intent to lease the premises to the applicant contingent upon the applicant successfully obtaining a state operating license and local permit). **NO APPLICATION WILL BE ACCEPTED UNLESS IT IS COMPLETE.**
- (d) If the City Clerk identifies a deficiency in the completeness of an application, the applicant shall have ten (10) business days to correct the deficiency after notification by the City Clerk. The application will be considered withdrawn on the 11th business day if correction was not made.
- (e) If the number of Permit applications accepted for consideration in the first thirty (30) days after the ordinance becomes effective is greater than the number of facilities allowed, the City Clerk will conduct a drawing to randomly select applicants for conditional authorization and to establish a waiting list for future conditional authorizations for that facility type during the first available City Council public meeting within thirty (30) days after the City has completed its review of all timely submitted applications and the period to correct deficiencies has concluded. The name of each qualified Applicant shall be drawn individually by the City Clerk in sequence, with each qualified Applicant being assigned a number corresponding to the order in which their name was drawn. The lottery will continue until the names of all qualified Applicants are drawn and assigned a number, which shall create an eligibility list to be maintained by the City Clerk. The eligibility list shall remain valid until a new lottery is conducted or three (3) years, whichever comes first. In the event a provisional Permit becomes available for whatever reason, it shall be offered to the next qualified applicant in order of the eligibility list. If a qualified Applicant declines a provisional Permit when one becomes available or if their provisional Permit lapses they shall be removed from the eligibility list.

Applicants who are otherwise qualified but whose facility is located within 500 feet of an Applicant higher on the eligibility list shall retain their position on the eligibility list unless and until the prior Applicant is issued a provisional permit, at which point the Applicant shall be removed from the eligibility list.. For all applications received on or after the thirty-first (31st) day after the effective date of this Ordinance, complete Permit applications will be processed and eligible Applicants added to the eligibility list in the order received.

- (f) The following information shall be submitted with the application:

- i. For an individual, the applicant's name, date of birth, physical address, including residential and any business address(es) attached to the individual, copy of government issued photo identification, email address, and one or more phone numbers, including emergency contact information, and, if applicable, Federal EIN.
- ii. For non-individuals, the names, date of birth, physical address, including residential and any business address(es), copy of government issued photo identification, email address, and one or more phone numbers of each stakeholder, Affiliates and/or general partners of the applicant, including designation of the highest ranking stakeholder and/or general partner as an emergency contact person and information for the emergency contact person, articles of incorporation/organization, assumed name registration documents, Internal Revenue Service SS-4, EIN confirmation letter(s), and a copy of the operating agreement of the applicant if a limited liability company, copy of the partnership agreement if a partnership, or a copy of the by-laws or shareholder agreement if a corporation; its legal status, and proof of registration with, or a certificate of good standing from the State of Michigan, as applicable.
- iii. Proof of lawful use of the proposed premises that may consist of a deed, a lease, a real estate contract contingent upon successful licensing or letter of intent by the owner of the premises indicating an intent to lease the premises to the applicant contingent upon the applicant successfully obtaining a state operating license and local permit.
- iv. The name and address of the proposed Medical Marihuana facility and contact information.
- v. A comprehensive operating plan for the marihuana facility for which the application is being submitted that includes all of the information required for the Marihuana Facilities Plan to be submitted in connection with a state license pursuant to the rules, the operational standards in this chapter, as applicable, and the following at a minimum:
 - i. A description of the type of marihuana facility applied for.
 - ii. A security plan for the marihuana facility that addresses all required security measures of the rules and addresses at a minimum the ability to meet the security measures of the rules. The security plan must contain the specific details of each piece of security equipment to be utilized by the marihuana facility and comply with the provisions of this chapter, as well as any other applicable provisions of the rules adopted by the State of Michigan. The security system, shall be maintained in good working order and provide twenty-four hours per day coverage and shall be available for inspection and review by the City, Public Safety Department and State Police at all times. A separate security system is required for each facility. Surveillance recordings are to be maintained for a minimum of 30 days.

- iii. An HVAC plan for the marihuana facility describing in detail among other things the equipment or systems that will be used to prevent any odor of marihuana from leaving the premises.
 - iv. A lighting plan.
 - v. Disposal and waste management plan for wastes generated at the Marihuana facility.
 - vi. The anticipated or actual number of employees and positions, including a staffing plan.
 - vii. Evidence of insurance required by the MMFLA in the form of a certificate of insurance evidencing the existence of a valid and effective policy, or, evidence that the applicant is able to obtain such insurance and state the limits of each policy, the name of the insurer, the effective date and expiration date of each policy and policy number if known.
- (g) Application for operation of a Marihuana facility, or leasing property to a Marihuana facility, constitutes consent by the applicant, and all owners, managers, and employees of the business, and the owner of the property to permit the City Manager or his/her designee to conduct inspections of the Marihuana facility to ensure compliance with this Ordinance or any other applicable law, rule, or regulation.
- (h) Upon receipt of a completed application, the City Clerk may circulate the application to all affected department heads of the City or their designees for input as to whether the application and premises is in compliance with applicable laws, rules and regulations.
- (i) After preliminary review of the Permit application to confirm compliance with applicable laws, rules and regulations, selection of the application pursuant to the lottery in Sec. 8-329(e), above, (if necessary because there are more than three (3) applicants) and if so confirmed, the applicant shall be conditionally approved for a Permit and the City shall prepare a conditional approval notice for the purposes of State application requirements. The applicant must then obtain Special Condition Use and Site Plan approval from the Planning Commission within six (6) months of receiving conditional approval or the approval will expire and the application will be considered withdrawn, although the Planning Commission may grant an extension at its sole discretion for up to an additional six (6) months, so long as the Applicant is diligently pursuing Special Condition Use and Site Plan approval. All Permits issued are contingent upon the State of Michigan issuing a license for the operation under State law. A provisional permit does not authorize the applicant to operate a medical Marihuana facility without first obtaining a state operating license for the facility, and obtaining all other permits, inspections, and approvals required by this chapter and all other applicable provisions of this code.

- (j) An inspection of the proposed Marihuana facility by the City is required prior to the issuance of the City operating permit. Such inspection shall occur after the Marihuana facility is ready for operation, but prior to the stocking of the business with any medical Marihuana and prior to the opening of the Marihuana facility or commencement of operations. The City shall verify that the Marihuana facility is constructed and can be operated in accordance with the application submitted and the applicable requirements of this Chapter and any other applicable law, rule or regulation.
- (k) After verification that the Marihuana facility is constructed and can be operated in accordance with the application submitted and the applicable requirements of this Chapter and any other applicable law, rule or regulation, and the issuance of a permanent certificate of occupancy for the Marihuana facility, the City Clerk shall issue a Permit for a term of one (1) year. The City-issued Permit shall be prominently displayed within the Marihuana facility.
- (l) Throughout the application process, and while any granted Permit is in force, the applicant or the Permit holder shall report any other change in the information provided on the application to the City within ten business days of the change.

8-330: Permit Renewal.

A City Marihuana facility operating Permit shall run concurrently with the State operating Marihuana license issued for the facility, unless revoked as provided by law.

Subject to the provisions of 8-331 below, a Permit may be renewed annually by completing a renewal application and payment of the annual Permit fee thirty (30) days prior to its expiration. A Permit will be renewed by the City for one (1) year if (1) there are no uncured administrative and/or legal violations in the prior year, including no taxes owed on the subject property; (2) the applicant has paid the annual City Permit fee for the renewal period; (3) any Stakeholder changes have been fully disclosed to the City; and (4) the applicant has paid and received the renewal of its State license.

Prior to the issuance of a renewed Permit by the City, the premises shall be inspected to assure that it and its systems are in compliance with the requirements of this Ordinance.

8-331: Permit Forfeiture, Suspension, Non-Renewal.

In the event that a Marihuana facility does not commence operations within one year of issuance of a City operating Permit, the Permit shall be deemed forfeited; the business may not commence operations and the Permit is not eligible for renewal. The City will consider new applications in place of the forfeited Permit in a manner consistent with 8-329(e) of this Ordinance.

The City may immediately revoke or suspend an existing Permit or refuse to renew a Permit for any of the following reasons:

- (a) The applicant or permit holder is denied a state operating license;

- (b) The applicant or Permit holder, or his or her agent, manager or employee, has violated, does not meet, or has failed to comply with, any of the terms, requirements, conditions or provisions of this Ordinance or with any applicable state or local law or regulation;
- (c) The Marihuana facility is substantially different from the comprehensive operating plan, Marihuana facility plan, conceptual plan or other representations contained in the application;
- (d) Officers of the City are unable to access the proposed facility for Permit inspections or are denied access by the applicant or Permit holder;
- (e) The applicant or Permit holder, or his or her agent, manager or employee, has failed to comply with any special terms or conditions of its Permit pursuant to an order of the state or local licensing authority, including those terms and conditions that were established at the time of issuance of the Permit and those imposed as a result of any disciplinary proceedings held subsequent to the date of issuance of the Permit or failure to comply to laws changing subsequent to acquiring a Permit;
- (f) The State of Michigan has revoked the Marihuana facility's state-issued license or permit; or
- (g) The Marihuana facility has been operated in a manner that, in the opinion of the City Manager, adversely affects the public health, safety or welfare. Evidence to support a finding under this Section may include, without limitation, a pattern of criminal conduct within the premises of the Marihuana facility or in the immediate area surrounding such business, a pattern of criminal conduct directly related to or arising from the operation of the Marihuana facility, or a nuisance condition emanating from or caused by the Marihuana facility. Any criminal conduct shall be limited to the violation of a state law or regulation or city ordinance.

If a Permit is terminated, revoked, suspended or restricted, the City Clerk or his or her designee will notify in writing by mail or electronic mail both the permit holder, at the last known address on file with the City for notification of the applicant, and the Michigan Department of Licensing and Regulatory Affairs of the termination, revocation, suspension, or restriction of the permit and the reasons therefore in writing.

A Permit granted by this Chapter is a revocable privilege granted by the City and is not a property right. Granting a Permit does not create or vest any right, title, franchise or other property interest.

DIVISION III: FACILITY REQUIREMENTS.

8-332: Requirements.

- (a) A Marihuana facility shall comply with all of the requirements of State law and all applicable State regulations.
- (b) Unless permitted by the MMMA and Medical Marihuana Facilities Licensing Act or applicable state law:

- i. General public or common areas of a Provisioning Center must be separated from the Restricted Access Area as defined by State regulation, R 333.201(s) by a permanent and locked barrier;
- ii. No Marihuana is permitted to be stored, displayed, or transferred in an area accessible to the general public;
- iii. Any usable Marihuana remaining on the premises of a Provisioning Center while the Provisioning Center is not in operation shall be secured in a safe that is permanently affixed to the premises;
- iv. No Marihuana plants shall be located in a Provisioning Center;
- v. Disposal of Marihuana shall be accomplished in a manner that prevents its acquisition by any person who may not lawfully possess it and otherwise in conformance with local and state laws and regulations;
- vi. All Marihuana delivered to a patient shall be packaged and labeled as provided by state laws;
- vii. All registered patients must present both their Michigan Medical Marihuana patient/caregiver identification card and a government issued photo identification prior to entering restricted/limited areas or non-public areas of the Provisioning Center;
- viii. Certified laboratory testing results that meets the MMMA and Medical Marihuana Facilities Licensing Act or applicable state laws must be available to all Provisioning Center patients/customers upon request;
- ix. All Marihuana facilities shall comply with all applicable requirements of the City of Petoskey's Zoning Ordinance;
- x. A Marihuana facility and all articles of property in the facility are subject to inspection, search and examination at any time by a member of the Petoskey Public Safety Department, the County Sheriff's Department, or the Department of State Police;
- xi. All signage and advertising for a Marihuana facility shall comply with all municipal ordinances, state law, and these rules regulating signs and advertising. Refer to Sign Ordinance for additional information; and

- xii. All activities of Marihuana commercial entities, including, without limitation, the displaying, selling, and storage of Marihuana and Marihuana-infused products shall be conducted indoors and out of public view and shall not be visible from outside the facility. Sufficient measures and means of preventing smoke, odors, debris, dust, fluids and other substances from exiting a Marihuana facility must be provided at all times. In the event that any odors, debris, dust, fluids or other substances exit a Marihuana facility, the owner of the subject premises and the Permit holder shall be jointly and severally liable for such conditions and shall be responsible for immediate, full cleanup and correction of such condition. The Permit holder shall properly dispose of all such materials, items and other substances in a safe, sanitary and secure manner and in accordance with all applicable state and local laws and regulations.

8-333 Prohibited Acts.

It shall be unlawful for any Permit holder for a Marihuana facility, or for any agent, manager, or employee thereof to:

- (a) Sell, give, dispense or otherwise distribute to any patient or primary caregiver who is not a licensee a more Marihuana in usable form (including the useable Marihuana equivalent of Marihuana-infused products) within any seven (7) day period of time than they are allowed by the MMMA to possess.
- (b) Distribute Marihuana or Marihuana-infused products to a consumer free of charge.
- (c) Allow the consumption of Marihuana or Marihuana products on the licensed premises. A sign shall be posted on the premises of each facility indicating that consumption is prohibited on the premises.
- (d) Sell Marihuana or Marihuana products at a licensed provisioning center at any time other than between the hours of 9:00 A.M. and 9:00 P.M. daily.
- (e) Receive shipments of Marihuana or Marihuana products between the hours of 9:00 P.M. and 9:00 A.M.

8-334: Grant of Administrative Authority.

The City Clerk is granted the power and duty to fully and effectively implement and administer the Permit Application process and issuance of a provisional Permit and operating Permits issued by the City as provided in this chapter.

8-335: RESERVED.

All other provisions of the Code of Ordinances not specifically amended shall remain in full force and effect.

Nothing in this ordinance shall be construed to affect any suit or proceeding pending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing, under any act or ordinance hereby revised as cited in this ordinance; nor shall any just or legal right or remedy of any character be lost, impaired, or affected by this ordinance.

If any of the standards set forth in this amendment conflict with any other standards of previous or further ordinances or amendments, the stricter standards shall apply.

All ordinances, resolutions, or orders, or parts thereof, in conflict with the provisions of this ordinance are, to the extent of such conflict, repealed.

The various parts, sections and clauses of this Ordinance are hereby declared to be severable. If any part, sentence, paragraph, section, or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the Ordinance shall not be affected thereby.

This ordinance shall take effect fifteen (15) days following its enactment and shall be published once within seven (7) days after its enactment as provided by Charter.

Adopted, enacted and ordained by the City of Petoskey City Council this _____ day of _____, 2019.

John Murphy
Its Mayor

Alan Terry
Its Clerk

MEDICAL MARIHUANA FACILITIES LICENSING ACT
Act 281 of 2016

AN ACT to license and regulate medical marihuana growers, processors, provisioning centers, secure transporters, and safety compliance facilities; to allow certain licensees to process, test, or sell industrial hemp; to provide for the powers and duties of certain state and local governmental officers and entities; to create a medical marihuana licensing board; to provide for interaction with the statewide monitoring system for commercial marihuana transactions; to create an advisory panel; to provide immunity from prosecution for marihuana-related offenses for persons engaging in certain activities in compliance with this act; to prescribe civil fines and sanctions and provide remedies; to provide for forfeiture of contraband; to provide for taxes, fees, and assessments; and to require the promulgation of rules.

History: 2016, Act 281, Eff. Dec. 20, 2016;—Am. 2018, Act 10, Imd. Eff. Jan. 26, 2018;—Am. 2018, Act 648, Eff. Mar. 28, 2019.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

The People of the State of Michigan enact:

PART 1. GENERAL PROVISIONS

333.27101 Short title.

Sec. 101. This act shall be known and may be cited as the "medical marihuana facilities licensing act".

History: 2016, Act 281, Eff. Dec. 20, 2016.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27102 Definitions.

Sec. 102. As used in this act:

- (a) "Advisory panel" or "panel" means the marihuana advisory panel created in section 801.
- (b) "Affiliate" means any person that controls, is controlled by, or is under common control with; is in a partnership or joint venture relationship with; or is a co-shareholder of a corporation, a co-member of a limited liability company, or a co-partner in a limited liability partnership with a licensee or applicant.
- (c) "Applicant" means a person who applies for a state operating license. Applicant includes, with respect to disclosures in an application, for purposes of ineligibility for a license under section 402, or for purposes of prior board approval of a transfer of interest under section 406, and only for applications submitted on or after January 1, 2019, a managerial employee of the applicant, a person holding a direct or indirect ownership interest of more than 10% in the applicant, and the following for each type of applicant:
 - (i) For an individual or sole proprietorship: the proprietor and spouse.
 - (ii) For a partnership and limited liability partnership: all partners and their spouses. For a limited partnership and limited liability limited partnership: all general and limited partners, not including a limited partner holding a direct or indirect ownership interest of 10% or less and who does not exercise control over or participate in the management of the partnership, and their spouses. For a limited liability company: all members and managers, not including a member holding a direct or indirect ownership interest of 10% or less and who does not exercise control over or participate in the management of the company, and their spouses.
 - (iii) For a privately held corporation: all corporate officers or persons with equivalent titles and their spouses, all directors and their spouses, and all stockholders, not including those holding a direct or indirect ownership interest of 10% or less, and their spouses.
 - (iv) For a publicly held corporation: all corporate officers or persons with equivalent titles and their spouses, all directors and their spouses, and all stockholders, not including those holding a direct or indirect ownership interest of 10% or less, and their spouses.
 - (v) For a multilevel ownership enterprise: any entity or person that receives or has the right to receive more than 10% of the gross or net profit from the enterprise during any full or partial calendar or fiscal year.
 - (vi) For a nonprofit corporation: all individuals and entities with membership or shareholder rights in accordance with the articles of incorporation or the bylaws and their spouses.
- (d) "Board" means the medical marihuana licensing board created in section 301.
- (e) "Cutting" means a section of a lead stem or root stock that is used for vegetative asexual propagation.

- (f) "Department" means the department of licensing and regulatory affairs.
- (g) "Grower" means a licensee that is a commercial entity located in this state that cultivates, dries, trims, or cures and packages marihuana for sale to a processor, provisioning center, or another grower.
- (h) "Industrial hemp" means that term as defined in section 7106 of the public health code, 1978 PA 368, MCL 333.7106.
- (i) "Industrial hemp research and development act" means the industrial hemp research and development act, 2014 PA 547.
- (j) "Licensee" means a person holding a state operating license.
- (k) "Marihuana" means that term as defined in section 7106 of the public health code, 1978 PA 368, MCL 333.7106.
- (l) "Marihuana facility" means a location at which a licensee is licensed to operate under this act.
- (m) "Marihuana plant" means any plant of the species *Cannabis sativa* L. Marihuana plant does not include industrial hemp.
- (n) "Marihuana-infused product" means a topical formulation, tincture, beverage, edible substance, or similar product containing any usable marihuana that is intended for human consumption in a manner other than smoke inhalation. Marihuana-infused product is not considered a food for purposes of the food law, 2000 PA 92, MCL 289.1101 to 289.8111.
- (o) "Marihuana tracking act" means the marihuana tracking act, 2016 PA 282, MCL 333.27901 to 333.27904.
- (p) "Michigan medical marihuana act" means the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430.
- (q) "Municipality" means a city, township, or village.
- (r) "Paraphernalia" means any equipment, product, or material of any kind that is designed for or used in growing, cultivating, producing, manufacturing, compounding, converting, storing, processing, preparing, transporting, injecting, smoking, ingesting, inhaling, or otherwise introducing into the human body, marihuana.
- (s) "Person" means an individual, corporation, limited liability company, partnership, limited partnership, limited liability partnership, limited liability limited partnership, trust, or other legal entity.
- (t) "Plant" means any living organism that produces its own food through photosynthesis and has observable root formation or is in growth material.
- (u) "Processor" means a licensee that is a commercial entity located in this state that purchases marihuana from a grower and that extracts resin from the marihuana or creates a marihuana-infused product for sale and transfer in packaged form to a provisioning center or another processor.
- (v) "Provisioning center" means a licensee that is a commercial entity located in this state that purchases marihuana from a grower or processor and sells, supplies, or provides marihuana to registered qualifying patients, directly or through the patients' registered primary caregivers. Provisioning center includes any commercial property where marihuana is sold at retail to registered qualifying patients or registered primary caregivers. A noncommercial location used by a registered primary caregiver to assist a qualifying patient connected to the caregiver through the department's marihuana registration process in accordance with the Michigan medical marihuana act is not a provisioning center for purposes of this act.
- (w) "Registered primary caregiver" means a primary caregiver who has been issued a current registry identification card under the Michigan medical marihuana act.
- (x) "Registered qualifying patient" means a qualifying patient who has been issued a current registry identification card under the Michigan medical marihuana act or a visiting qualifying patient as that term is defined in section 3 of the Michigan medical marihuana act, MCL 333.26423.
- (y) "Registry identification card" means that term as defined in section 3 of the Michigan medical marihuana act, MCL 333.26423.
- (z) "Rules" means rules promulgated under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, by the department in consultation with the board to implement this act.
- (aa) "Safety compliance facility" means a licensee that is a commercial entity that takes marihuana from a marihuana facility or receives marihuana from a registered primary caregiver, tests the marihuana for contaminants and for tetrahydrocannabinol and other cannabinoids, returns the test results, and may return the marihuana to the marihuana facility.
- (bb) "Secure transporter" means a licensee that is a commercial entity located in this state that stores marihuana and transports marihuana between marihuana facilities for a fee.
- (cc) "Seed" means the fertilized, ungerminated, matured ovule, containing an embryo or rudimentary plant, of a marihuana plant that is flowering.
- (dd) "Seedling" means a marihuana plant that has germinated and has not flowered and is not harvestable.

(ee) "State operating license" or, unless the context requires a different meaning, "license" means a license that is issued under this act that allows the licensee to operate as 1 of the following, specified in the license:

- (i) A grower.
- (ii) A processor.
- (iii) A secure transporter.
- (iv) A provisioning center.
- (v) A safety compliance facility.

(ff) "Statewide monitoring system" or, unless the context requires a different meaning, "system" means an internet-based, statewide database established, implemented, and maintained by the department under the marihuana tracking act, that is available to licensees, law enforcement agencies, and authorized state departments and agencies on a 24-hour basis for all of the following:

- (i) Verifying registry identification cards.
- (ii) Tracking marihuana transfer and transportation by licensees, including transferee, date, quantity, and price.
- (iii) Verifying in commercially reasonable time that a transfer will not exceed the limit that the patient or caregiver is authorized to receive under section 4 of the Michigan medical marihuana act, MCL 333.26424.

(gg) "Tissue culture" means a marihuana plant cell, cutting, tissue, or organ, that is kept under a sterile condition on a nutrient culture medium of known composition and that does not have visible root formation. A tissue culture is not a marihuana plant for purposes of a grower.

(hh) "Usable marihuana" means the dried leaves, flowers, plant resin, or extract of the marihuana plant, but does not include the seeds, stalks, and roots of the plant.

History: 2016, Act 281, Eff. Dec. 20, 2016;—Am. 2018, Act 10, Imd. Eff. Jan. 26, 2018;—Am. 2018, Act 582, Eff. Jan. 1, 2019;—Am. 2018, Act 648, Eff. Mar. 28, 2019;—Am. 2019, Act 3, Imd. Eff. Apr. 16, 2019.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

PART 2. APPLICATION OF OTHER LAWS

333.27201 Protected activities; person owning or leasing property upon which marihuana facility located subject to penalties or sanctions prohibited; conditions; activities of certified public accountant or financial institution not subject to certain penalties or sanctions; other provisions of law inconsistent with act; definitions.

Sec. 201. (1) Except as otherwise provided in this act, if a person has been granted a state operating license and is operating within the scope of the license, the licensee and its agents are not subject to any of the following for engaging in activities described in subsection (2):

- (a) Criminal penalties under state law or local ordinances regulating marihuana.
- (b) State or local criminal prosecution for a marihuana-related offense.
- (c) State or local civil prosecution for a marihuana-related offense.
- (d) Search or inspection, except for an inspection authorized under this act by law enforcement officers, the municipality, or the department.
- (e) Seizure of marihuana, real property, personal property, or anything of value based on a marihuana-related offense.
- (f) Any sanction, including disciplinary action or denial of a right or privilege, by a business or occupational or professional licensing board or bureau based on a marihuana-related offense.

(2) The following activities are protected under subsection (1) if performed under a state operating license within the scope of that license and in accord with this act, rules, and any ordinance adopted under section 205:

- (a) Growing marihuana.
- (b) Purchasing, receiving, selling, transporting, or transferring marihuana from or to a licensee, a licensee's agent, a registered qualifying patient, or a registered primary caregiver.
- (c) Possessing marihuana.
- (d) Possessing or manufacturing marihuana paraphernalia for medical use.
- (e) Processing marihuana.
- (f) Transporting marihuana.
- (g) Testing, transferring, infusing, extracting, altering, or studying marihuana.
- (h) Receiving or providing compensation for products or services.

(3) Except as otherwise provided in this act, a person who owns or leases real property upon which a marihuana facility is located and who has no knowledge that the licensee violated this act is not subject to any of the following for owning, leasing, or permitting the operation of a marihuana facility on the real property:

- (a) Criminal penalties under state law or local ordinances regulating marihuana.
- (b) State or local civil prosecution based on a marihuana-related offense.
- (c) State or local criminal prosecution based on a marihuana-related offense.
- (d) Search or inspection, except for an inspection authorized under this act by law enforcement officers, the municipality, or the department.
- (e) Seizure of any real or personal property or anything of value based on a marihuana-related offense.
- (f) Any sanction, including disciplinary action or denial of a right or privilege, by a business or occupational or professional licensing board or bureau.

(4) Except as otherwise provided in this act, a certified public accountant who is licensed under article 7 of the occupational code, 1980 PA 299, MCL 339.720 to 339.736, is not subject to any of the following for engaging in the practice of public accounting as that term is defined in section 720 of the occupational code, 1980 PA 299, MCL 339.720, for an applicant or licensee who is in compliance with this act, rules, and the Michigan medical marihuana act:

- (a) Criminal penalties under state law or local ordinances regulating marihuana.
- (b) State or local civil prosecution based on a marihuana-related offense.
- (c) State or local criminal prosecution based on a marihuana-related offense.
- (d) Seizure of any real or personal property or anything of value based on a marihuana-related offense.
- (e) Any sanction, including disciplinary action or denial of a right or privilege, by a business or occupational or professional licensing board or bureau based on a marihuana-related offense.

(5) Except as otherwise provided in this act, a financial institution is not subject to any of the following for providing a financial service to a licensee under this act:

- (a) Criminal penalties under state law or local ordinances regulating marihuana.
- (b) State or local civil prosecution based on a marihuana-related offense.
- (c) State or local criminal prosecution based on a marihuana-related offense.
- (d) Seizure of any real or personal property or anything of value based on a marihuana-related offense.
- (e) Any sanction, including disciplinary action or denial of a right or privilege, by a business or occupational or professional licensing board or bureau based on a marihuana-related offense.

(6) For the purposes of regulating the commercial entities established under this act, any provisions of the following acts that are inconsistent with this act do not apply to a grower, processor, secure transporter, provisioning center, or safety compliance facility operating in compliance with this act:

- (a) The business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098.
- (b) The nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192.
- (c) 1931 PA 327, MCL 450.98 to 450.192.
- (d) The Michigan revised uniform limited partnership act, 1982 PA 213, MCL 449.1101 to 449.2108.
- (e) The Michigan limited liability company act, 1993 PA 23, MCL 450.4101 to 450.5200.
- (f) 1907 PA 101, MCL 445.1 to 445.5.
- (g) 1913 PA 164, MCL 449.101 to 449.106.
- (h) The uniform partnership act, 1917 PA 72, MCL 449.1 to 449.48.

(7) As used in this section:

(a) "Financial institution" means any of the following:

- (i) A state or national bank.
- (ii) A state or federally chartered savings and loan association.
- (iii) A state or federally chartered savings bank.
- (iv) A state or federally chartered credit union.
- (v) An insurance company.
- (vi) An entity that offers any of the following to a resident of this state:
 - (A) A mutual fund account.
 - (B) A securities brokerage account.
 - (C) A money market account.
 - (D) A retail investment account.

(vii) An entity regulated by the Securities and Exchange Commission that collects funds from the public.

(viii) An entity that is a member of the National Association of Securities Dealers and that collects funds from the public.

(ix) Another entity that collects funds from the public.

(b) "Financial service" means a deposit; withdrawal; transfer between accounts; exchange of currency;

loan; extension of credit; purchase or sale of any stock, bond, certificate of deposit, or other monetary instrument; or any other payment, transfer, or delivery by, through, or to a financial institution, by whatever means effected.

History: 2016, Act 281, Eff. Dec. 20, 2016;—Am. 2018, Act 10, Imd. Eff. Jan. 26, 2018.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27203 Registered qualifying patient or registered primary caregiver; criminal prosecution or sanctions prohibited; conditions.

Sec. 203. A registered qualifying patient or registered primary caregiver is not subject to criminal prosecution or sanctions for purchasing marihuana from a provisioning center if the quantity purchased is within the limits established under the Michigan medical marihuana act. A registered primary caregiver is not subject to criminal prosecution or sanctions for any transfer of 2.5 ounces or less of marihuana to a safety compliance facility for testing.

History: 2016, Act 281, Eff. Dec. 20, 2016.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27204 Medical purpose defense.

Sec. 204. This act does not limit the medical purpose defense provided in section 8 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26428, to any prosecution involving marihuana.

History: 2016, Act 281, Eff. Dec. 20, 2016.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27205 Marihuana facility; ordinance; requirements.

Sec. 205. (1) The board shall not issue a state operating license to an applicant unless the municipality in which the applicant's proposed marihuana facility will operate has adopted an ordinance that authorizes that type of facility. A municipality may adopt an ordinance to authorize 1 or more types of marihuana facilities within its boundaries and to limit the number of each type of marihuana facility. A municipality may adopt other ordinances relating to marihuana facilities within its jurisdiction, including zoning regulations, but shall not impose regulations regarding the purity or pricing of marihuana or interfering or conflicting with this act or rules for licensing marihuana facilities. A municipality that adopts an ordinance under this subsection that authorizes a marihuana facility shall provide the department with all of the following on a form prescribed and provided by the department:

(a) An attestation that the municipality has adopted an ordinance under this subsection that authorizes the marihuana facility.

(b) A description of any zoning regulations that apply to the proposed marihuana facility within the municipality.

(c) The signature of the clerk of the municipality or his or her designee.

(d) Any other information required by the department.

(2) A municipal ordinance may establish an annual, nonrefundable fee of not more than \$5,000.00 to help defray administrative and enforcement costs associated with the operation of a marihuana facility in the municipality.

(3) The department may require a municipality to provide the following information to the department on a form prescribed and provided by the department regarding a licensee who submits an application for license renewal:

(a) Information that the board declares necessary to determine whether the licensee's license should be renewed.

(b) A description of a violation of an ordinance or a zoning regulation adopted under subsection (1) committed by the licensee, but only if the violation relates to activities licensed under this act and rules or the Michigan medical marihuana act.

(c) Whether there has been a change to an ordinance or a zoning regulation adopted under subsection (1) since the license was issued to the licensee and a description of the change.

(4) Information a municipality obtains from an applicant under this section is exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246. Except as otherwise provided in this subsection, information a municipality provides to the department under this section is subject to disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

History: 2016, Act 281, Eff. Dec. 20, 2016;—Am. 2018, Act 10, Imd. Eff. Jan. 26, 2018.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27206 Rules.

Sec. 206. The department, in consultation with the board, shall promulgate rules and emergency rules as necessary to implement, administer, and enforce this act. The rules must ensure the safety, security, and integrity of the operation of marihuana facilities, and must include rules to do the following:

- (a) Set appropriate standards for marihuana facilities and associated equipment.
- (b) Subject to section 408, establish minimum levels of insurance that licensees must maintain.
- (c) Establish operating regulations for each category of license to ensure the health, safety, and security of the public and the integrity of marihuana facility operations.
- (d) Establish qualifications and restrictions for persons participating in or involved with operating marihuana facilities.
- (e) Establish testing standards, procedures, and requirements for marihuana sold through provisioning centers.
- (f) Provide for the levy and collection of fines for a violation of this act or rules.
- (g) Prescribe use of the statewide monitoring system to track all marihuana transfers, as provided in the marihuana tracking act and this act, and provide for a funding mechanism to support the system.
- (h) Establish quality control standards, procedures, and requirements for marihuana facilities.
- (i) Establish chain of custody standards, procedures, and requirements for marihuana facilities.
- (j) Establish standards, procedures, and requirements for waste product disposal and storage by marihuana facilities.
- (k) Establish chemical storage standards, procedures, and requirements for marihuana facilities.
- (l) Establish standards, procedures, and requirements for securely and safely transporting marihuana between marihuana facilities.
- (m) Establish standards, procedures, and requirements for the storage of marihuana by marihuana facilities.
- (n) Establish labeling and packaging standards, procedures, and requirements for marihuana sold or transferred through provisioning centers, including a prohibition on labeling or packaging that is intended to appeal to or has the effect of appealing to minors.
- (o) Establish daily and monthly purchasing limits at provisioning centers for registered qualifying patients and registered primary caregivers to ensure compliance with the Michigan medical marihuana act.
- (p) Establish marketing and advertising restrictions for marihuana products and marihuana facilities.
- (q) Establish maximum tetrahydrocannabinol levels for marihuana-infused products sold or transferred through provisioning centers.
- (r) Establish health standards to ensure the safe preparation of products containing marihuana that are intended for human consumption in a manner other than smoke inhalation.
- (s) Establish restrictions on edible marihuana-infused products to prohibit shapes that would appeal to minors.
- (t) Establish standards, procedures, and requirements for the sale of industrial hemp from a provisioning center to a registered qualified patient. The rules promulgated under this subdivision must be promulgated before March 1, 2019.

History: 2016, Act 281, Eff. Dec. 20, 2016;—Am. 2018, Act 10, Imd. Eff. Jan. 26, 2018;—Am. 2018, Act 648, Eff. Mar. 28, 2019.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27207 Third-party inventory control and tracking system; exception for statewide monitoring system.

Sec. 207. (1) Except as otherwise provided in subsection (2), a licensee shall adopt and use a third-party inventory control and tracking system that is capable of interfacing with the statewide monitoring system to allow the licensee to enter or access information in the statewide monitoring system as required under this act

Rendered Friday, July 12, 2019

Page 6

Michigan Compiled Laws Complete Through PA 47 of 2019

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and rules. The third-party inventory control and tracking system must have all of the following capabilities necessary for the licensee to comply with the requirements applicable to the licensee's license type:

(a) Tracking all marihuana plants, products, packages, patient and primary caregiver purchase totals, waste, transfers, conversions, sales, and returns that are linked to unique identification numbers.

(b) Tracking lot and batch information throughout the entire chain of custody.

(c) Tracking all products, conversions, and derivatives throughout the entire chain of custody.

(d) Tracking marihuana plant, batch, and product destruction.

(e) Tracking transportation of product.

(f) Performing complete batch recall tracking that clearly identifies all of the following details relating to the specific batch subject to the recall:

(i) Sold product.

(ii) Product inventory that is finished and available for sale.

(iii) Product that is in the process of transfer.

(iv) Product being processed into another form.

(v) Postharvest raw product, such as product that is in the drying, trimming, or curing process.

(g) Reporting and tracking loss, theft, or diversion of product containing marihuana.

(h) Reporting and tracking all inventory discrepancies.

(i) Reporting and tracking adverse patient responses or dose-related efficacy issues.

(j) Reporting and tracking all sales and refunds.

(k) Electronically receiving and transmitting information as required under this act, the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430, and the marihuana tracking act.

(l) Receiving testing results electronically from a safety compliance facility via a secured application program interface into the system and directly linking the testing results to each applicable source batch and sample.

(m) Identifying test results that may have been altered.

(n) Providing the licensee with access to information in the tracking system that is necessary to verify that the licensee is carrying out the marihuana transactions authorized under the licensee's license in accordance with this act.

(o) Providing information to cross-check that product sales are made to a registered qualifying patient or a registered primary caregiver on behalf of a registered qualifying patient and that the product received the required testing.

(p) Providing the department and state agencies with access to information in the database that they are authorized to access.

(q) Providing law enforcement agencies with access to only the information in the database that is necessary to verify that an individual possesses a valid and current registry identification card.

(r) Providing licensees with access only to the information in the system that they are required to receive before a sale, transfer, transport, or other activity authorized under a license issued under this act.

(s) Securing the confidentiality of information in the database by preventing access by a person who is not authorized to access the statewide monitoring system or is not authorized to access the particular information.

(t) Providing analytics to the department regarding key performance indicators such as the following:

(i) Total daily sales.

(ii) Total marihuana plants in production.

(iii) Total marihuana plants destroyed.

(iv) Total inventory adjustments.

(2) If the statewide monitoring system is capable of allowing a licensee to access or enter information into the statewide monitoring system without use of a third-party inventory control and tracking system, a licensee may access or enter information into the statewide monitoring system directly and the licensee is not required to adopt and use a third-party inventory control and tracking system.

History: 2016, Act 281, Eff. Dec. 20, 2016;—Am. 2018, Act 582, Eff. Jan. 1, 2019.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27208 Marihuana facility and property; examination by local and state police.

Sec. 208. A marihuana facility and all articles of property in that facility are subject to examination at any time by a local police agency or the department of state police.

History: 2016, Act 281, Eff. Dec. 20, 2016.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:
"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

PART 3. MEDICAL MARIHUANA LICENSING BOARD

333.27301 Medical marihuana licensing board; creation; membership; appointment; terms; vacancy; reimbursement for expenses; other public office; eligibility; removal of member; appointment and employment limitations; financial disclosure statement; direct or indirect interest.

Sec. 301. (1) The medical marihuana licensing board is created within the department of licensing and regulatory affairs.

(2) The board consists of 5 members who are residents of this state, not more than 3 of whom are members of the same political party. The governor shall appoint the members. One of the members shall be appointed from 3 nominees submitted by the senate majority leader and 1 from 3 nominees submitted by the speaker of the house. The governor shall designate 1 of the members as chairperson.

(3) The members shall be appointed for terms of 4 years, except, of those who are first appointed, 1 member shall be appointed for a term of 2 years and 2 members shall be appointed for a term of 3 years. A member's term expires on December 31 of the last year of the member's term. If a vacancy occurs, the governor shall appoint a successor to fill the unexpired term in the manner of the original appointment.

(4) Each member of the board shall be reimbursed for all actual and necessary expenses and disbursements incurred in carrying out official duties.

(5) A board member shall not hold any other public office for which he or she receives compensation other than necessary travel or other incidental expenses.

(6) A person who is not of good moral character or who has been indicted for, charged with, or convicted of, pled guilty or nolo contendere to, or forfeited bail concerning any felony or a misdemeanor involving a controlled substance violation, theft, dishonesty, or fraud under the laws of this state, any other state, or the United States or a local ordinance in any state involving a controlled substance violation, dishonesty, theft, or fraud that substantially corresponds to a misdemeanor in that state is not eligible to serve on the board.

(7) The governor may remove any member of the board for neglect of duty, misfeasance, malfeasance, nonfeasance, or any other just cause.

(8) The board shall not appoint or employ an individual if any of the following circumstances exist:

(a) During the 3 years immediately preceding appointment or employment, the individual held any direct or indirect interest in, or was employed by, a person who is licensed to operate under this act or under a corresponding license in another jurisdiction or a person with an application for an operating license pending before the board or in any other jurisdiction. The board shall not employ an individual who has a direct or indirect interest in a licensee or a marihuana facility.

(b) The individual or his or her spouse, parent, child, child's spouse, sibling, or spouse of a sibling has an application for a license pending before the board or is a member of the board of directors of, or an individual financially interested in, any licensee or marihuana facility.

(9) Each member of the board and each key employee as determined by the department shall file with the governor a financial disclosure statement listing all assets and liabilities, property and business interests, and sources of income of the member and key employee and his or her spouse, if any, affirming that the member and key employee are in compliance with subsection (8)(a) and (b). The financial disclosure statement shall be made under oath and filed at the time of employment and annually thereafter.

(10) Each employee of the board shall file with the board a financial disclosure statement listing all assets and liabilities, property and business interests, and sources of income of the employee and his or her spouse. This subsection does not apply to a key employee.

(11) A member of the board or key employee shall not hold any direct or indirect interest in, be employed by, or enter into a contract for services with an applicant, a board licensee, or a marihuana facility for a period of 4 years after the date his or her employment or membership on the board terminates. The department in consultation with the board shall define the term "direct or indirect interest" by rule.

(12) For 2 years after the date his or her employment with the board is terminated, an employee of the board shall not acquire any direct or indirect interest in, be employed by, or enter into a contract for services with any applicant, licensee, or marihuana facility.

(13) For 2 years after the termination of his or her office or employment with the board, a board member or an individual employed by the board shall not represent any person or party other than this state before or against the board.

(14) A business entity in which a former board member or employee or agent has an interest, or any partner, officer, or employee of the business entity, shall not make any appearance or represent a party that the former member, employee, or agent is prohibited from appearing for or representing. As used in this subsection, "business entity" means a corporation, limited liability company, partnership, limited liability partnership, association, trust, or other form of legal entity.

History: 2016, Act 281, Eff. Dec. 20, 2016;—Am. 2018, Act 582, Eff. Jan. 1, 2019.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27302 Board; duties.

Sec. 302. The board has general responsibility for implementing this act. The board has the powers and duties specified in this act and all other powers necessary and proper to fully and effectively implement and administer this act for the purpose of licensing, regulating, and enforcing the licensing and regulation system established under this act for marihuana growth, processing, testing, and transporting. The board is subject to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. The board's duties include all of the following:

- (a) Granting or denying each application for a state operating license within a reasonable time.
- (b) Deciding all license applications in reasonable order.
- (c) Conducting its public meetings in compliance with the open meetings act, 1976 PA 267, MCL 15.231 to 15.246.
- (d) Consulting with the department in promulgating rules and emergency rules as necessary to implement, administer, and enforce this act. The board shall not promulgate a rule establishing a limit on the number or type of marihuana facility licenses that may be granted.
- (e) Implementing and collecting the application fee described in section 401 and, in conjunction with the department of treasury, the tax described in section 601 and regulatory assessment described in section 603.
- (f) Providing for the levy and collection of fines for a violation of this act or rules.
- (g) Providing oversight of a marihuana facility through the board's inspectors, agents, and auditors and through the state police or attorney general for the purpose of certifying the revenue, receiving complaints from the public, or conducting investigations into the operation of the marihuana facility as the board considers necessary and proper to ensure compliance with this act and rules and to protect and promote the overall safety, security, and integrity of the operation of a marihuana facility.
- (h) Providing oversight of marihuana facilities to ensure that marihuana-infused products meet health and safety standards that protect the public to a degree comparable to state and federal standards applicable to similar food and drugs.
- (i) Reviewing and ruling on any complaint by a licensee regarding any investigative procedures of this state that are believed to be unnecessarily disruptive of marihuana facility operations. The need to inspect and investigate is presumed at all times. The board may delegate authority to hear, review, or rule on licensee complaints to a subcommittee of the board. To prevail on the complaint, a licensee must establish by a preponderance of the evidence that the procedures unreasonably disrupted its marihuana facility operations.
- (j) Holding at least 2 public meetings each year. Upon 72 hours' written notice to each member, the chairperson or any 2 board members may call a special meeting. Three members of the board constitute a quorum, including when making determinations on an application for a license. Three votes are required in support of final determinations of the board on applications for licenses and all other licensing determinations, except that 4 votes are required in support of a determination to suspend or revoke a license. The board shall keep a complete and accurate record of all of its meetings and hearings. Upon order of the board, 1 of the board members or a hearing officer designated by the board may conduct any hearing provided for under this act or by rules and may recommend findings and decisions to the board. The board member or hearing officer conducting the hearing has all powers and rights regarding the conduct of hearings granted to the board under this act. The record made at the time of the hearing shall be reviewed by the board or a majority of the board, and the findings and decision of the majority of the board are the order of the board in the case.
- (k) Maintaining records that are separate and distinct from the records of any other state board. The records shall be made available for public inspection subject to the limitations of this act and shall accurately reflect all board proceedings.
- (l) Reviewing the patterns of marihuana transfers by the licensees under this act as recorded in a statewide database established for use in administering and enforcing this act and making recommendations to the governor and the legislature in a written annual report to the governor and the legislature and additional

reports that the governor requests. The annual report shall be submitted by April 15 of each year and shall include the report required under section 702, a statement of receipts and disbursements by the board, the actions taken by the board, and any additional information and recommendations that the board considers appropriate or that the governor requests.

(m) Except as otherwise provided in this act, all information, records, interviews, reports, statements, memoranda, or other data supplied to or used by the board are subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, except for the following:

(i) Unless presented during a public hearing or requested by the licensee or applicant who is the sole subject of the data, all of the information, records, interviews, reports, statements, memoranda, or other data supplied to, created by, or used by the board related to background investigation of applicants or licensees and to trade secrets, internal controls, and security measures of the licensees or applicants.

(ii) All information, records, interviews, reports, statements, memoranda, or other data supplied to or used by the board that have been received from another jurisdiction or local, state, or federal agency under a promise of confidentiality or if the release of the information is otherwise barred by the statutes, rules, or regulations of that jurisdiction or agency or by an intergovernmental agreement.

(iii) All information in the statewide monitoring system.

History: 2016, Act 281, Eff. Dec. 20, 2016.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27303 Board; powers.

Sec. 303. (1) The board has jurisdiction over the operation of all marihuana facilities. The board has all powers necessary and proper to fully and effectively oversee the operation of marihuana facilities, including the authority to do all of the following:

(a) Investigate applicants for state operating licenses, determine the eligibility for licenses, and grant licenses to applicants in accordance with this act and the rules.

(b) Investigate all individuals employed by marihuana facilities.

(c) At any time, through its investigators, agents, auditors, or the state police, without a warrant and without notice to the licensee, enter the premises, offices, facilities, or other places of business of a licensee, if evidence of compliance or noncompliance with this act or rules is likely to be found and consistent with constitutional limitations, for the following purposes:

(i) To inspect and examine all premises of marihuana facilities.

(ii) To inspect, examine, and audit relevant records of the licensee and, if the licensee fails to cooperate with an investigation, impound, seize, assume physical control of, or summarily remove from the premises all books, ledgers, documents, writings, photocopies, correspondence, records, and videotapes, including electronically stored records, money receptacles, or equipment in which the records are stored.

(iii) To inspect the person, and inspect or examine personal effects present in a marihuana facility, of any holder of a state operating license while that person is present in a marihuana facility.

(iv) To investigate alleged violations of this act or rules.

(d) Investigate alleged violations of this act or rules and take appropriate disciplinary action against a licensee.

(e) Consult with the department in adopting rules to establish appropriate standards for marihuana facilities and associated equipment.

(f) Require all relevant records of licensees, including financial or other statements, to be kept on the premises authorized for operation of the marihuana facility of the licensee or in the manner prescribed by the board.

(g) Require that each licensee of a marihuana facility submit to the board a list of the stockholders or other persons having a 1% or greater beneficial interest in the facility in addition to any other information the board considers necessary to effectively administer this act and rules, orders, and final decisions made under this act.

(h) Eject, or exclude or authorize the ejection or exclusion of, an individual from a marihuana facility if the individual violates this act, rules, or final orders of the board. However, the propriety of the ejection or exclusion is subject to a subsequent hearing by the board.

(i) Conduct periodic audits of marihuana facilities licensed under this act.

(j) Consult with the department as to appropriate minimum levels of insurance for licensees in addition to the minimum established under section 408 for liability insurance.

(k) Delegate the execution of any of its powers that are not specifically and exclusively reserved to the board under this act for the purpose of administering and enforcing this act and rules.

(l) Take disciplinary action as the board considers appropriate to prevent practices that violate this act and rules.

(m) Review a licensee if that licensee is under review or the subject of discipline by a regulatory body in any other jurisdiction for a violation of a controlled substance or marihuana law or regulation in that jurisdiction.

(n) Take any other reasonable or appropriate action to enforce this act and rules.

(2) The board may seek and shall receive the cooperation and assistance of the department of state police in conducting background investigations of applicants and in fulfilling its responsibilities under this act. The department of state police may recover its costs of cooperation under this subsection.

History: 2016, Act 281, Eff. Dec. 20, 2016.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27305 Board; disclosure form; providing certain notices to chairperson; ex parte communication; outside employment; personal transaction involving marihuana with licensee or applicant; violation.

Sec. 305. (1) By January 31 of each year, each member of the board shall prepare and file with the governor's office and the board a disclosure form in which the member does all of the following:

(a) Affirms that the member or the member's spouse, parent, child, or child's spouse is not a member of the board of directors of, financially interested in, or employed by a licensee or applicant.

(b) Affirms that the member continues to meet any other criteria for board membership under this act or the rules promulgated by the board.

(c) Discloses any legal or beneficial interests in any real property that is or that may be directly or indirectly involved with operations authorized by this act.

(d) Discloses any other information as may be required to ensure that the integrity of the board and its work is maintained.

(2) By January 31 of each year, each employee of the board shall prepare and file with the board an employee disclosure form in which the employee does all of the following:

(a) Affirms the absence of financial interests prohibited by this act.

(b) Discloses any legal or beneficial interests in any real property that is or that may be directly or indirectly involved with operations authorized by this act.

(c) Discloses whether the employee or the employee's spouse, parent, child, or child's spouse is financially interested in or employed by a licensee or an applicant for a license under this act.

(d) Discloses such other matters as may be required to ensure that the integrity of the board and its work is maintained.

(3) A member, employee, or agent of the board who becomes aware that the member, employee, or agent of the board or his or her spouse, parent, or child is a member of the board of directors of, financially interested in, or employed by a licensee or an applicant shall immediately provide detailed written notice thereof to the chairperson.

(4) A member, employee, or agent of the board who within the previous 10 years has been indicted for, charged with, or convicted of, pled guilty or nolo contendere to, or forfeited bail concerning a misdemeanor involving controlled substances, dishonesty, theft, or fraud or a local ordinance in any state involving controlled substances, dishonesty, theft, or fraud that substantially corresponds to a misdemeanor in that state, or a felony under Michigan law, the laws of any other state, or the laws of the United States or any other jurisdiction shall immediately provide detailed written notice of the conviction or charge to the chairperson.

(5) Any member, employee, or agent of the board who is negotiating for, or acquires by any means, any interest in any person who is a licensee or an applicant, or any person affiliated with such a person, shall immediately provide written notice of the details of the interest to the chairperson. The member, employee, or agent of the board shall not act on behalf of the board with respect to that person.

(6) A member, employee, or agent of the board shall not enter into any negotiations for employment with any person or affiliate of any person who is a licensee or an applicant and shall immediately provide written notice of the details of any such negotiations or discussions in progress to the chairperson. The member, employee, or agent of the board shall not take action on behalf of the board with respect to that person.

(7) Any member, employee, or agent of the board who receives an invitation, written or oral, to initiate a

discussion concerning employment or the possibility of employment with a person or affiliate of a person who is a licensee or an applicant shall immediately report that he or she received the invitation to the chairperson. The member, employee, or agent of the board shall not take action on behalf of the board with respect to the person.

(8) A licensee or applicant shall not knowingly initiate a negotiation for or discussion of employment with a member, employee, or agent of the board. A licensee or applicant who initiates a negotiation or discussion about employment shall immediately provide written notice of the details of the negotiation or discussion to the chairperson as soon as he or she becomes aware that the negotiation or discussion has been initiated with a member, employee, or agent of the board.

(9) A member, employee, or agent of the board, or former member, employee, or agent of the board, shall not disseminate or otherwise disclose any material or information in the possession of the board that the board considers confidential unless specifically authorized to do so by the chairperson or the board.

(10) A member, employee, or agent of the board or a parent, spouse, sibling, spouse of a sibling, child, or spouse of a child of a member, employee, or agent of the board shall not accept any gift, gratuity, compensation, travel, lodging, or anything of value, directly or indirectly, from any licensee or any applicant or affiliate or representative of a licensee or applicant, unless the acceptance conforms to a written policy or directive that is issued by the chairperson or the board. Any member, employee, or agent of the board who is offered or receives any gift, gratuity, compensation, travel, lodging, or anything of value, directly or indirectly, from any licensee or any applicant or affiliate or representative of an applicant or licensee shall immediately provide written notification of the details to the chairperson.

(11) A licensee or applicant, or an affiliate or representative of an applicant or licensee, shall not, directly or indirectly, give or offer to give any gift, gratuity, compensation, travel, lodging, or anything of value to any member, employee, or agent of the board that the member, employee, or agent of the board is prohibited from accepting under subsection (10).

(12) A member, employee, or agent of the board shall not engage in any conduct that constitutes a conflict of interest and shall immediately advise the chairperson in writing of the details of any incident or circumstances that would present the existence of a conflict of interest with respect to performing board-related work or duties.

(13) A member, employee, or agent of the board who is approached and offered a bribe as described in section 118 of the Michigan penal code, 1931 PA 328, MCL 750.118, or this act shall immediately provide written account of the details of the incident to the chairperson and to a law enforcement officer of a law enforcement agency having jurisdiction.

(14) A member, employee, or agent of the board shall disclose his or her past involvement with any marijuana enterprise in the past 5 years and shall not engage in political activity or politically related activity during the duration of his or her appointment or employment.

(15) A former member, employee, or agent of the board may appear before the board as a fact witness about matters or actions handled by the member, employee, or agent during his or her tenure as a member, employee, or agent of the board. The member, employee, or agent of the board shall not receive compensation for such an appearance other than a standard witness fee and reimbursement for travel expenses as established by statute or court rule.

(16) A licensee or applicant or any affiliate or representative of an applicant or licensee shall not engage in ex parte communications with a member of the board. A member of the board shall not engage in any ex parte communications with a licensee or an applicant or with any affiliate or representative of an applicant or licensee.

(17) Any board member, licensee, or applicant or affiliate or representative of a board member, licensee, or applicant who receives any ex parte communication in violation of subsection (16), or who is aware of an attempted communication in violation of subsection (16), shall immediately report details of the communication or attempted communication in writing to the chairperson.

(18) Any member of the board who receives an ex parte communication in an attempt to influence that member's official action shall disclose the source and content of the communication to the chairperson. The chairperson may investigate or initiate an investigation of the matter with the assistance of the attorney general and state police to determine if the communication violates subsection (16) or subsection (17) or other state law. The disclosure under this section and the investigation are confidential. Following an investigation, the chairperson shall advise the governor or the board, or both, of the results of the investigation and may recommend action as the chairperson considers appropriate. If the chairperson receives such an ex parte communication, he or she shall report the communication to the governor's office for appropriate action.

(19) A new or current employee or agent of the board shall obtain written permission from the director of the department or his or her designee before continuing outside employment held at the time the employee

begins to work for the board. Permission shall be denied, or permission previously granted shall be revoked, if the director of the department or his or her designee considers the nature of the work to create a possible conflict of interest or if it would otherwise interfere with the duties of the employee or agent for the board.

(20) An employee or agent of the board granted permission for outside employment shall not conduct any business or perform any activities, including solicitation, related to outside employment on premises used by the board or during the employee's working hours for the board.

(21) The chairperson shall report any action he or she has taken or proposes to take under this section with respect to an employee or agent or former employee or former agent to the board at the next meeting of the board.

(22) Except as allowed under the Michigan medical marihuana act, a member, employee, or agent of the board shall not enter into any personal transaction involving marihuana with a licensee or applicant.

(23) If a licensee or applicant, or an affiliate or representative of a licensee or applicant, violates this section, the board may deny a license application, revoke or suspend a license, or take other disciplinary action as provided in section 407.

(24) Violation of this section by a member of the board may result in disqualification or constitute cause for removal under section 301(7) or other disciplinary action as recommended by the board to the governor.

(25) A violation of this section by an employee or agent of the board need not result in termination of employment if the board determines that the conduct involved does not violate the purpose of this act. However, all of the following apply:

(a) If, after being offered employment or beginning employment with the board, the employee or agent intentionally acquires a financial interest in a licensee or an applicant, or an affiliate or representative of a licensee or applicant, the offer or employment with the board shall be terminated.

(b) If a financial interest in a licensee or an applicant, or an affiliate or representative of a licensee or applicant, is acquired by an employee or agent that has been offered employment with the board, an employee of the board, or the employee's or agent's spouse, parent, or child, through no intentional action of the employee or agent, the individual shall have up to 30 days to divest or terminate the financial interest. Employment may be terminated if the interest has not been divested after 30 days.

(c) Employment shall be terminated if the employee or agent is a spouse, parent, child, or spouse of a child of a board member.

(26) Violation of this section does not create a civil cause of action.

(27) As used in this section:

(a) "Outside employment", in addition to employment by a third party, includes, but is not limited to, the following:

(i) Operation of a proprietorship.

(ii) Participation in a partnership or group business enterprise.

(iii) Performance as a director or corporate officer of any for-profit or nonprofit corporation or banking or credit institution.

(iv) Performance as a manager of a limited liability company.

(b) "Political activity" or "politically related activity" includes all of the following:

(i) Using his or her official authority or influence for the purpose of interfering with or affecting the result of an election.

(ii) Knowingly soliciting, accepting, or receiving a political contribution from any person.

(iii) Running for the nomination or as a candidate for election to a partisan political office.

(iv) Knowingly soliciting or discouraging the participation in any political activity of any person who is either of the following:

(A) Applying for any compensation, grant, contract, ruling, license, permit, or certificate pending before the board.

(B) The subject of or a participant in an ongoing audit, investigation, or enforcement action being carried out by the board.

History: 2016, Act 281, Eff. Dec. 20, 2016;—Am. 2018, Act 582, Eff. Jan. 1, 2019.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

PART 4. LICENSING

333.27401 Licensure; application; background investigation; consent to inspections,

examinations, searches, and seizures; disclosure of confidential records; interest in other state operating license; fee; additional costs; notification to municipality.

Sec. 401. (1) Beginning December 15, 2017, a person may apply to the board for state operating licenses in the categories of class A, B, or C grower; processor; provisioning center; secure transporter; and safety compliance facility as provided in this act. The application shall be made under oath on a form provided by the board and shall contain information as prescribed by the board, including, but not limited to, all of the following:

(a) The name, business address, business telephone number, Social Security number, and, if applicable, federal tax identification number of the applicant.

(b) The identity of every person having any ownership interest in the applicant with respect to which the license is sought. If the disclosed entity is a trust, the application shall disclose the names and addresses of the beneficiaries; if a privately held corporation, the names and addresses of all shareholders, officers, and directors; if a publicly held corporation, the names and addresses of all shareholders holding a direct or indirect interest of greater than 5%, officers, and directors; if a partnership or limited liability partnership, the names and addresses of all partners; if a limited partnership or limited liability limited partnership, the names of all partners, both general and limited; or if a limited liability company, the names and addresses of all members and managers.

(c) An identification of any business that is directly or indirectly involved in the growing, processing, testing, transporting, or sale of marihuana, including, if applicable, the state of incorporation or registration, in which an applicant or, if the applicant is an individual, the applicant's spouse, parent, or child has any equity interest. If an applicant is a corporation, partnership, or other business entity, the applicant shall identify any other corporation, partnership, or other business entity that is directly or indirectly involved in the growing, processing, testing, transporting, or sale of marihuana in which it has any equity interest, including, if applicable, the state of incorporation or registration. An applicant may comply with this subdivision by filing a copy of the applicant's registration with the Securities and Exchange Commission if the registration contains the information required by this subdivision.

(d) Whether an applicant has been indicted for, charged with, arrested for, or convicted of, pled guilty or nolo contendere to, forfeited bail concerning any criminal offense under the laws of any jurisdiction, either felony or controlled-substance-related misdemeanor, not including traffic violations, regardless of whether the offense has been reversed on appeal or otherwise, including the date, the name and location of the court, arresting agency, and prosecuting agency, the case caption, the docket number, the offense, the disposition, and the location and length of incarceration.

(e) Whether an applicant has ever applied for or has been granted any commercial license or certificate issued by a licensing authority in Michigan or any other jurisdiction that has been denied, restricted, suspended, revoked, or not renewed and a statement describing the facts and circumstances concerning the application, denial, restriction, suspension, revocation, or nonrenewal, including the licensing authority, the date each action was taken, and the reason for each action.

(f) Whether an applicant has filed, or been served with, a complaint or other notice filed with any public body, regarding the delinquency in the payment of, or a dispute over the filings concerning the payment of, any tax required under federal, state, or local law, including the amount, type of tax, taxing agency, and time periods involved.

(g) A statement listing the names and titles of all public officials or officers of any unit of government, and the spouses, parents, and children of those public officials or officers, who, directly or indirectly, own any financial interest in, have any beneficial interest in, are the creditors of or hold any debt instrument issued by, or hold or have any interest in any contractual or service relationship with an applicant. As used in this subdivision, public official or officer does not include a person who would have to be listed solely because of his or her state or federal military service.

(h) A description of the type of marihuana facility; anticipated or actual number of employees; and projected or actual gross receipts.

(i) Financial information in the manner and form prescribed by the board.

(j) A paper copy or electronic posting website reference for the ordinance or zoning restriction that the municipality adopted to authorize or restrict operation of 1 or more marihuana facilities in the municipality.

(k) A copy of the notice informing the municipality by registered mail that the applicant has applied for a license under this act. The applicant shall also certify that it has delivered the notice to the municipality or will do so by 10 days after the date the applicant submits the application for a license to the board.

(l) Any other information the department requires by rule.

(2) The board shall use information provided on the application as a basis to conduct a thorough

background investigation on the applicant. A false application is cause for the board to deny a license. The board shall not consider an incomplete application but shall, within a reasonable time, return the application to the applicant with notification of the deficiency and instructions for submitting a corrected application. Information the board obtains from the background investigation is exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(3) An applicant must provide written consent to the inspections, examinations, searches, and seizures provided for in section 303(1)(c)(i) to (iv) and to disclosure to the board and its agents of otherwise confidential records, including tax records held by any federal, state, or local agency, or credit bureau or financial institution, while applying for or holding a license. Information the board receives under this subsection is exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(4) An applicant must certify that the applicant does not have an interest in any other state operating license that is prohibited under this act.

(5) A nonrefundable application fee must be paid at the time of filing to defray the costs associated with the background investigation conducted by the board. The department in consultation with the board shall set the amount of the application fee for each category and class of license by rule. If the costs of the investigation and processing the application exceed the application fee, the applicant shall pay the additional amount to the board. All information, records, interviews, reports, statements, memoranda, or other data supplied to or used by the board in the course of its review or investigation of an application for a license under this act shall be disclosed only in accordance with this act. The information, records, interviews, reports, statements, memoranda, or other data are not admissible as evidence or discoverable in any action of any kind in any court or before any tribunal, board, agency, or person, except for any action considered necessary by the board.

(6) By 10 days after the date the applicant submits an application to the board, the applicant shall notify the municipality by registered mail that it has applied for a license under this act.

History: 2016, Act 281, Eff. Dec. 20, 2016;—Am. 2018, Act 582, Eff. Jan. 1, 2019.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27402 License; issuance; ineligibility; circumstances; other considerations granting license; fingerprint processing fee; criminal history check; requirements applicable to fingerprints; definitions; review of application; informing applicant of decision; issuance; duration; renewal; notice; expiration; consent to inspections; examinations, searches, and seizures; information required to be provided by applicant.

Sec. 402. (1) The board shall issue a license to an applicant who submits a complete application and pays both the nonrefundable application fee required under section 401(5) and the regulatory assessment established by the board for the first year of operation, if the board determines that the applicant is qualified to receive a license under this act.

(2) An applicant is ineligible to receive a license if any of the following circumstances exist:

(a) The applicant has been convicted of or released from incarceration for a felony under the laws of this state, any other state, or the United States within the past 10 years or has been convicted of a controlled substance-related felony within the past 10 years.

(b) Within the past 5 years the applicant has been convicted of a misdemeanor involving a controlled substance, theft, dishonesty, or fraud in any state or been found responsible for violating a local ordinance in any state involving a controlled substance, dishonesty, theft, or fraud that substantially corresponds to a misdemeanor in that state.

(c) The applicant has knowingly submitted an application for a license under this act that contains false information.

(d) The applicant is a member of the board.

(e) The applicant fails to demonstrate the applicant's ability to maintain adequate premises liability and casualty insurance for its proposed marihuana facility.

(f) The applicant holds an elective office of a governmental unit of this state, another state, or the federal government; is a member of or employed by a regulatory body of a governmental unit in this state, another state, or the federal government; or is employed by a governmental unit of this state. This subdivision does not apply to an elected officer of or employee of a federally recognized Indian tribe or to an elected precinct delegate.

- (g) The board determines that the applicant is not in compliance with section 205(1).
- (h) The applicant fails to meet other criteria established by rule.
- (3) In determining whether to grant a license to an applicant, the board may also consider all of the following:
 - (a) The integrity, moral character, and reputation; personal and business probity; financial ability and experience; and responsibility or means to operate or maintain a marihuana facility of the applicant and of any other person that meets either of the following:
 - (i) Controls, directly or indirectly, the applicant.
 - (ii) Is controlled, directly or indirectly, by the applicant or by a person who controls, directly or indirectly, the applicant.
 - (b) The financial ability of the applicant to purchase and maintain adequate liability and casualty insurance.
 - (c) The sources and total amount of the applicant's capitalization to operate and maintain the proposed marihuana facility.
 - (d) Whether the applicant has been indicted for, charged with, arrested for, or convicted of, pled guilty or nolo contendere to, forfeited bail concerning, or had expunged any relevant criminal offense under the laws of any jurisdiction, either felony or misdemeanor, not including traffic violations, regardless of whether the offense has been expunged, pardoned, or reversed on appeal or otherwise.
 - (e) Whether the applicant has filed, or had filed against it, a proceeding for bankruptcy within the past 7 years.
 - (f) Whether the applicant has been served with a complaint or other notice filed with any public body regarding payment of any tax required under federal, state, or local law that has been delinquent for 1 or more years.
 - (g) Whether the applicant has a history of noncompliance with any regulatory requirements in this state or any other jurisdiction.
 - (h) Whether at the time of application the applicant is a defendant in litigation involving its business practices.
 - (i) Whether the applicant meets other standards in rules applicable to the license category.
- (4) Each applicant shall ensure that 1 set of fingerprints is submitted to the department of state police. The applicant shall submit with its application the applicant's written consent to the criminal history check described in this section and the submission of the applicant's fingerprints to, and the inclusion of the applicant's fingerprints in, the state and federal database systems described in subsection (7).
- (5) The fingerprints required under subsection (4) may be taken by a law enforcement agency or any other person determined by the department of state police to be qualified to take fingerprints. The applicant shall submit a fingerprint processing fee to the department in an amount required under section 3 of 1935 PA 120, MCL 28.273, and any costs imposed by the Federal Bureau of Investigation.
- (6) The department of state police shall do all of the following:
 - (a) Conduct a criminal history check on each applicant and request the Federal Bureau of Investigation to make a determination of the existence of any national criminal history pertaining to each applicant.
 - (b) Provide the board with a written report containing the criminal history record information of each applicant.
- (7) All of the following apply concerning fingerprints submitted to the department of state police under this section:
 - (a) The department of state police shall store and retain all fingerprints submitted under this section in an automated fingerprint identification system database that searches against latent fingerprints, and provides for an automatic notification if and when a subsequent fingerprint is submitted into the system that matches a set of fingerprints previously submitted under this section or if and when the criminal history of an individual whose fingerprints are retained in the system is updated. Upon receiving a notification, the department of state police shall immediately notify the board. Information in the database maintained under this subsection is confidential, is not subject to disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, and shall not be disclosed to any person except for purposes of this act or for law enforcement purposes.
 - (b) The department of state police shall forward all fingerprints submitted to it under this section to the Federal Bureau of Investigation for submission of those fingerprints into the FBI automatic notification system. This subdivision does not apply until the department of state police is a participant in the FBI automatic notification system. As used in this subdivision:
 - (i) "Automatic notification system" means a system that stores and retains fingerprints, and that provides for an automatic notification to a participant if and when a fingerprint is submitted into the system that matches an individual whose fingerprints are retained in the system or if and when the criminal history of an

individual whose fingerprints are retained in the system is updated.

(ii) "FBI automatic notification system" means the automatic notification system that is maintained by the Federal Bureau of Investigation.

(8) The board shall review all applications for licenses and shall inform each applicant of the board's decision.

(9) A license shall be issued for a 1-year period and is renewable annually. Except as otherwise provided in this act, the board shall renew a license if all of the following requirements are met:

(a) The licensee applies to the board on a renewal form provided by the board that requires information prescribed in rules.

(b) The application is received by the board on or before the expiration date of the current license.

(c) The licensee pays the regulatory assessment under section 603.

(d) The licensee meets the requirements of this act and any other renewal requirements set forth in rules.

(10) The department shall notify the licensee by mail or electronic mail at the last known address on file with the board advising of the time, procedure, and regulatory assessment under section 603. The failure of the licensee to receive notice under this subsection does not relieve the licensee of the responsibility for renewing the license.

(11) If a license renewal application is not submitted by the license expiration date, the license may be renewed within 60 days after its expiration date upon application, payment of the regulatory assessment under section 603, and satisfaction of any renewal requirement and late fee set forth in rules. The licensee may continue to operate during the 60 days after the license expiration date if the license is renewed by the end of the 60-day period.

(12) License expiration does not terminate the board's authority to impose sanctions on a licensee whose license has expired.

(13) In its decision on an application for renewal, the board shall consider any specific written input it receives from an individual or entity within the local unit of government in which the applicant for renewal is located.

(14) A licensee must consent in writing to inspections, examinations, searches, and seizures that are permitted under this act and must provide a handwriting exemplar, fingerprints, photographs, and information as authorized in this act or by rules.

(15) An applicant or licensee has a continuing duty to provide information requested by the board and to cooperate in any investigation, inquiry, or hearing conducted by the board.

History: 2016, Act 281, Eff. Dec. 20, 2016;—Am. 2017, Act 105, Imd. Eff. July 13, 2017;—Am. 2018, Act 582, Eff. Jan. 1, 2019.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27403 Application deficiency; correction.

Sec. 403. If the board identifies a deficiency in an application, the board shall provide the applicant with a reasonable period of time to correct the deficiency.

History: 2016, Act 281, Eff. Dec. 20, 2016.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27404 Repealed. 2018, Act 582, Eff. Jan. 1, 2019.

Compiler's note: The repealed section pertained to a true party of interest.

333.27405 Background check.

Sec. 405. Subject to the laws of this state, before hiring a prospective employee, the holder of a license shall conduct a background check of the prospective employee. If the background check indicates a pending charge or conviction within the past 10 years for a controlled substance-related felony, a licensee shall not hire the prospective employee without written permission of the board.

History: 2016, Act 281, Eff. Dec. 20, 2016.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27406 Transfer, sale, or purchase of license.

Sec. 406. Each license is exclusive to the licensee, and a licensee or any other person must apply for and receive the board's approval before a license is transferred, sold, or purchased. The attempted transfer, sale, or other conveyance of an interest in a license without prior board approval is grounds for suspension or revocation of the license or for other sanction considered appropriate by the board, but only if the transfer, sale, or other conveyance would result in the transferee meeting the definition of applicant.

History: 2016, Act 281, Eff. Dec. 20, 2016;—Am. 2018, Act 582, Eff. Jan. 1, 2019.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27407 Denial, suspension, revocation, or restriction of license.

Sec. 407. (1) If an applicant or licensee fails to comply with this act or rules, if a licensee fails to comply with the marihuana tracking act, if a licensee no longer meets the eligibility requirements for a license under this act, or if an applicant or licensee fails to provide information the board requests to assist in any investigation, inquiry, or board hearing, the board may deny, suspend, revoke, or restrict a license. The board may suspend, revoke, or restrict a license and require the removal of a licensee or an employee of a licensee for a violation of this act, rules, the marihuana tracking act, or any ordinance adopted under section 205. The board may impose civil fines of up to \$5,000.00 against an individual and up to \$10,000.00 or an amount equal to the daily gross receipts, whichever is greater, against a licensee for each violation of this act, rules, or an order of the board. Assessment of a civil fine under this subsection is not a bar to the investigation, arrest, charging, or prosecution of an individual for any other violation of this act and is not grounds to suppress evidence in any criminal prosecution that arises under this act or any other law of this state.

(2) The board shall comply with the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, when denying, revoking, suspending, or restricting a license or imposing a fine. The board may suspend a license without notice or hearing upon a determination that the safety or health of patrons or employees is jeopardized by continuing a marihuana facility's operation. If the board suspends a license under this subsection without notice or hearing, a prompt postsuspension hearing must be held to determine if the suspension should remain in effect. The suspension may remain in effect until the board determines that the cause for suspension has been abated. The board may revoke the license or approve a transfer or sale of the license upon a determination that the licensee has not made satisfactory progress toward abating the hazard.

(3) After denying an application for a license, the board shall, upon request, provide a public investigative hearing at which the applicant is given the opportunity to present testimony and evidence to establish its suitability for a license. Other testimony and evidence may be presented at the hearing, but the board's decision must be based on the whole record before the board and is not limited to testimony and evidence submitted at the public investigative hearing.

(4) Except for license applicants who may be granted a hearing at the discretion of the board under subsection (3), any party aggrieved by an action of the board suspending, revoking, restricting, or refusing to renew a license, or imposing a fine, shall be given a hearing before the board upon request. A request for a hearing must be made to the board in writing within 21 days after service of notice of the action of the board. Notice of the action of the board must be served either by personal delivery or by certified mail, postage prepaid, to the aggrieved party. Notice served by certified mail is considered complete on the business day following the date of the mailing.

(5) The board may conduct investigative and contested case hearings; issue subpoenas for the attendance of witnesses; issue subpoenas duces tecum for the production of books, ledgers, records, memoranda, electronically retrievable data, and other pertinent documents; and administer oaths and affirmations to witnesses as appropriate to exercise and discharge the powers and duties of the board under this act. The director of the department or his or her designee may issue subpoenas and administer oaths and affirmations to witnesses.

History: 2016, Act 281, Eff. Dec. 20, 2016;—Am. 2018, Act 582, Eff. Jan. 1, 2019.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27407a Operation of marihuana facility; license required; violation; penalties.

Sec. 407a. Beginning June 1, 2019, a person shall not hold itself out as operating a marihuana facility if the

person does not hold a license to operate that marihuana facility or if the person's license to operate that marihuana facility is suspended, revoked, lapsed, or void, or was fraudulently obtained or transferred to the person other than pursuant to section 406. A person that violates this section is guilty as follows:

(a) In the case of a first violation, a misdemeanor punishable by a fine of not less than \$10,000.00 or more than \$25,000.00 or imprisonment of not more than 93 days, or both.

(b) In the case of a second or subsequent violation, a misdemeanor punishable by a fine of not less than \$10,000.00 or more than \$25,000.00 or imprisonment of not more than 1 year, or both.

(c) If the violation causes death or serious injury, a felony punishable by a fine of not less than \$10,000.00 or more than \$25,000.00 or imprisonment for not more than 4 years, or both.

History: Add. 2018, Act 582, Eff. Jan. 1, 2019.

333.27408 Proof of financial responsibility.

Sec. 408. (1) Before the board grants or renews any license under this act, the licensee or applicant shall file with the department proof of financial responsibility for liability for bodily injury to lawful users resulting from the manufacture, distribution, transportation, or sale of adulterated marihuana or adulterated marihuana-infused product in an amount not less than \$100,000.00. The proof of financial responsibility may be in the form of cash, unencumbered securities, a liability insurance policy, or a constant value bond executed by a surety company authorized to do business in this state. As used in this section:

(a) "Adulterated marihuana" means a product sold as marihuana that contains any unintended substance or chemical or biological matter other than marihuana that causes adverse reaction after ingestion or consumption.

(b) "Bodily injury" does not include expected or intended effect or long-term adverse effect of smoking, ingestion, or consumption of marihuana or marihuana-infused product.

(2) An insured licensee shall not cancel liability insurance required under this section unless the licensee complies with both of the following:

(a) Gives 30 days' prior written notice to the department.

(b) Procures new proof of financial responsibility required under this section and delivers that proof to the department within 30 days after giving the department the notice under subdivision (a).

History: 2016, Act 281, Eff. Dec. 20, 2016.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27409 State operating license as revocable privilege.

Sec. 409. A state operating license is a revocable privilege granted by this state and is not a property right. Granting a license does not create or vest any right, title, franchise, or other property interest. A licensee or any other person shall not lease, pledge, or borrow or loan money against a license.

History: 2016, Act 281, Eff. Dec. 20, 2016;—Am. 2018, Act 582, Eff. Jan. 1, 2019.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

PART 5. LICENSEES

333.27501 Grower license.

Sec. 501. (1) A grower license authorizes the grower to grow not more than the following number of marihuana plants under the indicated license class for each license the grower holds in that class:

(a) Class A – 500 marihuana plants.

(b) Class B – 1,000 marihuana plants.

(c) Class C – 1,500 marihuana plants.

(2) Except as otherwise provided in this subsection, a grower license authorizes sale of marihuana plants to a grower only by means of a secure transporter. A grower license authorizes the sale or transfer of seeds, seedlings, or tissue cultures to a grower from a registered primary caregiver or another grower without using a secure transporter.

(3) A grower license authorizes a grower to transfer marihuana without using a secure transporter to a processor or provisioning center if both of the following are met:

(a) The processor or provisioning center occupies the same location as the grower and the marihuana is

transferred using only private real property without accessing public roadways.

(b) The grower enters each transfer into the statewide monitoring system.

(4) A grower license authorizes sale of marihuana, other than seeds, seedlings, tissue cultures, and cuttings, to a processor or provisioning center.

(5) Except as otherwise provided in subsections (2) and (3) and section 505, a grower license authorizes the grower to transfer marihuana only by means of a secure transporter.

(6) To be eligible for a grower license, the applicant and each investor in the grower must not have an interest in a secure transporter or safety compliance facility.

(7) Until December 31, 2018, for a period of 30 days after the issuance of a grower license and in accord with rules, a grower may transfer any of the following that are lawfully possessed by an individual formerly registered as a primary caregiver who is an active employee of the grower:

(a) Marihuana plants.

(b) Seeds.

(c) Seedlings.

(8) A grower shall comply with all of the following:

(a) Until December 31, 2021, have, or have as an active employee an individual who has, a minimum of 2 years' experience as a registered primary caregiver.

(b) While holding a license as a grower, not be a registered primary caregiver and not employ an individual who is simultaneously a registered primary caregiver.

(c) Enter all transactions, current inventory, and other information into the statewide monitoring system as required in this act, rules, and the marihuana tracking act.

(9) A grower license does not authorize the grower to operate in an area unless the area is zoned for industrial or agricultural uses or is unzoned and otherwise meets the requirements established in section 205(1).

History: 2016, Act 281, Eff. Dec. 20, 2016;—Am. 2018, Act 10, Imd. Eff. Jan. 26, 2018.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27502 Processor license; exception for industrial hemp.

Sec. 502. (1) A processor license authorizes purchase of marihuana only from a grower and sale of marihuana-infused products or marihuana only to a provisioning center or another processor.

(2) Except as otherwise provided in section 505 and this subsection, a processor license authorizes the processor to transfer marihuana only by means of a secure transporter. A processor license authorizes a processor to transfer marihuana without using a secure transporter to a grower or provisioning center if both of the following are met:

(a) The grower or provisioning center occupies the same location as the processor and the marihuana is transferred using only private real property without accessing public roadways.

(b) The processor enters each transfer into the statewide monitoring system.

(3) To be eligible for a processor license, the applicant and each investor in the processor must not have an interest in a secure transporter or safety compliance facility.

(4) Until December 31, 2018, for a period of 30 days after the issuance of a processor license and in accord with rules, a processor may transfer any of the following that are lawfully possessed by an individual formerly registered as a primary caregiver who is an active employee of the processor:

(a) Marihuana plants.

(b) Usable marihuana.

(5) A processor shall comply with all of the following:

(a) Until December 31, 2021, have, or have as an active employee an individual who has, a minimum of 2 years' experience as a registered primary caregiver.

(b) While holding a license as a processor, not be a registered primary caregiver and not employ an individual who is simultaneously a registered primary caregiver.

(c) Enter all transactions, current inventory, and other information into the statewide monitoring system as required in this act, rules, and the marihuana tracking act.

(6) This act does not prohibit a processor from handling, processing, marketing, or brokering, as those terms are defined in section 2 of the industrial hemp research and development act, MCL 286.842, industrial hemp.

History: 2016, Act 281, Eff. Dec. 20, 2016;—Am. 2018, Act 10, Imd. Eff. Jan. 26, 2018;—Am. 2018, Act 648, Eff. Mar. 28, 2019.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:
"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27503 Secure transporter license.

Sec. 503. (1) A secure transporter license authorizes the licensee to store and transport marihuana and money associated with the purchase or sale of marihuana between marihuana facilities for a fee upon request of a person with legal custody of that marihuana or money. It does not authorize transport to a registered qualifying patient or registered primary caregiver. If a secure transporter has its primary place of business in a municipality that has adopted an ordinance under section 205 authorizing that marihuana facility, the secure transporter may travel through any municipality.

(2) To be eligible for a secure transporter license, the applicant and each investor with an interest in the secure transporter must not have an interest in a grower, processor, provisioning center, or safety compliance facility and must not be a registered qualifying patient or a registered primary caregiver.

(3) A secure transporter shall enter all transactions, current inventory, and other information into the statewide monitoring system as required in this act, rules, and the marihuana tracking act.

(4) A secure transporter shall comply with all of the following:

(a) Each driver transporting marihuana must have a chauffeur's license issued by this state.

(b) Each employee who has custody of marihuana or money that is related to a marihuana transaction shall not have been convicted of or released from incarceration for a felony under the laws of this state, any other state, or the United States within the past 5 years or have been convicted of a misdemeanor involving a controlled substance within the past 5 years.

(c) Each vehicle must be operated with a 2-person crew with at least 1 individual remaining with the vehicle at all times during the transportation of marihuana.

(d) A route plan and manifest must be entered into the statewide monitoring system, and a copy must be carried in the transporting vehicle and presented to a law enforcement officer upon request.

(e) The marihuana must be transported in 1 or more sealed containers and not be accessible while in transit.

(f) A secure transporting vehicle must not bear markings or other indication that it is carrying marihuana or a marihuana-infused product.

(5) A secure transporter is subject to administrative inspection by a law enforcement officer at any point during the transportation of marihuana to determine compliance with this act.

History: 2016, Act 281, Iff. Dec. 20, 2016;—Am. 2018, Act 10, Imd. Eff. Jan. 26, 2018.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:
"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27504 Provisioning center license.

Sec. 504. (1) A provisioning center license authorizes the purchase or transfer of marihuana only from a grower or processor and sale or transfer to only a registered qualifying patient or registered primary caregiver. Except as otherwise provided in section 505 and this subsection, all transfers of marihuana to a provisioning center from a separate marihuana facility must be by means of a secure transporter. A transfer of marihuana to a provisioning center from a marihuana facility that occupies the same location as the provisioning center does not require a secure transporter if the marihuana is transferred to the provisioning center using only private real property without accessing public roadways.

(2) A provisioning center license authorizes the provisioning center to transfer marihuana to or from a safety compliance facility for testing by means of a secure transporter or as provided in section 505.

(3) To be eligible for a provisioning center license, the applicant and each investor in the provisioning center must not have an interest in a secure transporter or safety compliance facility.

(4) A provisioning center shall comply with all of the following:

(a) Sell or transfer marihuana to a registered qualifying patient or registered primary caregiver only after it has been tested and bears the label required for retail sale.

(b) Enter all transactions, current inventory, and other information into the statewide monitoring system as required in this act, rules, and the marihuana tracking act.

(c) Before selling or transferring marihuana to a registered qualifying patient or to a registered primary caregiver on behalf of a registered qualifying patient, inquire of the statewide monitoring system to determine whether the patient and, if applicable, the caregiver hold a valid, current, unexpired, and unrevoked registry

identification card and that the sale or transfer will not exceed the daily and monthly purchasing limit established by the medical marihuana licensing board under this act.

(d) Not allow the sale, consumption, or use of alcohol or tobacco products on the premises.

(e) Not allow a physician to conduct a medical examination or issue a medical certification document on the premises for the purpose of obtaining a registry identification card.

History: 2016, Act 281, Eff. Dec. 20, 2016;—Am. 2018, Act 10, Imd. Eff. Jan. 26, 2018.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27505 Safety compliance facility license; exception for industrial hemp.

Sec. 505. (1) In addition to transfer and testing authorized in section 203, a safety compliance facility license authorizes the safety compliance facility to do all of the following without using a secure transporter:

(a) Take marihuana from, test marihuana for, and return marihuana to only a marihuana facility.

(b) Collect a random sample of marihuana at the marihuana facility of a grower, processor, or provisioning center for testing.

(2) A safety compliance facility must be accredited by an entity approved by the board by 1 year after the date the license is issued or have previously provided drug testing services to this state or this state's court system and be a vendor in good standing in regard to those services. The board may grant a variance from this requirement upon a finding that the variance is necessary to protect and preserve the public health, safety, or welfare.

(3) To be eligible for a safety compliance facility license, the applicant and each investor with any interest in the safety compliance facility must not have an interest in a grower, secure transporter, processor, or provisioning center.

(4) A safety compliance facility shall comply with all of the following:

(a) Perform tests to certify that marihuana is reasonably free of chemical residues such as fungicides and insecticides.

(b) Use validated test methods to determine tetrahydrocannabinol, tetrahydrocannabinol acid, cannabidiol, and cannabidiol acid levels.

(c) Perform tests that determine whether marihuana complies with the standards the board establishes for microbial and mycotoxin contents.

(d) Perform other tests necessary to determine compliance with any other good manufacturing practices as prescribed in rules.

(e) Enter all transactions, current inventory, and other information into the statewide monitoring system as required in this act, rules, and the marihuana tracking act.

(f) Have a secured laboratory space that cannot be accessed by the general public.

(g) Retain and employ at least 1 staff member with a relevant advanced degree in a medical or laboratory science.

(5) This act does not prohibit a safety compliance facility from taking or receiving industrial hemp for testing purposes and testing the industrial hemp pursuant to the industrial hemp research and development act.

History: 2016, Act 281, Eff. Dec. 20, 2016;—Am. 2018, Act 10, Imd. Eff. Jan. 26, 2018;—Am. 2018, Act 648, Eff. Mar. 28, 2019.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

PART 6. TAXES AND FEES

333.27601 Provisioning center; imposition of tax; rate; administration.

Sec. 601. (1) A tax is imposed on each provisioning center at the rate of 3% of the provisioning center's gross retail receipts. By 30 days after the end of the calendar quarter, a provisioning center shall remit the tax for the preceding calendar quarter to the department of treasury accompanied by a form prescribed by the department of treasury that shows the gross quarterly retail income of the provisioning center and the amount of tax due, and shall submit a copy of the form to the department. If a law authorizing the recreational or nonmedical use of marihuana in this state is enacted, this section does not apply beginning 90 days after the effective date of that law.

(2) The taxes imposed under this section shall be administered by the department of treasury in accordance with 1941 PA 122, MCL 205.1 to 205.31, and this act. In case of conflict between the provisions of 1941 PA

122, MCL 205.1 to 205.31, and this act, the provisions of this act prevail.

History: 2016, Act 281, Eff. Dec. 20, 2016.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27602 Medical marihuana excise fund.

Sec. 602. (1) The medical marihuana excise fund is created in the state treasury.

(2) Except for the application fee under section 401, the regulatory assessment under section 603, and any local fees, all money collected under section 601 and all other fees, fines, and charges, imposed under this act must be deposited in the medical marihuana excise fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

(3) Money in the medical marihuana excise fund at the close of the fiscal year remains in the fund and does not lapse to the general fund.

(4) The state treasurer is the administrator of the medical marihuana excise fund for auditing purposes.

(5) The money in the medical marihuana excise fund must be allocated, upon appropriation, as follows:

(a) 25% to municipalities in which a marihuana facility is located, allocated in proportion to the number of marihuana facilities within the municipality.

(b) 30% to counties in which a marihuana facility is located, allocated in proportion to the number of marihuana facilities within the county.

(c) 5% to counties in which a marihuana facility is located, allocated in proportion to the number of marihuana facilities within the county. Money allocated under this subdivision must be used exclusively to support the county sheriffs and must be in addition to and not in replacement of any other funding received by the county sheriffs.

(d) 30% to this state for the following:

(i) Until September 30, 2017, for deposit in the general fund of the state treasury.

(ii) Beginning October 1, 2017, for deposit in the first responder presumed coverage fund created in section 405 of the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.405.

(e) 5% to the Michigan commission on law enforcement standards for training local law enforcement officers.

(f) 5% to the department of state police.

History: 2016, Act 281, Eff. Dec. 20, 2016;—Am. 2018, Act 10, Imd. Eff. Jan. 26, 2018.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27603 Regulatory assessment.

Sec. 603. (1) A regulatory assessment is imposed on certain licensees as provided in this section. All of the following shall be included in establishing the total amount of the regulatory assessment established under this section:

(a) The department's costs to implement, administer, and enforce this act, except for the costs to process and investigate applications for licenses supported with the application fee described in section 401.

(b) Expenses of medical-marihuana-related legal services provided to the department by the department of attorney general.

(c) Expenses of medical-marihuana-related services provided to the department by the department of state police.

(d) Expenses of medical-marihuana-related services provided by the department of treasury.

(e) \$500,000.00 to be allocated to the department for expenditures of the department for licensing substance use disorder programs.

(f) An amount equal to 5% of the sum of the amounts provided for under subdivisions (a) to (d) to be allocated to the department of health and human services for substance-abuse-related expenditures including, but not limited to, substance use disorder prevention, education, and treatment programs.

(g) Expenses related to the standardized field sobriety tests administered in enforcing the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

(h) An amount sufficient to provide for the administrative costs of the Michigan commission on law enforcement standards.

(2) The regulatory assessment is in addition to the application fee described in section 401, the tax

described in section 601, and any local licensing fees.

(3) The regulatory assessment shall be collected annually from licensed growers, processors, provisioning centers, and secure transporters. The regulatory assessment for a class A grower license shall not exceed \$10,000.00.

(4) Beginning in the first year marihuana facilities are authorized to operate in this state, and annually thereafter, the department, in consultation with the board, shall establish the total regulatory assessment at an amount that is estimated to be sufficient to cover the actual costs and support the expenditures listed in subsection (1).

(5) On or before the date the licensee begins operating and annually thereafter, each grower, processor, provisioning center, and secure transporter shall pay to the state treasurer an amount determined by the department to reasonably reflect the licensee's share of the total regulatory assessment established under subsection (4).

History: 2016, Act 281, Eff. Dec. 20, 2016.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27604 Marihuana regulatory fund.

Sec. 604. (1) The marihuana regulatory fund is created in the state treasury.

(2) The application fee collected under section 401 and the regulatory assessment collected under section 603 shall be deposited in the marihuana regulatory fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

(3) Money in the marihuana regulatory fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund.

(4) The department shall be the administrator of the marihuana regulatory fund for auditing purposes.

(5) Except as provided in section 603(1)(d) and (e), the department shall expend money from the marihuana regulatory fund, upon appropriation, only for implementing, administering, and enforcing this act.

History: 2016, Act 281, Eff. Dec. 20, 2016.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27605 Use of money from Michigan marihuana registry fund.

Sec. 605. The department may use any money appropriated to it from the marihuana registry fund created in section 6 of the Michigan medical marihuana act, 2008 IL 1, MCL 333.26426, for the purpose of funding the operations of the department and the board in the initial implementation and subsequent administration and enforcement of this act.

History: 2016, Act 281, Eff. Dec. 20, 2016.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

PART 7. REPORTS

333.27701 Financial statements.

Sec. 701. By 30 days after the end of each state fiscal year, each licensee shall transmit to the board and to the municipality financial statements of the licensee's total operations. The financial statements shall be reviewed by a certified public accountant in a manner and form prescribed by the board. The certified public accountant must be licensed in this state under article 7 of the occupational code, 1980 PA 299, MCL 339.720 to 339.736. The compensation for the certified public accountant shall be paid directly by the licensee to the certified public accountant.

History: 2016, Act 281, Eff. Dec. 20, 2016.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

333.27702 Report.

Rendered Friday, July 12, 2019

Page 24

Michigan Compiled Laws Complete Through PA 47 of 2019

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Sec. 702. The board shall submit with the annual report to the governor under section 302(I) and to the chairs of the legislative committees that govern issues related to marihuana facilities a report covering the previous year. The report shall include an account of the board actions, its financial position, results of operation under this act, and any recommendations for legislation that the board considers advisable.

History: 2016, Act 281, Eff. Dec. 20, 2016;—Am. 2018, Act 582, Eff. Jan. 1, 2019.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

PART 8. MARIHUANA ADVISORY PANEL

333.27801 Marihuana advisory panel.

Sec. 801. (1) The marihuana advisory panel is created within the department.

(2) The marihuana advisory panel consists of 17 members, including the director of state police or his or her designee, the director of this state's department of health and human services or his or her designee, the director of the department or his or her designee, the attorney general or his or her designee, the director of the department of agriculture and rural development or his or her designee, and the following members appointed by the governor:

- (a) One registered medical marihuana patient or medical marihuana primary caregiver.
- (b) One representative of the industry from the growers category.
- (c) One representative of the industry from the processors category.
- (d) One representative of the industry from the provisioning centers category.
- (e) One representative of the industry from the safety compliance facilities category.
- (f) One representative of townships.
- (g) One representative of cities and villages.
- (h) One representative of counties.
- (i) One representative of sheriffs.
- (j) One representative of local police.
- (k) One physician licensed under article 15 of the public health code, 1978 PA 368, MCL 333.16101 to 333.18838.
- (l) One representative of the industry from the secure transporter category.

(3) The governor shall appoint the first members of the panel by March 1, 2018. The members appointed to the panel shall serve at the pleasure of the governor and shall serve for terms of 3 years or until a successor is appointed, whichever is later.

(4) If a vacancy occurs on the advisory panel, the governor shall make an appointment for the unexpired term in the same manner as the original appointment.

(5) The director of the department or his or her designee shall call the first meeting of the panel within 1 month after the advisory panel is appointed. At the first meeting, the panel shall elect from among its members a chairperson and any other officers it considers necessary or appropriate. After the first meeting, the panel shall meet at least 2 times each year, or more frequently at the call of the chairperson.

(6) A majority of the members of the panel constitute a quorum for the transaction of business. A majority of the members present and serving are required for official action of the panel.

(7) The business that the panel performs must be conducted at a public meeting held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(8) A writing prepared, owned, used, in the possession of, or retained by the panel in the performance of an official function is subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(9) Members of the panel shall serve without compensation. However, members of the panel may be reimbursed for their actual and necessary expenses incurred in the performance of their official duties as members of the panel.

(10) The panel may make recommendations to the board concerning promulgation of rules and, as requested by the board or the department, the administration, implementation, and enforcement of this act and the marihuana tracking act.

(11) State departments and agencies shall cooperate with the panel and, upon request, provide it with meeting space and other necessary resources to assist it in the performance of its duties.

History: 2016, Act 281, Eff. Dec. 20, 2016;—Am. 2018, Act 10, Imd. Eff. Jan. 26, 2018.

Compiler's note: Enacting section 2 of Act 281 of 2016 provides:

"Enacting section 2. The legislature finds that the necessity for access to safe sources of marihuana for medical use and the immediate need for growers, processors, secure transporters, provisioning centers, and safety compliance facilities to operate under clear requirements establish the need to promulgate emergency rules to preserve the public health, safety, or welfare."

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City of Petoskey

Agenda Memo

BOARD: City Council

MEETING DATE: October 7, 2019 **DATE PREPARED:** October 3, 2019

AGENDA SUBJECT: Consideration to Adopt a Proposed Resolution Setting an Application Fee and Annual License/Renewal Fee for Medical Marijuana Provisioning Centers

RECOMMENDATION: That City Council discuss and possible adoption of proposed resolution.

Background As part of establishing a medical marijuana provisioning center program for the community, City Council needs to adopt two fees per the enclosed resolution: 1) An initial Application Fee and 2) an Annual License/Renewal Fee. The resolution needs to be approved at the same meeting whereby the zoning and licensing ordinance are approved.

Per State Statute, the City could establish an annual fee of up to \$5,000 for the Application Fee and up to \$5,000 for the License/Renewal Fee to defray the administrative and enforcement costs incurred by the City.

Application Fee It is estimated that the City would most likely incur costs in excess of \$5,000 for review of an individual medical marijuana provisioning center application. Staff's time (hourly rate and fringe benefit costs) are estimated in the determination of the Application Fee in reviewing the following items during the Application phase:

- Review, processing and oversight of applications with possible requests for additional information (City Clerk/Deputy Clerk, Planner, Public Safety Director, City Manager);
- Verification of stakeholder/employee background checks;
- Verification of local application information with LARA "prequalified" applicants;
- Developing/maintaining a master list of applicants;
- Communications with City Council, press and general public;
- Zoning compliance determination;
- Develop lottery system, hold lottery, process results and video tape entire process;
- Develop correspondence and send lottery results to each applicant;
- Attend Planning Commission meetings when applicants are pursuing Special Condition Use (City Attorney, City Manager);
- Issuance of conditional permit/denial of conditional permit;
- Correspondence with LARA regarding applicants who have completed local permitting process;
- Miscellaneous ordinance and statute compliance review;
- Legal fees;
- Intangibles?

Annual License Fee/Renewal Fee It is also estimated the City will incur costs in excess of \$5,000 in the initial year for administration and enforcement of medical marijuana provisioning center licenses. It is important to note, the annual Licensing/Renewal Fees will be reviewed each year and could be revised accordingly. Staff's time (hourly rate and fringe benefit costs) are estimated in the determination of the fee in reviewing the following items during the Licensing/Renewal approval/denial phase:

- Initial meeting with applicants regarding their general time frame for opening and status of final license approval from LARA;
- Review of license/renewal application (Public Safety, Planner, City Clerk/Deputy Clerk, City Manager);
- Review and verification of final LARA license;
- Final inspection by Public Safety of video and retention technology, alarm system, fire suppression, labeling of products, whether alcohol, tobacco or marijuana is being consumed on the property, etc.;
- Background checks of final employee roster;
- Issuance or denial of annual license;
- Enforcement issues/Increase in complaints;
- Miscellaneous ordinance and statute compliance review;
- Legal Fees;
- Intangibles?

Action A motion can be made to *“adopt the enclosed resolution establishing an application fee and licensing/renewal fee for medical marijuana provisioning centers.”*

rs
Enclosures



RESOLUTION NO. _____

**A RESOLUTION ESTABLISHING AN APPLICATION FEE AND LICENSING/RENEWAL FEE
FOR MEDICAL MARIJUANA PROVISIONING CENTERS**

WHEREAS, Michigan voters in 2008 approved the use of marijuana for medical use; and

WHEREAS, in 2016, the Michigan Legislature passed PA 281, the Medical Marijuana Facilities Licensing Act (MMFLA) to establish parameters for the growth, distribution and use of medical marijuana; and

WHEREAS, the MMFLA establishes a Medical Marijuana Licensing Board within the Department of Licensing and Regulatory Affairs that may grant up to five different types of medical marijuana facilities including provisioning centers; and

WHEREAS, the City's Planning Commission has taken public comment and has made recommendations to City Council on appropriate zoning districts for medical marijuana provisioning centers; and

WHEREAS, the City of Petoskey has approved both a zoning ordinance and licensing ordinance allowing up to three (3) medical marijuana provisioning centers within the City; and

WHEREAS, the City wishes to adopt fees to defray the administrative and enforcement costs associated with medical marijuana provisioning centers; and

WHEREAS, City staff has estimated the approximate costs of the medical marijuana Application Fee as well as an annual Licensing/Renewal Fee:

NOW THEREFORE BE IT RESOLVED, that the Petoskey City Council hereby adopts Resolution No. _____, setting the following charges for a medical marijuana provisioning center Application Fee and an annual Licensing/Renewal Fee:

Medical Marijuana Provisioning Center Application Fee	\$5,000
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Medical Marijuana Provisioning Center Annual License/Renewal Fee	\$5,000
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The aforementioned fees do not include any State of Michigan fees or fees associated with obtaining a Special Condition Use or Site Plan approval through the Petoskey Planning Commission.

State of Michigan)
County of Emmet) ss
City of Petoskey)

I, Alan Terry, Clerk of the City of Petoskey, do hereby certify that the foregoing is a true copy of a resolution adopted by the City Council of the City of Petoskey on the _____ day of _____, 2019, and of the whole thereof.

In witness whereof, I have hereunto set my hand and affixed the corporate seal of said City of Petoskey this _____ day of _____, 2019.

Alan Terry, City Clerk



BOARD: City Council

MEETING DATE: October 7, 2019

DATE PREPARED: October 3, 2019

AGENDA SUBJECT: Second Discussion and Consideration to Approve a Resolution Adopting the 2020-2025 Capital Improvement Plan

RECOMMENDATION: Discussion with a possible motion to adopt the CIP.

Summary

This is the second discussion of the proposed six-year Capital Improvement Plan for 2020-2025. The Planning Commission has reviewed the draft Capital Improvement Plan (CIP) on August 15, 2019 and unanimously recommended approval by City Council. The draft CIP was posted on the City's website on August 20, 2019 until the end of day September 3, 2019. There was one comment from Jill Fitzpatrick regarding changes to the Lake Street Dam that was included in the September 16 City Council packet. See attached email.

Please keep in mind that City Council is being asked to only approve the 2020-2025 CIP that includes the Kalamazoo Avenue project, but not the final design specifications for this street at this time. On October 17, 2019 the Planning Commission will review the street design specifications for Kalamazoo Avenue with a recommendation to City Council. City Council will then review the final Kalamazoo Avenue street design at a meeting in November.

Please bring your copy of the 2020-2025 Capital Improvement Plan to the meeting.

Overview

The CIP represents a long-term financial plan and helps to establish priorities for the City's investment in capital infrastructure. The CIP, along with the Annual Budget which appropriates funding for projects identified in the CIP, help set priorities and future direction for the City.

The 2020-2025 CIP totals \$48.8 million in expenditures, with capital spending in 2020 proposed at \$6.4 million, of which \$1.138 million (17.5%) is anticipated to come from grants or other outside sources of revenue.

2020 Planned Projects Highlights

The 2020 plan contains funding for a variety of infrastructure improvements including street improvements, utility upgrades and trail and park enhancements. Specifically, highlights of capital improvement projects for 2020 include:

- Full reconstruction of Kalamazoo Avenue from Jennings Avenue to East Mitchell Street. The project entails street reconstruction of Kalamazoo Avenue and also replacement of underground utilities, roadway narrowing, and sidewalks on both sides of the street. The City will also be undergrounding electric lines on this main thoroughfare. In addition, it is estimated that the City will need to replace seven of approximately 34 (~20%) water service lines to ensure compliance with new state lead and copper rules. Staff is also discussing how to incorporate rain gardens along Kalamazoo Avenue. Tip of the Mitt

Watershed Council has been involved with these discussions and there is potential for a small grant to offset costs of the green infrastructure;

- Reconstruction of Jackson Street from West Mitchell Street to the newly realigned portion in conjunction with the hospital expansion. New underground water, sewer and stormwater lines are part of the project as well as new sidewalks on both sides of the roadway;
- Park projects will include construction of pickle ball courts at River Bend Park and construction of the Bear River pedestrian bridge at River Road Sports Complex;
- There will also be improvements made to Sunset Park to improve accessibility after the US-31 realignment project is complete;
- Consistent with the City's sustainability efforts a solar demonstration project will be installed on the roof of City Hall with further studies on a potentially solar array project on Howard Road (former landfill);
- Parking deck engineering for Division and Lake Street location-contingent upon a viable financial plan. DMB and County to share \$300,000 costs; and
- Resurfacing of one mile of the Little Traverse Wheelway.

2021 Planned Project Highlights

- Contingent upon Little Traverse Bay Band of Odawa Indians funding, a full street reconstruction on Greenwood Cemetery Road from West Sheridan to Charlevoix Avenue/US-31 is scheduled for 2021. The road project will include water and sewer upgrades and at least sidewalks on one side of the road;
- A multi-year project to upgrade public works and parks and recreation facilities will commence in 2021 with the construction of a cold storage building on the Curtis Avenue property and creation of an access drive along the former Jarman Spur to connect the parks and public works facilities;
- Pending the outcome of a 2019 Engineering Alternatives Study for the Bear River dam at East Lake Street and identification of a funding source, improvements to this area would occur in 2021;
- Widening with addition of site amenities on the Park Avenue sidewalk in Pennsylvania Park from Bay Street to Mitchell Street; and
- Resurfacing of one mile of the Little Traverse Wheelway.

2022-2025 Planned Project Highlights

The years 2022-2025 may have projects adjusted based on funding availability and demands. Some projects planned for the final four years of the CIP include:

- Reconstruction of East Lake Street from Kalamazoo to Division Street;
- Completion of the East Mitchell/Petoskey Street intersection;
- Winter Sports Park shelter improvements;

- Replacement of DPW Building that may include a solar component;
- Dog park development;
- Construction of salt sheds and material storage building on north side of Sheridan Street;
and
- Street and utility improvement to Howard Street from State Street to Jennings Avenue.

Action

If City Council is comfortable with the proposed 2020-2025 CIP, a motion can be made to “*approve the 2020-2025 Capital Improvements Plan as submitted by the City Manager on October 7, 2019.*”



City of Petoskey

Resolution

WHEREAS, as part of the City's annual budget-preparation process, the City Planner submitted to the Planning Commission on August 15, 2019 the City staff's proposed update to the City's six-year capital improvement program; and

WHEREAS, the Planning Commission reviewed this proposed 2020-2025 Capital Improvement Program on August 15, 2019, and recommended its adoption by the City Council; and

WHEREAS, the City Council reviewed the proposed plan on September 16, 2019 and October 7, 2019 and concurs with the recommendation of the Planning Commission:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby approves the 2020-2025 Capital Improvement Program as submitted by the City Manager dated October 7, 2019 and approved by the Planning Commission August 15, 2019.

RECEIVED

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AB

CITY OF PETOSKEY
CITY MANAGER

Mr. Straebel,

After reviewing the proposed CIP plan for 2020-2025, I would like to comment on just this one item:

Pending the outcome of a 2019 Engineering Alternatives Study for the Bear River dam at East Lake Street and identification of funding source, improvements to this area would occur in 2021

I represent the Lake St. Townhouse Condo Association, on the corner of W. Lake and Quaintance, at the entrance to the Bear River Valley Recreation Area. We are wildly in favor of changes being made to the dam, and hopefully an upgrade to the park area directly across the street from our building on Quaintance. Since the BRVRA opened in 2011, we have consistently made improvements to our condo grounds along Quaintance, between W. Lake and the Mitchell St. bridge, and now hope that a potential change in the river between the two bridges might provide impetus for the City to do the same.

Years ago, the river itself was clearly visible between the large willow trees on the western bank. Now, with the exception of the spot where the new sidewalk goes down to the river itself, all anyone can see is overgrown bushes, with wild grapevines attaching themselves to everything. If one of the options discussed at the "open house" in August is eventually adopted, perhaps there will be a series of deep pools between the bridges, which would make a delightful environment for picnic tables, park benches, etc. Currently, other than an occasional pick-up soccer game, the park is never used. Given its wonderful location, and potentially outstanding water views, this seems odd to our association. Besides providing a more scenic entrance to BRVRA, it could also offer a nicer backdrop to the new, popular wedding venue in town - the underside of the Mitchell St. Bridge.

And last, but not least, a removal of the dam would serve the purpose of spreading out the fishermen who gather for the spring and fall spawning runs. With fish no longer trapped below the dam, their often questionable tactics (snagging) would no longer work, and other areas along the river would become more popular. We have gone on record in the past as to the nuisance factor caused by having so many people, sometimes very late at night, competing for fish in such a small area. Fights break out, cars and trucks are illegally parked, fish guts and other trash get left behind, and the list goes on. Suffice to say, the "quiet area" signs that we were given years ago did not do the trick.

Thanks for listening.

Sincerely,
Jill Fitzpatrick, secretary/treasurer
Lake St. Townhouse Condo Association
310 Quaintance Ave., Petoskey, MI
231-420-3261



BOARD: City Council

MEETING DATE: October 7, 2019

DATE PREPARED: September 23, 2019

AGENDA SUBJECT: Downtown-Area Special Assessment Report

RECOMMENDATION: That the City Council accept and review this report and adopt a proposed resolution that would schedule an October 21 public hearing to receive comments concerning the proposed levying of special assessments to finance downtown area programs and services in 2020

Report At its September 17, 2019 meeting, the City's Downtown Management Board reviewed its proposed budget for downtown-area programs and services for 2020 and recommends that the City Council:

1. Levy a special assessment against all eligible, non-residential properties within the Management Board's jurisdictional territory, the proceeds from which would be used to finance costs of such programs and services.
2. Increase the amount for the proposed special assessment compared to assessment-levy amounts that were used in 2019.

The Management Board's budget proposal will be included within the City's recommended 2020 Annual Budget, but the timeline of the special assessment process requires that the process be initiated annually by City Council in advance of the City's annual budget discussions.

Action At the October 7 City Council meeting, the Council will be asked to:

1. Adopt a proposed resolution which has been included with the report, that would:
 - a. Confirm that costs of proposed downtown-area programs and services would be offset by special-assessment revenues, and
 - b. Designate the special-assessment district, and
 - c. Approve the recommended special-assessment formula, and
 - d. Schedule an October 21 public hearing to receive comments concerning the proposed programs and services.

A second public hearing to receive comments concerning the proposed special-assessment roll is tentatively scheduled for November 18.



City of Petoskey

Resolution

WHEREAS, the City Council in 1994 appointed members of the City's Downtown Development Authority Board as a "Downtown Management Board" under provisions of Act 120 of the Public Acts of Michigan of 1961, as amended by Act 146 of 1992; and

WHEREAS, at its September 17, 2019, meeting, the Downtown Management Board discussed the need to continue to provide certain programs and services that are believed to be beneficial to the City's principal shopping area; and

WHEREAS, the Downtown Management Board has developed a recommended formula by which properties within the Board's district could be specially assessed as a means of obtaining revenues to offset costs of the Board's proposed programs and services for the year 2020; and

WHEREAS, the City Council has reviewed a report dated September 23, 2019, by the City Manager that lists those proposed programs and services as recommended by the Downtown Management Board and the proposed roll that would spread special assessments against properties within the Management Board's district:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby determines that a portion of the expense of these proposed programs and services shall be defrayed by special assessments upon those properties especially benefited; and

BE IT FURTHER RESOLVED that the nature of these proposed programs and services shall include such activities as special events, economic enhancement, beautification, marketing and promotions, and administration for costs estimated at \$192,800; that all portions of such costs shall be paid by special assessments and other related revenues, without a general obligation of the City; that such special-assessment revenues shall be collected in a single-installment payment; and that such assessments shall be levied in a district with boundaries that are to be coterminous to those of the Downtown Management Board's jurisdictional territory; and

BE IT FURTHER RESOLVED that the City Council does and hereby sets forth the basis of this special assessment by use of a formula that has been recommended by the Downtown Management Board to increase the amount for the proposed special assessment compared to the recommended 2019 formula and that has been calculated by the City staff based upon square footage of useable, non-residential building area and vacant properties, which the City Council has determined to be the most equitable to the greatest number of property owners concerned; and

BE IT FURTHER RESOLVED that the City Council does and hereby schedules a public hearing for 7:00 P.M., Monday, October 21, 2019, to receive comments concerning these proposed programs and services; and

BE IT FURTHER RESOLVED that the City Council does and hereby directs the City staff to notify all property owners within the proposed assessment district of potential property assessments and the October 21, 2018, public hearing to receive comments concerning these proposed programs and services.



City of Petoskey

Report Concerning the Request of the City's Downtown Management Board that the City Council Implement Special Assessments to Finance Costs of Downtown-District Services and Programs for 2020

Prepared for Presentation to the City of Petoskey City Council by Robert Straebel, City Manager, Petoskey, Michigan, September 23, 2019

SUMMARY

The Petoskey City Council is being asked by the City Manager and the Downtown Management Board to implement annual special assessments within the Board's district to produce needed revenues for programs and services. This is the 26th consecutive year that assessments have been levied since the formation of the Downtown Management Board (DMB). The DMB is requesting to increase the special assessment-levy amount for the proposed 2020 special assessment compared to amounts that were used in 2019 – a formula that has remained constant since 2013.

INTRODUCTION

On September 17, 2019, following its routine, annual procedure, the City's Downtown Management Board provided the City Manager the Management Board's proposed budget to be included within the City's approved 2020 Annual Budget, and that the City Manager recommend that City Council implement the special assessment increase for 2020.

The following is a report that reviews Downtown Management Board functions, the Management Board's proposed programs and services and their financing requirements for 2020, and the special-assessment process as recommended by the City Manager in accordance with various provisions of State statutes, the City Charter, and the City Code.

HISTORY

Under authority of Public Act 120 of the Public Acts of Michigan of 1961, known as the "Redevelopment of Principal Shopping Areas Act," municipalities are permitted to establish boards of management that can provide for improvements of streets; regulation of traffic and parking; construction and operation of public facilities; and provision of maintenance, promotion, security, and continued operations. Amendments to the 1961 general-enabling legislation, through Act 146 of 1992, clarified and expanded uses of special-assessment financing, by methods that are devised by local governmental units, on behalf of such boards of management for such programs and services.

Using provisions of a 1975 State statute, the City Council, in 1993, had established the Downtown Development Authority, and subsequently, in 1994, appointed its nine-member board as the City's Downtown Management Board, using provisions of the 1992 amendments to Public Act 120 of 1961. These State laws grant similar powers to downtown development authorities and boards of management, but downtown development authorities may request from their municipal governing boards levies of taxes and captures of tax increments; boards of management, using local procedures, may specially assess for purposes that are deemed beneficial to their districts.

PROGRAMS AND SERVICES FINANCING

Budget. The Downtown Management Board on September 17 considered a programs-and-services budget that had been proposed by the Downtown Director for 2020. Included within the recommended budget were expenditures within line-item activities in general categories that again included DMB events, collaborating events, economic enhancement, marketing and promotions, beautification, and administration for a total of \$192,800, compared with \$184,500 in 2019. Costs provided for 2020 were proposed to be offset by \$193,200 in revenues, compared with \$169,700 budgeted for 2019, from assessments, interest, penalties, and other sources. Following a review of estimated revenues and expenditures for 2019 and proposed 2020 figures based on that experience, the Downtown Management Board proposed to increase the 2020 formula rate in order to maintain certain programs and services while at the same time allocating additional funds for future events and parking improvements.

Assessments. When preparing its 2003 budget proposals, a comprehensive review was undertaken to establish programs-and-services priorities. Subsequently, in 2010 the Management Board recommended adjusting its then eight-year-old special-assessment formula by increasing its three categories by 10% from the formula that first had been used in 1994.

Following a review of programs and services provided by the DMB as well as an evaluation of future parking needs, the DMB recommended for 2013, that non-residential properties be assessed \$0.16 per square foot for useable first-floor area, \$0.04 per square foot for floors other than first floors, and \$0.05 per square foot for vacant, unimproved lots. City Council approved the recommended increase, which has not changed.

The DMB is now recommending for 2020 that non-residential properties be assessed \$0.18 per square foot for useable first-floor area, \$0.045 per square foot for floors other than first floors, and \$0.055 per square foot for vacant, unimproved lots.

Breakdowns. Eligible, non-residential, first-floor area within the Downtown Management Board's district has been estimated at 438,145 square feet. At \$0.18 per square foot, special assessments that have been recommended for first-floor space would yield \$78,866. Combined areas of eligible, second, third, fourth, and basement floors would total 384,982 square feet; and, assessed at \$0.045 per square foot, would yield \$17,324 in revenues. Vacant, buildable property, assessed at \$0.055 per square foot of lot area, which totals 93,852 square feet, would provide \$5,162. Therefore, the proposed 2020 downtown-area special assessment would produce \$101,352 or \$11,244 more than the 2019 assessment revenue that totaled \$90,108.

Process. According to State law, this proposed special assessment would be imposed by the City Council on behalf of the Downtown Management Board. Property owners would receive notices of public hearings that would be conducted by the City Council, first to receive comments about programs and services and, later, special assessments. If implemented, the City staff would invoice property owners for payments of their assessments within 30 days. The City staff again would manage financial accounts on behalf of the Management Board.

ASSESSMENT PROCEDURE

Roll. Enclosed is the proposed special-assessment roll that includes each non-residential downtown property that has been recommended for assessment. The assessment roll is prepared by street (although the Downtown Management Board's district includes portions of Division Street and Emmet Street, those streets do not contain assessable properties that have address numbers on those streets) and lists property owners' names, property addresses, square-footage areas, and proposed assessment costs for each non-residential-building floor and vacant property, and total proposed assessment amounts. A special-assessment-district map is also enclosed.

Resolution. After its review of this report, the City Council will be asked at its October 7 meeting to adopt the enclosed proposed resolution that would:

- 1) Determine that costs of proposed programs and services as recommended by the Downtown Management Board should be defrayed by a single special assessment;
- 2) Designate the Management Board's jurisdictional territory as the assessment district;
- 3) Approve the recommended assessment formula, which as proposed would increase the 2019 formula; and
- 4) Schedule a public hearing for 7:00 P.M., Monday, October 21, in conjunction with the City Council's regular meeting, that would permit the City Council to receive comments concerning proposed downtown-area programs and services for 2020.

Notices. If the City Council adopts the enclosed proposed resolution that would schedule the requested October 21 public hearing, the City staff then would notify all potentially-affected downtown-area property owners of the public hearing and provide them with information about proposed downtown-area programs and services and amounts of special assessments that have been recommended to be levied against downtown-district properties. Following the October 21 public hearing, the City Council then could decide whether to direct the City staff to prepare the special-assessment roll, and whether that roll should be modified in any way based upon comments that had been received.

Assessments. Following completion of the final special-assessment roll, the City Council then would be asked to schedule a second public hearing to receive comments concerning any adjustments to the final-assessment roll. Following that hearing, the City Council then could decide whether to proceed with the proposed special assessments on behalf of the Downtown Management Board. If the City Council decided to implement the proposed special assessments, invoices then could be issued to individual property owners within 30 days. This proposed special-assessment process is the same process that has been used for this downtown-district program for the last 26 years.

sb
Enclosures

CITY OF PETOSKEY
Downtown Management Board
2020 Programs & Services Budget

	2018 Actual	2019 Budget	2019 Projected	2020 Proposed
REVENUE				
Downtown Assessments	90,108	91,400	91,400	101,578
Interest Income	586	50	1,000	1,000
Penalties & Interest	1,824	2,000	3,600	4,000
Carry Over	-	15,000	2,000	-
Holiday Parade Sponsors	3,350	4,000	4,000	7,000
Title Sponsor \$3,000				
Other sponsors \$2,000				
PAVB \$2,000				
Petoskey Rocks! Sponsors	9,465	10,000	5,000	5,625
5 Carriage Rides @ \$375/\$1,875				
4 Movie Sponsors @ \$500/\$2,000				
PAVB \$2,000				
Winter Carnival Income/sponsors	9,667	13,935	5,000	9,000
15 Ice Sculpture Sponsors @ \$225/\$3,375				
2 Ice Bar Sponsors @ \$500/\$1,000				
30 Ghost Walk @ \$15/\$450				
Ice Bar Drink revenue/\$1000				
PAVB \$500				
DT Trick or Treat/Wicked Weekend	2,300	4,000	3,400	3,400
Drink tent revenue/\$1000				
Drink tent sponsors/2 @ \$500 each/\$1,000				
Ghost Walk Tickets \$900				
Wagon Ride sponsor \$500				
Summer Open House	1,254	2,300	1,600	4,800
Drink tent revenue/\$2,500				
Ghost Walk \$300				
PAVB \$2,000				
Trolley ads & sponsorship	5,035	8,000	8,000	8,000
Gallery Walk	2,400	4,600	4,200	3,500
Shopping Scramble	100	6,250	0	-
Ghost Walk	0	900	900	1,000
Shop Map Ads	7,700	10,000	10,000	12,000
New Marketing Activities	0	1,000	0	-
Holiday Catalog	1,246	7,250	6,250	7,250
Sidewalk Sales		4,000	0	-
Presenting sponsors	-	-	-	25,000
10 @ \$2,500				
Total Revenue	135,035	184,685	146,350	193,153

EXPENSES**DMB Events**

Summer Open House	10,225	9,000	7,600	13,300	headliner music performance, children's activities, street performers
Sidewalk Sales	4,000	8,000	4,000	7,000	TV ads, DJ or musicians
DT Trick or Treat/Wicked Weekend	2,700	6,000	6,000	11,000	drink tent, children's activities, music
Holiday Parade	4,134	7,000	6,500	7,000	
Christmas Open House	500	1,000	1,500	1,500	
Winter Carnival	18,080	21,705	13,200	14,500	
Petoskey Rocks!	20,905	25,000	19,500	34,000	Better bands, children's activities, street performers
Gallery Walk	5,984	3,500	3,000	3,000	
Shopping Scramble	4,340	4,000	0	-	
Ladies Opening Night	4,000	4,000	4,000	4,000	
May Getaway	-	-	-	4,000	
Tent/Sound System Expenses				5,000	
	74,867	89,205	65,300	104,300	

Collaborating Events

Concerts in the Park Pledge	2,500	2,500	2,500	2,000
Fourth of July Pledge	0	800	800	800
Santa's Visit	200	200	200	200
Restaurant Week Pledge	500	500	500	500
Festival on the Bay Pledge	1,500	1,500	1,500	1,500
Farmers Market Pledge	0	500	500	500
	4,700	6,000	6,000	5,500

Economic Enhancement

Business Recruitment	0	500	500	300
Business Retention	289	1,000	1,000	1,000
	289	1,500	1,500	1,300

Marketing & Promotions

Image Campaign	20,677	30,000	30,000	30,000
Shop Map	7,011	10,000	7,500	9,000
Ghost Walk	0	500	300	300
New Marketing Activities	0	15,000	2,000	-
Holiday Catalog	7,206	3,000	8,000	11,000
	34,894	58,500	47,800	50,300

Beautification

Flowers	6,854	9,000	9,000	9,000
Holiday Decorations	10,638	15,000	11,000	11,500
Fall Decorations	501	5,000	500	600
	17,993	29,000	20,500	21,100

Administrative

Insurance & Bonds	0	0	200	200
Other	100	100	0	100
Capital Outlay	8,021	0	0	10,000
DT Lighting Project \$10,000				
	8,121	100	200	10,300

Total Expenses	140,864	184,305	141,300	192,800
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Excess Revenue over Expenditures	-5,829	380	5,050	353
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**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT**

STREET	AREA AND COST PER FLOOR												TOTAL COST
	FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT		VACANT LAND		
	AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	
Bay Street	26,305	\$ 4,734.90	12,774	\$ 574.83	5,417	\$ 243.77	-	\$ -	3,240	\$ 145.80	-	\$ -	\$ 5,699.30
Division Street	-	-	-	-	-	-	-	-	-	-	-	-	-
Howard Street	70,662	12,719.16	20,309	913.91	-	-	-	-	20,554	924.93	-	-	14,558.00
Lake Street	93,147	16,766.46	51,771	2,329.70	8,273	372.29	-	-	45,481	2,046.65	-	-	21,515.09
Lewis Street	15,360	2,764.80	12,590	566.55	12,590	566.55	3,922	176.49	8,711	392.00	-	-	4,466.39
Michigan Street	21,766	3,917.88	300	13.50	-	-	-	-	-	-	6,324	347.82	4,279.20
Mitchell Street	173,384	31,209.12	55,064	2,477.88	14,375	646.88	-	-	88,526	3,983.67	87,528	4,814.04	43,131.59
Park Avenue	5,756	1,036.08	860	38.70	-	-	-	-	4,939	222.26	-	-	1,297.04
Petoskey Street	22,309	4,015.62	4,692	211.14	3,672	165.24	-	-	3,314	149.13	-	-	4,541.13
Rose Street	4,428	797.04	3,608	162.36	-	-	-	-	-	-	-	-	959.40
Waukazoo Street	5,028	905.04	-	-	-	-	-	-	-	-	-	-	905.04
TOTALS	438,145	\$ 78,866.10	161,968	\$ 7,288.56	44,327	\$ 1,994.72	3,922	\$ 176.49	174,765	\$ 7,864.43	93,852	\$ 5,161.86	\$ 101,352.15

Description	Rate
First Floor	\$0.180
Non-First floor	\$0.045
Unimproved	\$0.055

9/18/2019

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
BAY STREET**

PROPERTY NUMBER PROPERTY OWNER		PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST
			FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT		
			AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	
06-226-001	CITY OF PETOSKEY	BAY STREET		\$ -		\$ -		\$ -		\$ -		\$ -	\$ -
06-226-002	CITY OF PETOSKEY	BAY STREET											-
06-226-003	PETOSKEY LAND & CATTLE	322 BAY STREET	5,893	1,060.74	3,086	138.87							1,199.61
06-200-011	MCGRAW, VAUGHN TRUST	319 BAY STREET	1,476	265.68									265.68
06-200-006	WINE GUYS HOLDINGS, LLC	321 BAY STREET	1,763	317.34	1,433	64.49							381.83
06-200-007	KONDZIELA, PAUL TRUST	327 BAY STREET	821	147.78									147.78
06-200-008	LANDIS CONNIE - residential	329 BAY STREET	0	-	-	-							-
06-200-009	BAY STREET REAL ESTATE HOLDI	331 BAY STREET (HOWARD STREET)	1,228	221.04	888	39.96							261.00
05-101-017	NATIONAL CITY BANK MI/ IL	401 BAY STREET (HOWARD STREET)	3,436	618.48	930	41.85					1,209	54.41	714.74
05-101-062	TIP OF MIT WATERSHED	426 BAY STREET (PARK AVENUE)	2,590	466.20	1,020	45.90							512.10
05-104-101	BANK OF NORTHERN MICHIGAN	406 BAY STREET	5,190	934.20	5,417	243.77	5,417	243.77					1,421.73
05-105-101	HOWARD PROPERTY PARTNERS	400 BAY STREET, UNIT 1	802	144.36									144.36
05-105-102	HOWARD PROPERTY PARTNERS	400 BAY STREET, UNIT 2	1,354	243.72							744	33.48	277.20
05-105-103	HOWARD PROPERTY PARTNERS	400 BAY STREET, UNIT 3	1,752	315.36							1,287	57.92	373.28
TOTALS			26,305	\$ 4,734.90	12,774	\$ 574.83	5,417	\$ 243.77	-	\$ -	3,240	\$ 145.80	\$ 5,699.30

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
DIVISION STREET**

PROPERTY NUMBER		PROPERTY OWNER	PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST			
				FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT					
				AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST				
05-101-021	EMMET COUNTY	200 DIVISION STREET		\$	-		\$	-		\$	-		\$	-	\$	-	
05-101-046	EMMET COUNTY	DIVISION STREET														-	
05-101-048	EMMET COUNTY	DIVISION STREET														-	
			TOTALS	-	\$	-	-	\$	-	-	\$	-	-	\$	-	\$	-

CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
HOWARD STREET

PROPERTY NUMBER	PROPERTY OWNER	PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST
			FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT		
			AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	
05-101-067	CRC HOLDINGS LLC	107 HOWARD STREET	3,780	\$ 680.40		\$ -		\$ -		\$ -		\$ -	\$ 680.40
05-101-011	SELDEN CARS, LLC	113 HOWARD STREET	1,306	235.08	852	38.34							273.42
05-101-015	117 HOWARD STREET, LLC	117 HOWARD STREET	2,280	410.40	788	35.46							445.86
05-101-022	ORAHAM, WALT/GENEVA TRUST	203 HOWARD STREET	4,786	861.48									861.48
05-101-024	HOWARD PROPERTY PARTNERS	209 HOWARD STREET	1,630	293.40	756	34.02							327.42
05-101-025	PHILLIPS, JUDY L. TRUST	215 HOWARD STREET	1,500	270.00	1,500	67.50							337.50
05-101-059	SYMONS, CHANDLER/LYNN TRUS	217 HOWARD STREET	900	162.00									162.00
05-101-036	SECOND EDITION INVEST. CO.	303 HOWARD STREET (EAST LAKE STREET)	1,425	256.50	1,425	64.13							320.63
05-101-047	SUMMIT POINT II LLC	307 HOWARD STREET	2,057	370.26									370.26
05-101-049	LAKE HOWARD LLC	309 HOWARD STREET (PARK AVENUE)	1,114	200.52	1,114	50.13							250.65
05-101-050	VIGNEAU, PAUL	311 HOWARD STREET (PARK AVENUE)	1,857	334.26	897	40.37							374.63
05-151-001	SEL WAYS, LLC	411 HOWARD STREET	2,886	519.48									519.48
05-151-008	MUNSON, THOMAS	415 HOWARD STREET	1,560	280.80									280.80
05-151-010	BOWE, JOHN	417 HOWARD STREET	3,666	659.88									659.88
05-151-012	421 HOWARD ST LLC	421 HOWARD STREET	1,881	338.58									338.58
06-226-041	PETOSKEY LAND & CATTLE	200 HOWARD STREET	5,247	944.46									944.46
06-226-042	SECOND-HALF PRODUCTIONS	206 HOWARD STREET	1,903	342.54							1,903	85.64	428.18

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
HOWARD STREET**

PROPERTY NUMBER		PROPERTY OWNER	PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST
				FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT		
				AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	
06-226-006	T.J.B. PROPERTY HOLDINGS LLC	208 HOWARD STREET	1,755	\$ 315.90		\$ -		\$ -		\$ -		\$ -		\$ 315.90
06-226-007	HOWARD PROPERTY PARTNERS	210 HOWARD STREET	2,888	519.84								2,888	129.96	649.80
06-226-019	WJ & C, LLC	216 HOWARD STREET	2,400	432.00										432.00
06-226-027	HOWARD & LAKE LLC	300 HOWARD STREET (LAKE STREET)	1,975	355.50								1,964	88.38	443.88
06-226-028	ANDREWS PROPERTIES LLC	306 HOWARD STREET	1,250	225.00	877	\$ 39.47								264.47
06-226-030	HOWARD PROPERTY PARTNERS	308 HOWARD STREET	1,165	209.70	-	-								209.70
06-226-031	HOWARD PROPERTY PARTNERS	310 HOWARD STREET	2,500	450.00	-	-								450.00
06-226-037	MANTHEI, CORA TRUST	314 HOWARD STREET	5,000	900.00	5,000	225.00						4,832	217.44	1,342.44
06-226-040	BANK ONE	324 HOWARD STREET (MITCHELL STREET)	7,100	1,278.00	7,100	319.50						7,100	319.50	1,917.00
06-277-054	PROSPECT GROUP PROPERTIES	410 HOWARD STREET	1,867	336.06								1,867	84.02	420.08
06-277-021	MSKS LLC	418 HOWARD STREET (MICHIGAN STREET)	2,984	537.12										537.12
PROPERTY NUMBER		PROPERTY OWNER	PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	VACANT LAND										
				AREA	COST									
05-151-015	EV INVESTMENTS LLC	425 HOWARD STREET	PARKING LOT											
TOTALS			70,662	\$ 12,719.16	20,309	\$ 913.91	-	\$ -	-	\$ -	20,554	\$ 924.93	\$ 14,558.00	

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
LAKE STREET**

PROPERTY NUMBER	PROPERTY OWNER	PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST
			FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT		
			AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	
06-227-015	MDC JACKSON LLC	215 EAST LAKE STREET	5,212	\$ 938.16	686	\$ 30.87		\$ -		\$ -	4,176	\$ 187.92	\$ 1,156.95
06-226-008	SHORTER, MARIETTA TRUST	301 EAST LAKE STREET (PETOSKEY STREET)	3,325	598.50	3,325	149.63					1,325	59.63	807.75
06-226-009	M.E.M. PROPERTIES	305 EAST LAKE STREET	1,750	315.00							1,750	78.75	393.75
06-225-101	LONGFIELD FARM LTD PARTNER	307 EAST LAKE ST, UNIT 1	2,030	365.40							2,346	105.57	470.97
06-225-102	MAGER PETOSKEY LTD PARTNER	307 EAST LAKE ST, UNIT 2	2,084	375.12							1,681	75.65	450.77
06-226-012	SHORTER PROPERTIES, LLC	311 EAST LAKE STREET	1,238	222.84	1,238	55.71					1,238	55.71	334.26
06-226-013	TESKA, MICHAEL & LINDA	313 EAST LAKE STREET	675	121.50									121.50
06-226-014	WARD, DONALD & JENNIFER TRU	315 EAST LAKE STREET	1,225	220.50									220.50
06-226-015	SUMMERHILL ESTATES, LLC	317 EAST LAKE STREET	2,075	373.50	1,775	79.88					2,045	92.03	545.40
06-226-016	NORWOOD GROUP, LLC	319 EAST LAKE STREET	2,000	360.00							1,976	88.92	448.92
06-226-017	WOF INVESTMENT OF MICHIGAN	321 EAST LAKE STREET	4,050	729.00	4,050	182.25							911.25
06-226-018	SPLASH PROPERTIES, LLC	325 EAST LAKE STREET	4,000	720.00	4,000	180.00					4,000	180.00	1,080.00
06-226-020	WJ & C, LLC	329-331 EAST LAKE ST. (HOWARD STREET)	4,065	731.70	4,065	182.93	4,065	182.93			3,911	176.00	1,273.55
06-226-021	SCOTT FAMILY TRUST	306 EAST LAKE STREET (PETOSKEY STREET)	5,323	958.14	625	28.13							986.27
06-226-022	HAAS, THERESA	312 EAST LAKE STREET	2,295	413.10	1,275	57.38							470.48
06-226-023	ROBINSON, GEORGE & BARBARA	314 EAST LAKE STREET	2,015	362.70									362.70
06-226-024	HOWARD PROPERTY PARTNERS	316 EAST LAKE ST.	4,603	828.54	-	-							828.54
06-226-025	HOWARD PROPERTY PARTNERS	320 EAST LAKE STREET	3,344	601.92	1,500	67.50							669.42

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
LAKE STREET**

PROPERTY NUMBER	PROPERTY OWNER	PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST	
			FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT			
			AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST		
06-226-026	PHILLIPS, JUDY L. TRUST	322-340 EAST LAKE ST.	12,002	\$ 2,160.36	10,355	\$ 465.98		\$ -		\$ -	2,550	\$ 114.75	\$ 2,741.09	
05-101-035	SYMONS, CHANDLER T JR TRUST	401 EAST LAKE STREET (HOWARD STREET)	1,590	286.20	1,590	71.55					1,590	71.55	429.30	
05-101-058	CIPIO LLC	403 EAST LAKE STREET	1,500	270.00	1,500	67.50					1,500	67.50	405.00	
05-101-027	MASONIC ASSOCIATION	405 EAST LAKE STREET	4,208	757.44	4,208	189.36	4,208	189.36			2,800	126.00	1,262.16	
05-101-028	NORTH HARBOR GROUP, LLC	409 EAST LAKE STREET	1,945	350.10	975	43.88					1,945	87.53	481.50	
05-101-070	AMERICAN SPOON FOODS INC	411 EAST LAKE ST. (PARK AVENUE)	3,568	642.24									642.24	
05-101-031	EMMET COUNTY	321 ELK AVENUE											-	
05-101-037	SECOND EDITION INVEST. CO.	406 EAST LAKE STREET	3,611	649.98	3,611	162.50							812.48	
05-101-040	WINE GUYS HOLDINGS LLC	432 EAST LAKE STREET	7,434	1,338.12	3,175	142.88					7,411	333.50	1,814.49	
05-101-041	SASS INVESTMENT CO	434 EAST LAKE STREET	1,475	265.50									265.50	
05-101-042	PETOSKEY LAND & CATTLE	438 EAST LAKE STREET	3,237	582.66	2,550	114.75					3,237	145.67	843.08	
05-101-043	CITY OF PETOSKEY	EAST LAKE STREET											-	
05-101-044	CITY OF PETOSKEY	EAST LAKE STREET											-	
05-101-045	EMMET COUNTY	454-456 EAST LAKE ST.											-	
05-101-038	APPLE PIE PROPERTIES, LLC	410 E. LAKE ST. (formerly 300 Park Ave.)	1,268	228.24	1,268	57.06							285.30	
PROPERTY NUMBER	PROPERTY OWNER	PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	VACANT LAND											
			AREA	COST										
06-223-001	PETOSKEY GRAND LLC	200 EAST LAKE STREET	-	\$ -										-
TOTALS			93,147	\$ 16,766.46	51,771	\$ 2,329.70	8,273	\$ 372.29	-	\$ -	45,481	\$ 2,046.65	\$ 21,515.09	

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
LEWIS STREET**

PROPERTY NUMBER		PROPERTY OWNER	PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST
				FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT		
				AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	
05-101-060	MS LODGING LLC	100 LEWIS STREET (ROSE & BAY STREETS)	15,360	\$ 2,764.80	12,590	\$ 566.55	12,590	\$ 566.55	3,922	\$ 176.49	8,711	\$ 392.00	\$ 4,466.39	

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
MICHIGAN STREET**

PROPERTY NUMBER PROPERTY OWNER		PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST	
			FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT			
			AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST		
06-277-022	CITY OF PETOSKEY	MICHIGAN STREET (PETOSKEY STREET)		\$ -		\$ -		\$ -		\$ -		\$ -	\$ -	
06-277-019	CITY OF PETOSKEY	MICHIGAN STREET											-	
06-277-020	CITY OF PETOSKEY	MICHIGAN STREET											-	
05-151-011	CLARK, DENNIS & ANGELA	411 MICHIGAN STREET	2,400	\$ 432.00									432.00	
05-151-002	EV INVESTMENT	407 MICHIGAN STREET	10,428	1,877.04									1,877.04	
05-151-003	BURRELL, JACKLYN	413 MICHIGAN STREET	4,318	777.24									777.24	
05-151-004	BLDG AUTH CITY OF PETOSKEY	417 MICHIGAN STREET											-	
05-151-006	CITY OF PETOSKEY	MICHIGAN STREET											-	
05-151-013	BLUEWATER INVESTMENT GROUF	445 MICHIGAN	1,531	275.58	300	13.50						-	289.08	
05-156-001	425 MITCHELL ST CONDO ASSOC	406 PENNY'S ALLEY	-	-	Condo property assessed to units - Penny's Alley								-	
05-156-101	484 BENNAVILLE LLC	406 PENNY'S ALLEY #1	-	-	Residential garage								-	
05-156-102	484 BENNAVILLE LLC	406 PENNY'S ALLEY #2	-	-	Residential garage								-	
05-156-103	484 BENNAVILLE LLC	406 PENNY'S ALLEY #3	175	31.50									31.50	
05-156-104	484 BENNAVILLE LLC	406 PENNY'S ALLEY #4	682	122.76	restaurant storage?								122.76	
05-156-105	484 BENNAVILLE LLC - restaurant food court portion below	406 PENNY'S ALLEY #5	2,232	401.76									401.76	
PROPERTY NUMBER PROPERTY OWNER		PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	LAND											TOTAL COST
			AREA	COST										
05-156-105	484 BENNAVILLE LLC - food court Restaurant portion above	406 PENNY'S ALLEY #5	6,324	\$ 347.82										347.82
TOTALS			21,766	\$ 3,917.88	300	\$ 13.50	-	\$ -	-	\$ -	-	\$ -	\$ 4,279.20	

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
MITCHELL STREET**

PROPERTY NUMBER PROPERTY OWNER		PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST	
			FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT			
			AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST		
06-226-038	FRANKHOUSER JOHN & MARY LOI	301 EAST MITCHELL ST. (PETOSKEY STREET)	3,120	\$ 561.60		\$ -		\$ -		\$ -		\$ -		\$ 561.60
06-226-039	REID, JAMES III	307 EAST MITCHELL	6,141	1,105.38	5,808	261.36					5,696	256.32		1,623.06
06-226-033	HOWARD PROPERTIES PARTNER	311 EAST MITCHELL	6,308	1,135.44	5,390	242.55					5,390	242.55		1,620.54
06-226-034	PAUL KRECKE	317 EAST MITCHELL ST.	5,050	909.00	-	-								909.00
06-226-043	HOWARD PROPERTIES PARTNER	319 EAST MITCHELL ST.	5,050	909.00										909.00
06-226-044	DUSE, MARNIE	323 EAST MITCHELL ST.	1,700	306.00							1,625	73.13		379.13
06-277-001	BETTY SMITH FARLEY	202 EAST MITCHELL ST. (EMMET STREET)	2,640	475.20										475.20
06-277-003	GRAIN TRAIN NATURAL FOOD CO	220 EAST MITCHELL ST.	6,571	1,182.78										1,182.78
06-277-050	MIGHTY FINE PIZZA & DELI	222 EAST MITCHELL ST.	480	86.40										86.40
06-277-004	C4 HOLDINGS, LLC	224 EAST MITCHELL (PETOSKEY STREET)	3,388	609.84	3,482	156.69								766.53
06-277-052	HOWARD PROPERTIES PARTNER	300 EAST MITCHELL ST. (PETOSKEY STREET)	10,181	1,832.58	5,529	248.81					10,181	458.15		2,539.53
06-277-007	HOWARD PROPERTIES PARTNER	316 EAST MITCHELL ST.	6,640	1,195.20	4,410	198.45	4,410	198.45			4,410	198.45		1,790.55
06-277-008	PHILLIPS, JUDY L TRUST	320 EAST MITCHELL ST.	1,750	315.00										315.00
06-277-009	PETOSKEY LAND & CATTLE CO	322 EAST MITCHELL ST.	3,375	607.50	1,890	85.05								692.55
06-277-010	SIMPLY SWEET BY JESSICA LLC	324 EAST MITCHELL ST.	1,684	303.12										303.12
06-277-053	JORGENSEN FAMILY TRUST	326 EAST MITCHELL ST.	2,935	528.30							2,625	118.13		646.43
06-277-013	PETOSKEY COMMUNITY CORP.	330 EAST MITCHELL ST. (HOWARD STREET)	2,734	492.12	2,734	123.03								615.15

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
MITCHELL STREET**

PROPERTY NUMBER PROPERTY OWNER		PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST
			FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT		
			AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	
05-101-039	GEMINI LAND CO.	421 EAST MITCHELL ST. (EAST LAKE STREET)	8,250	\$ 1,485.00		\$ -		\$ -		\$ -	8,250	\$ 371.25	\$ 1,856.25
05-101-051	NORCOR LLC	427 EAST MITCHELL	2,839	511.02									511.02
05-101-057	PETOSKEY LAND & CATTLE CO LLC	435 EAST MITCHELL ST.	6,495	1,169.10	4,623	208.04							1,377.14
05-101-052	PETOSKEY LAND & CATTLE CO	441 EAST MITCHELL ST.	6,892	1,240.56									1,240.56
05-101-053	PETOSKEY LAND & CATTLE CO	443 EAST MITCHELL	13,800	2,484.00							9,660	434.70	2,918.70
05-101-054	CITY OF PETOSKEY	451 EAST MITCHELL ST.											-
05-101-055	CROOKED TREE ART COUNCIL	461 EAST MITCHELL ST. (DIVISION STREET)	9,432	1,697.76	700	31.50	-	-	-		9,952	447.84	2,177.10
05-100-001	HOWARD PROPERTY PARTNERS	408 EAST MITCHELL ST. (HOWARD STREET)	10,108	1,819.44	10,108	454.86					10,108	454.86	2,729.16
05-100-151	SKOP, DAVID & RUTH	416-A EAST MITCHELL ST.	1,656	298.08							1,632	73.44	371.52
05-100-152	HOWARD PROPERTY PARTNERS	416-B EAST MITCHELL ST.	5,610	1,009.80							5,556	250.02	1,259.82
05-100-004	PETOSKEY LAND & CATTLE CO	418 EAST MITCHELL ST.	5,390	970.20	5,390	242.55	5,390	242.55			5,390	242.55	1,697.85
05-100-006	SYMON CHANDLER JT TRUST	426 EAST MITCHELL ST.	2,500	450.00							2,350	105.75	555.75
05-100-007	ROCHON ELAINE TRUST	430 EAST MITCHELL ST.	2,500	450.00							2,500	112.50	562.50
05-100-008	SMITH, RICHARD	434 EAST MITCHELL ST.	5,000	900.00	5,000	225.00							1,125.00
05-100-009	PETOSKEY LAND & CATTLE CO	436 EAST MITCHELL ST.	2,500	450.00									450.00
05-100-010	PETOSKEY LAND & CATTLE CO	438 EAST MITCHELL ST.	2,375	427.50									427.50

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
MITCHELL STREET**

PROPERTY NUMBER PROPERTY OWNER		PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST	
			FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT			
			AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST		
05-100-011	PETOSKEY LAND & CATTLE CO	440 EAST MITCHELL ST.	2,825	\$ 508.50		\$ -		\$ -		\$ -		\$ -	\$ 508.50	
05-100-012	ERIC & LORRAINE KASPER	442 EAST MITCHELL ST.	2,650	477.00									477.00	
05-100-013	AMBITIOUS BEE PROPERTIES LLC	444 EAST MITCHELL ST.	1,625	292.50									292.50	
05-100-014	PETOSKEY LAND & CATTLE CO	446 EAST MITCHELL ST. (WAUKAZOO AVENUE)	4,380	788.40									788.40	
05-154-101	DAVID & MELISSA MEIKLE	422 EAST MITCHELL ST #1	Third floor unit - residential										-	
05-154-102	SUSAN OFFIELD TRUST	422 EAST MITCHELL ST #2	Third floor unit - residential										-	
05-154-103	484 BENNAVILLE LLC	422 EAST MITCHELL ST #3	Second floor unit - commercial				2,279	102.56					102.56	
05-154-104	484 BENNAVILLE LLC	422 EAST MITCHELL ST #4	Second floor unit - commercial				2,296	103.32					103.32	
05-154-105	484 BENNAVILLE LLC	422 EAST MITCHELL ST #5	1,875	337.50	First floor unit - commercial - includes basement						697	31.37	368.87	
05-154-106	484 BENNAVILLE LLC	422 EAST MITCHELL ST #6	2,318	417.24	First floor unit - commercial - includes basement						2,108	94.86	512.10	
05-101-064	CHAMBER OF COMMERCE	401 EAST MITCHELL ST.	2,617	471.06							396	17.82	488.88	
PROPERTY NUMBER PROPERTY OWNER		PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	VACANT LAND											
			AREA	COST										
06-227-016	PETOSKEY GRAND LLC	MITCH/ PETOSKEY/ LAKE	87,528	\$ 4,814.04	Replaces 8 previous parcels @ 10,941 sq ft									4,814.04
06-223-003	PETOSKEY GRAND LLC	207 EAST MITCHELL ST.	-	-										-
06-223-004	PETOSKEY GRAND LLC	211 EAST MITCHELL ST.	-	-										-
06-277-002	BLDG AUTH CITY OF PETOSKEY	212 EAST MITCHELL ST.	-	-										-
06-223-002	PETOSKEY GRAND LLC	221 EAST MITCHELL ST.	-	-										-
			87,528	\$ 4,814.04										
TOTALS			173,384	\$ 31,209.51	51,064	\$ 2,477.88	14,375	\$ 646.88	-	\$ -	88,526	\$ 3,983.67	\$ 43,131.59	

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
PARK AVENUE**

PROPERTY NUMBER		PROPERTY OWNER	PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST
				FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT		
				AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	
05-101-030	WILLIAM & TAMMY THOMPSON	216 PARK AVENUE		2,901	\$ 522.18		\$ -		\$ -		\$ -	2,861	\$ 128.75	\$ 650.93
05-101-033	PETOSKEY LAND & CATTLE LLC.	222 PARK AVENUE		1,188	213.84							1,188	53.46	267.30
05-101-034	PETOSKEY LAND & CATTLE, LLC	224 PARK AVENUE		807	145.26							890	40.05	185.31
05-101-038	APPLE PIE PROPERTIES, LLC	300 PARK AVENUE moved to 410 E Lake St												-
05-101-063	CIPIO LLC	214 PARK AVE		860	154.80	860	38.70							193.50
TOTALS				5,756	\$ 1,036.08	860	\$ 38.70	-	\$ -	-	\$ -	4,939	\$ 222.26	\$ 1,297.04

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
PETOSKEY STREET**

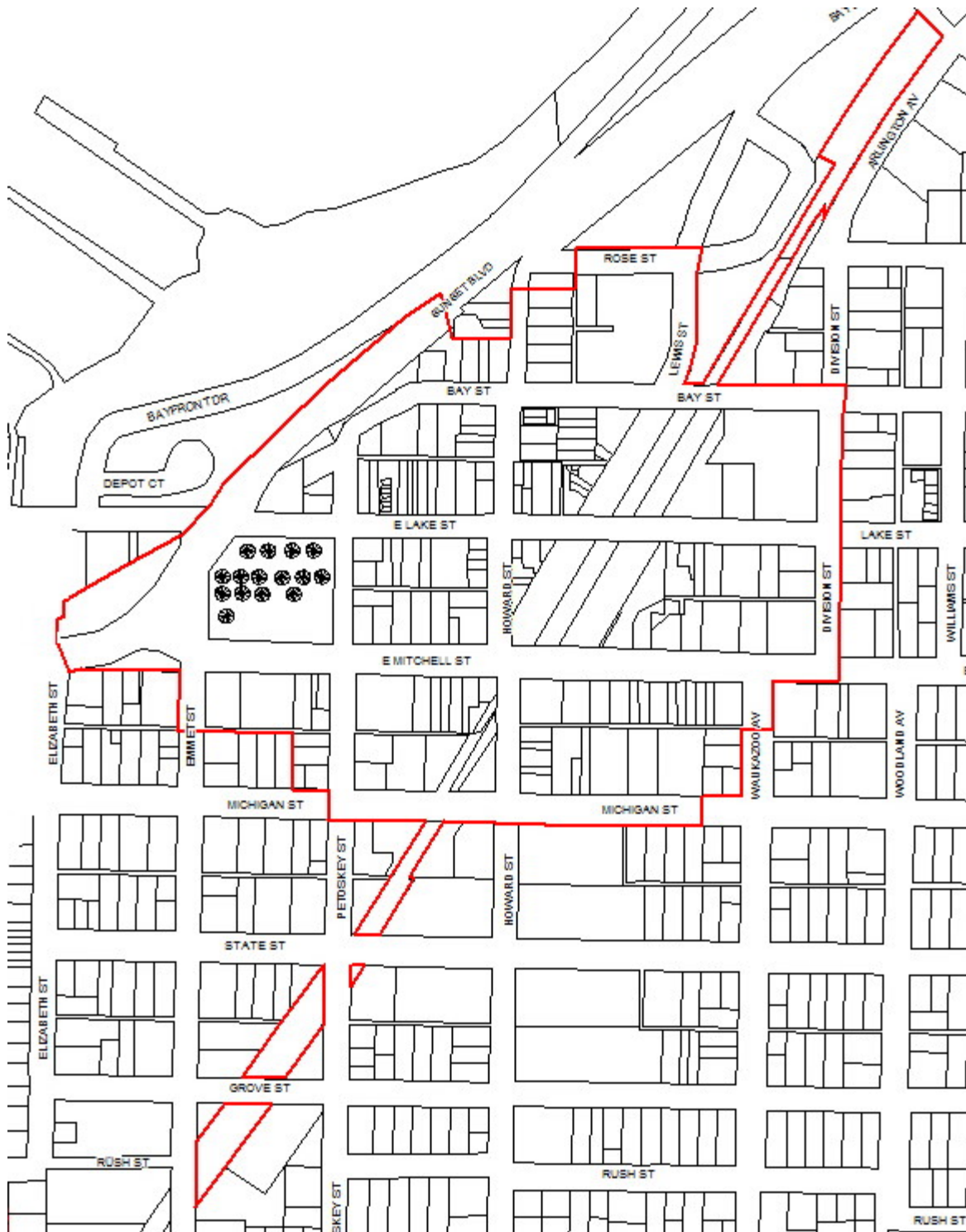
PROPERTY NUMBER PROPERTY OWNER		PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST
			FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT		
			AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	
06-226-032	REID, JAMES III	313 PETOSKEY STREET	676	\$ 121.68		\$ -		\$ -		\$ -		\$ -	\$ 121.68
06-277-018	CITY OF PETOSKEY	PETOSKEY STREET											-
06-277-022	CITY OF PETOSKEY	PETOSKEY STREET (MICHIGAN STREET)											-
06-226-045	BEAR RIVER REALTY LLC	1 PETOSKEY STREET	3,672	660.96	3,672	165.24	3,672	165.24					991.44
06-277-015	HARRIS, DANIEL & AMY	410 PETOSKEY STREET	2,262	407.16									407.16
06-227-001	LAMBERT, MICHAEL T & HELEN T	202 PETOSKEY STREET	4,024	724.32									724.32
06-227-004	MOLCOR LLC	214 PETOSKEY STREET (EAST LAKE STREET)	3,285	591.30							3,314	149.13	740.43
06-277-017	REED, PAUL W & KATHLEEN A	414 PETOSKEY STREET	2,010	361.80									361.80
06-278-005	ALM, MARIE C TRUST	418 PETOSKEY STREET	1,128	203.04									203.04
06-278-008	HARRIS PROFESSIONAL PROPER	1424 PETOSKEY STREET (MICHIGAN STREET)	1,820	327.60	1,020	45.90							373.50
06-226-029	BEIER FAMILY REAL ESTATE CO.,	309 PETOSKEY STREET	3,432	617.76									617.76
PROPERTY NUMBER PROPERTY OWNER		PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	VACANT LAND										
			AREA	COST									
06-223-005	PETOSKEY GRAND LLC	302 PETOSKEY STREET (EAST LAKE STREET)	-	\$ -									-
06-223-006	PETOSKEY GRAND LLC	312 PETOSKEY STREET	-	-									-
06-223-007	PETOSKEY GRAND LLC	314 PETOSKEY STREET	-	-									-
06-223-008	PETOSKEY GRAND LLC	316 PETOSKEY STREET	-	-									-
			-	\$ -									
TOTALS			22,309	\$ 4,015.62	4,692	\$ 211.14	3,672	\$ 165.24	-	\$ -	3,314	\$ 149.13	\$ 4,541.13

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
ROSE STREET**

PROPERTY NUMBER		PROPERTY OWNER	PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST
				FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT		
				AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	
05-101-002	MS LODGING LLC	410 ROSE STREET		4,428	\$ 797.04	3,608	\$ 162.36	-	\$ -	-	\$ -	-	\$ -	\$ 959.40

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
WAUKAZOO STREET**

PROPERTY NUMBER		PROPERTY OWNER	PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST
				FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT		
				AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	
05-151-007	CRESS ENTERPRISES INC.	414 WAUKAZOO STREET	0	\$ -	-	\$ -	Residential begin Dec 2016		\$ -		\$ -		\$ -	
05-151-009	CRESS ENTERPRISES INC.	418 WAUKAZOO STREET	1,932	\$ 347.76	-	-							-	
05-151-014	1ST CHURCH CHRIST SCIENTIST	420 WAUKAZOO STREET	3,096	\$ 557.28	-	-							-	
TOTALS			5,028	\$ 905.04	-	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 905.04	



DDA Boundary Approved 10-7-2013



City of Petoskey

Agenda Memo

BOARD: City Council

MEETING DATE: October 7, 2019

DATE PREPARED: October 3, 2019

AGENDA SUBJECT: Consideration to Approve a Resolution Adopting a Process Including Associated Fees for Requests by Wireless Providers to Collocate Small Cell Wireless Facilities Within the City of Petoskey

RECOMMENDATION: Discussion with a motion to approve the attached resolution.

Summary

A small cell wireless facility is a cellular network facility capable of high transmission speeds at low ranges. "Small" refers to the network range, not the equipment size. The use of these facilities is integral to the anticipated upgrade to 5G services for phones, cars, and other devices.

Small cell wireless facilities require fiber optic cable and power, making a public right-of-way an attractive location, as it tends to have both. However, an increased number of small cell wireless facilities in the public right-of-way raise municipal concerns, particularly of safety and aesthetics.

The federal government explicitly exempts municipal utilities from regulation by the FCC with regard to pole attachments. Further, Michigan has opted to self-regulate its utility poles. The recent Small Wireless Communications Facilities Deployment Act (PA 365 of 2018, -see attached) regulates these devices with respect to their right to access and attach to municipal poles and the rates that can be charged for them to do so.

The Act gives wireless providers the right to locate antennas and equipment on existing utility poles or newly erected poles located within a municipal right-of-way. The Act also limits the degree to which local municipalities, including the City, can regulate these activities or charge for this right-of-way access. The current resolution and Pole Attachment Agreement is intended to govern the relationships between wireless providers and the City to the extent possible and to set appropriate rates in compliance with the Act.

We anticipate bringing forward for Council's consideration an ordinance to further define small cell wireless facility regulations.

Action

Motion to "Approve a Resolution to Adopt Rates and Establish a Process for Requests by Wireless Providers to Collocate Small Cell Wireless Facilities within the City of Petoskey".

CITY OF PETOSKEY
RESOLUTION ADOPTING A PROCESS FOR REQUESTS
BY WIRELESS PROVIDERS TO COLOCATE SMALL CELL WIRELESS FACILITIES ON UTILITY
POLES, ALLOWING COLLOCATION OF SMALL CELL WIRELESS FACILITIES ON POLES
SUBJECT TO THE TERMS AND CONDITIONS OF A STANDARD POLE ATTACHMENT
AGREEMENT WHICH ESTABLISHES A PROCESS FOR MAKE-READY WORK AND
RELOCATION AND RELIABILITY, SAFETY, AND ENGINEERING STANDARDS, AND
ESTABLISHING FEES THEREFORE IN COMPLIANCE WITH THE SMALL WIRELESS
COMMUNICATIONS FACILITIES DEPLOYMENT ACT, ACT 365 OF 2018

WHEREAS, the City of Petoskey operates a municipally owned electrical utility; and

WHEREAS, City uses and controls utility poles for electric delivery service; and

WHEREAS, the Small Wireless Communications Facilities Deployment Act (the "Act"), being Act 365 of 2018 requires that the City permit the collocation of small cell wireless facilities on City poles on a nondiscriminatory basis; and

WHEREAS, the Act requires City to adopt a process for requests by wireless providers to colocate small cell wireless facilities on City poles that is nondiscriminatory and competitively neutral; and

WHEREAS, the Act authorizes City to adopt a process for make-ready work for collocation of small cell wireless facilities provided that the process has been adopted for other parties under the same or similar circumstances; and

WHEREAS, the Act authorizes City to establish terms for relocation of small cell wireless facilities collocated on City poles; and

WHEREAS, the Act authorizes City to adopt reliability, safety, and engineering standards for collocation of small cell wireless facilities; and

WHEREAS, the Act allows City to require an attaching entity to execute an agreement for collocation of small cell wireless facilities; and

WHEREAS, the Act authorizes City to impose certain fees and charges for collocation and make-ready work;

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That City adopts the process as set forth in the Standard Pole Attachment License Agreement, as such may be amended by resolution of City from time to time, (the "Agreement") for requests by wireless providers to colocate small cell wireless facilities on City poles.

2. That City allows collocation of small cell wireless facilities on City poles as set forth in the Agreement and further finds as follows:
 - a. Decorative light poles as defined in the Agreement are not designed or desired to support small cell wireless facilities.
 - b. Decorative light poles are not used for electric delivery service as defined in MCL 460.10y(13)(a).
3. That City adopts the process for make-ready work for collocation of small cell wireless facilities as set forth in the Agreement.
4. That City adopts the terms for relocation of small cell wireless facilities colocated on City poles as set forth in the Agreement.
5. That City establishes and adopts the reliability, safety, and engineering standards set forth in the Agreement.
6. That City establishes the fees and charges for small cell wireless facility attachments as set forth in the Agreement.
7. That City requires all entities requesting collocation of small cell wireless facilities to execute the Agreement prior to making application for a permit to attach to City Poles.

BE IT FURTHER RESOLVED that this Resolution shall be effective immediately.

Adopted, enacted and resolved by the City of Petoskey City Council this _____ day of _____ 2019.

John Murphy
Its Mayor

Alan Terry
Its Clerk

STANDARD POLE ATTACHMENT LICENSE AGREEMENT
BETWEEN

The City of Petoskey

AND

DATED: _____

Contents

PREAMBLE.....	3
ARTICLE I – SCOPE OF AGREEMENT	3
ARTICLE II – EXPLANATION OF TERMS	3
ARTICLE III – SPECIFICATIONS.....	5
ARTICLE IV – ESTABLISHING ATTACHMENT TO POLES	5
ARTICLE V – PLACEMENT OF NEW POLES.....	7
ARTICLE VI – RIGHT OF WAY FOR ATTACHER'S ATTACHMENTS.....	7
ARTICLE VII – MAINTENANCE OF POLES AND ATTACHMENTS	7
ARTICLE VIII – SAFETY INSPECTIONS	9
ARTICLE IX – DIVISION OF COSTS	10
ARTICLE X – UNAUTHORIZED ATTACHMENTS.....	13
ARTICLE XI – ABANDONMENT OF JOINT USE POLES	13
ARTICLE XII – ADJUSTMENT PAYMENTS	14
ARTICLE XIII – FEES AND CHARGES.....	14
ARTICLE XIV – DEFAULTS	15
ARTICLE XV – RIGHTS OF OTHER PARTIES	15
ARTICLE XVI – ASSIGNMENTS OF RIGHTS	16
ARTICLE XVII – WAIVER OF TERMS OR CONDITIONS	16
ARTICLE XVIII – PAYMENT OF TAXES.....	16
ARTICLE XIX – BILLS AND PAYMENT FOR WORK	17
ARTICLE XX – NOTICES	17
ARTICLE XXI – TERM OF AGREEMENT	18
ARTICLE XXII – EXISTING CONTRACTS.....	19
ARTICLE XXIII – LIABILITY	19
ARTICLE XXIV – CONSTRUCTION.....	19
ARTICLE XXV – REMEDIES CUMULATIVE.....	19
ARTICLE XXVI – INSURANCE.....	20
ARTICLE XXVII – GOVERNING LAW AND VENUE.....	22
ARTICLE XXVIII – SEVERABILITY	22
APPENDIX A – REQUEST TO ATTACH/MODIFY ATTACHMENTS TO POLE(S).....	23
APPENDIX B – SPECIFICATION FOR ATTACHMENTS TO POLES	24
APPENDIX C – PERFORMANCE BONDS	26
WIRELESS ADDENDUM – STANDARD POLE ATTACHMENT LICENSE AGREEMENT	27
PREAMBLE.....	iii
ARTICLE I – EXPLANATION OF TERMS.....	iii
ARTICLE II – GENERAL CONDITIONS AND PROCEDURES.....	iv
ARTICLE III – RADIO FREQUENCY.....	iv
ARTICLE IV – ESTABLISHING ATTACHMENT TO POLES	iv
ARTICLE V – FEES AND CHARGES.....	v

PREAMBLE

The City of Petoskey., (hereinafter called "Electric Utility"), and _____, a corporation organized under the laws of the State of Michigan (hereinafter called the "Licensee"), desiring to enter into this Pole Attachment License Agreement ("Agreement") for the use of Electric Utility's poles, erected or to be erected within the areas in which both parties render service in the State of Michigan, whenever and wherever such use shall, in the estimation of both parties, be compatible with their respective needs and consistent with the terms of this Agreement, do hereby, in consideration of the promises and the mutual covenants herein contained, covenant and agree for themselves and their respective successors and assigns as follows, effective _____ ("Effective Date").

WITNESSETH

WHEREAS, Electric Utility and the Licensee desire to begin or continue to jointly use wood or other types of poles and in the future to further jointly use the poles of the Electric Utility when and where joint use shall be advantageous; and

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained, the parties hereto, for themselves, their successors and assigns, do hereby covenant and agree as follows:

ARTICLE I – SCOPE OF AGREEMENT

A. This Agreement shall be in effect in the area in which both of the Parties render service in the State of Michigan, and shall cover all poles now existing or hereafter erected in the above territory when said poles are brought under this Agreement in accordance with the procedure hereinafter provided.

B. Electric Utility reserves the right for good cause to exclude from use any of its facilities for objective, nondiscriminatory reasons of safety, reliability, and generally applicable engineering standards.

ARTICLE II – EXPLANATION OF TERMS

For the purpose of this Agreement, the following terms shall have the following meanings:

- A. **Attachment** is any Licensee cable, wire, strand, circuit, service drop, over-lashing, appurtenance, equipment, pedestal or apparatus of any type attached to the pole.
- B. **Bonded-Ground** is a pedestal or other ground mounted equipment bonded to the vertical ground on a pole but not attached to the Pole.
- C. **Communication Space** is the space on joint-use poles where Licensee facilities are separated from the Electric Utility Supply Space by the Communication Worker Safety Zone.
- D. **Communication Worker Safety Zone** is the forty-inch (40") zone below the Electric Utility Supply Space, above the Communication Space. See Figure D-1 Communication Space (NESC).
- E. **Cost in Place** is the cost of the bare pole, labor to install the pole and associated overheads, including engineering.
- F. **Initial Safety Inspection** is a safety inspection of Electric Utility poles to identify and remediate non-conforming Attachments (e.g. NESC violations) and other safety conditions on Electric Utility poles, performed after the Effective Date as explained in ARTICLE VIII hereof.
- G. **Joint Pole** is a pole for which joint use is established or continued pursuant to the terms of this Agreement and does not imply the presence of a joint use or joint ownership agreement or relationship between the parties.

- H. Joint Use** refers to a pole which is being jointly used by the parties pursuant to the terms of this Agreement and does not imply the presence of a joint use or joint ownership agreement or relationship between the parties.
- I. Licensee** is the party having the right under this Agreement to make and maintain Attachments on a Joint Pole that Electric Utility owns.
- J. Make-Ready** is all work, including engineering and construction, necessary or appropriate to make space for or otherwise accommodate new or changed Attachments, including, if necessary or appropriate, Rearrangements; removal and replacement of the pole; transfers; and other work incident thereto.
- K. NESC** is the National Electrical Safety Code.
- L. Non-guyed Service Drop** is a Service Drop that requires no guys under the Licensee's design standards or the applicable specifications of ARTICLE III - SPECIFICATIONS. (If, atypically, a wire used to connect to a customer's location were to require guying under the Licensee's design standards or the applicable specifications of ARTICLE III, then it would not be treated as a Non-guyed Service Drop under this Agreement but would be treated as a cable.)
- M. Standard Pole** is a pole which is just tall enough to provide Electric Supply Space, a Communication Worker Safety Zone and Communication Space, as herein defined, for the respective parties and just strong enough to meet the requirements of the specifications mentioned in ARTICLE III - SPECIFICATIONS for the Attachments ordinarily placed by the parties in their respective spaces. Such pole for the purpose of this Agreement shall be as described in Appendix D. The definition of Standard Pole is not intended to preclude the use of Joint Poles shorter or of less strength than the Standard Pole in locations where such poles will meet the requirements of the parties hereto.
- N. Supply Space** is the following described space:
1. For Electric Utility, Electric Supply Space is as described in Appendix D.
 2. For the Licensee, a Communication Space of one (1) foot on both thirty-five (35)-foot and forty (40)-foot poles below the Communication Worker Safety Zone. The Supply Space shall provide at all times the minimum clearance required by the specifications mentioned in ARTICLE III - SPECIFICATIONS and at a sufficient height above ground to provide the proper vertical clearance above ground or track rails for the lowest horizontally run line wires or cables attached in such space. When practicable, the Licensee will, after the Effective Date, make its initial Attachments one foot above the lowest possible point that provides such ground clearance, which is within the Communication Space.
 3. In the event Electric Utility installs a pole larger than the Standard Pole solely in anticipation of its future requirements or additions, the Supply Space for Electric Utility, as defined above, for that pole shall be increased to include the additional above ground space provided by Electric Utility. For avoidance of doubt, in any case the attacher shall be responsible for attaching at a height to provide the minimum ground clearance required by the specifications mentioned in ARTICLE III.
- O. Outside Party** is any person or entity which is not a party to this Agreement and which has a right to use the pole of the Electric Utility.
- P. Permit** means authorization from Electric Utility to the Licensee to attach an Attachment pursuant to this Agreement.
- Q. Rearrangement** is the moving of Attachments from one position to another on a pole.
- R. Service Drop** means a wire used to connect to a customer's location. A Service Drop may run directly from a pole used to service many customers to a specific customer's location, without the use of any other poles, or a Service Drop may itself be supported by more than one pole to carry the Service Drop to the customer's location.

- S. Simple Transfer** is the transfer, relocation, or alteration of any Attachment or overlash on an existing Pole or onto a new Pole that does not require cutting and splicing of the Communication Facility subject to such transfer, relocation, or alteration.
- T. Space** is the linear portion of a joint pole parallel to its axis reserved for the exclusive use of one of the parties (subject only to the exceptions provided for in this Article and the specifications mentioned in ARTICLE III - SPECIFICATIONS which in certain instances permit the making of certain Attachments by one party in the space reserved for the other party).
- U. Street/Outdoor Light pole** is a pole supporting a light fixture of any type owned by Electric Utility.
- V. Transfer** is the removal of Attachments from one pole and the placement of them or substantially identical Attachments upon another.

ARTICLE III – SPECIFICATIONS

Except as otherwise provided in ARTICLE VII - MAINTENANCE OF POLES AND ATTACHMENTS, referring to construction that has not yet been brought into conformity with the specifications mentioned herein, the joint use of the poles covered by this Agreement shall at all times be in conformity with all applicable: (1) accepted published modern methods; (2) requirements of the National Electrical Safety Code and subsequent revisions thereof ("NESC"); (3) lawful requirements of public authorities; and (4) the requirements of APPENDIX B. It is understood by both parties that the requirements of the NESC are minimum requirements and that reasonable, additional requirements for height and strength may be required for good practice for the given local conditions.

Modifications of, additions to, or construction practices supplementing wholly or in part the requirements of the NESC, shall, when accepted in writing by both parties hereto through their agents authorized to approve such changes, likewise govern the joint use of poles, which acceptance shall not be unreasonably withheld.

ARTICLE IV – ESTABLISHING ATTACHMENT TO POLES

A. Before Licensee shall make use of Electric Utility's poles under this Agreement, it shall comply with the requirements set forth herein. APPENDIX A shall be sent by first class mail, email, or other electronic notification system as designated by the Electric Utility.

B. REQUEST TO ATTACH PROCEDURE. Except in connection with (i) the placement of Non-Guyed Service Drops; (ii) the placement of dead-end or riser poles; (iii) the placement of power secondary wires; (iv) the placement of street lighting fixtures; (v) making safety corrections; (vi) Rearrangements or Transfers required by Electric Utility, whenever the Licensee desires to place an Attachment on any pole that is not then in joint use (including road improvement projects and reconstruction of pole lines) or where existing joint use consists solely of one or more Non-guyed Service Drops, it shall submit a completed written application therefor on the form attached hereto and identified as APPENDIX A or such other form as may be mutually agreed upon, specifying fully, to the extent applicable, the information shown on APPENDIX A. In the case of overlashing, Licensee may submit after-the-fact notification, so long as APPENDIX A information and application fee, along with supporting engineering design data for each such Attachment, is submitted. Within thirty (30) days after the receipt of such completed application Electric Utility shall notify the applicant in writing whether the application is approved or rejected. If Electric Utility rejects the application in whole or in part, Electric Utility will specify the reason(s). The application shall be rejected only for good cause, such as failure to comply with reliability, safety, and engineering standards. Upon receipt of notice from Electric Utility that the application has been approved, and after the completion of any transferring or rearranging which is required to permit the attaching of the applicant's Attachments on such poles, including any necessary pole replacements, the applicant shall have the right as Licensee hereunder to place such Attachments on such poles in accordance with the terms of the application and of this Agreement (including ARTICLE III).

C. REQUEST TO MODIFY ATTACHMENT PROCEDURE. Except in connection with (i) the placement of Non-guyed Service Drops; (ii) the placement of dead-end or riser poles; (iii) the placement of power secondary wires; (iv) the placement of street lighting fixtures; (v) the vertical use of the unused space on a pole as provided in ARTICLE IV.E. below; (vi) Rearrangements; (vii) Transfers required by Electric Utility and (viii) overlashing (which will be handled by an after-the-fact notification as described in ARTICLE IV.B above), whenever the Licensee desires to modify its existing Attachments or place one or more additional Attachments on a Joint Pole, the Licensee shall submit a completed written application therefor on the form attached hereto and identified as APPENDIX A or such other form as may be mutually agreed upon, specifying fully, to the extent applicable, the information shown on APPENDIX A. Unless Electric Utility rejects the completed form within thirty (30) days from the date of receipt, the Licensee may proceed with making such Attachments or changes as are identified in the form in accordance with the terms of the application and this Agreement (including ARTICLE III - SPECIFICATIONS). If Electric Utility rejects the application in whole or in part, Electric Utility will specify the reason(s). The application shall be rejected only for good cause. If Electric Utility determines that any such Attachments do not comply with the terms of this Agreement (including the provisions of ARTICLE III), then the parties will work together to minimize the cost of correcting any such deficiencies, but the Licensee shall be responsible for the full cost of any necessary or appropriate corrective measures, including removal and replacement of the pole and all Transfers or other work incident thereto.

D. Any Non-guyed Service Drop that is placed by Licensee on Electric Utility's pole shall be subject to all the terms and provisions of this Agreement, except as expressly provided in this Agreement. The placement of one or more Non-guyed Service Drops shall not, alone and without more, create additional Communication Space.

E. Either party, without following the REQUEST TO ATTACH or REQUEST TO MODIFY ATTACHMENT procedure, may utilize vertical unused space below its defined space in ARTICLE II - EXPLANATION OF TERMS for street lighting, terminals, risers or other vertical Attachments if the existing joint use of such pole is authorized, such use does not interfere with the other party's operations, and such use complies with the terms of this Agreement (including the provisions of ARTICLE III - SPECIFICATIONS).

F. Each party shall place, Transfer and Rearrange its own Attachments, and shall place guys and anchors to maintain all unbalanced loads caused by its Attachments. On existing poles, each party will perform any tree trimming or cutting necessary for their initial or additional Attachments. Anchors and guys shall be in place and in effect prior to the installation of Attachments and cables. Each party shall, with due diligence, attempt at all times to execute such work promptly and in such manner as not to interfere with the service of the other party.

G. The cost of establishing the joint use of existing poles as provided herein, including the making of any necessary pole replacements, shall be borne by the parties hereto in the manner provided in ARTICLE IX - DIVISION OF COSTS.

H. Joint use of a pole shall automatically be continued under the terms of this Agreement if either of the following circumstances applies:

1. The pole was a Joint Pole under a Previous Agreement as of the Effective Date.
2. Both parties had Attachments on the pole - the pole was actually in joint use – as of the Effective Date.

I. Both before and after any termination of the right to place Attachments on additional poles, the Licensee shall have the right to Transfer its Attachments from an existing pole to a new pole installed as part of a road widening project and to continue joint use on such pole. If the Licensee is materially breaching this Agreement or acting in bad faith or failing to cooperate or communicate as provided in this Agreement, Electric Utility may terminate the Licensee's rights under this ARTICLE IV.I.

J. To facilitate the implementation of this Agreement, each party will share with the other party information about its future pole line projects, as appropriate, to facilitate the other party's planning and budgeting.

K. To facilitate any preparation of APPENDIX A, the parties' representatives will, as reasonably necessary and appropriate and if requested by a party, discuss with one another the matters that are the subject of APPENDIX A.

ARTICLE V – PLACEMENT OF NEW POLES

A. Whenever either party hereto requires new pole facilities for any reason, including an additional pole line, an extension of an existing pole line, or in connection with the reconstruction of an existing pole line, it may promptly notify the other party to that effect in writing (verbal notice subsequently confirmed in writing may be given in cases of emergency) stating the proposed location and character of the new pole(s) and the character of circuits it intends to use thereon and indicating whether or not such pole facilities will be, in the estimation of the party proposing to construct the new pole facilities, suitable for joint use. In case of emergency verbal notice, the other party will preliminarily respond verbally on an expedited basis that it does or does not want to seek initial joint use of the new poles and will generally describe its planned initial Attachments. Within a reasonable period (not to exceed thirty (30) business days) after the receipt of such written notice, the other party will submit an APPENDIX A if required by ARTICLE IV above, and the provisions of ARTICLE IV will govern.

B. Each party shall place its own Attachments on the new Joint Poles and place guys and anchors to sustain any unbalanced loads caused by its Attachments except as otherwise provided under ARTICLE IV - ESTABLISHING ATTACHMENT TO NEW POLES. Each party shall, with due diligence, attempt to execute its work promptly and in such manner as not to interfere with the service of the other party.

ARTICLE VI – RIGHT OF WAY FOR ATTACHER'S ATTACHMENTS

While Electric Utility and Licensee will cooperate as far as may be practicable in obtaining rights-of way for both parties on Joint Poles, Electric Utility does not warrant or assure to the Licensee any right-of-way privileges or easements on, over or across streets, alleys and public thoroughfares, and private or publicly owned property, and if the Licensee shall at any time be prevented from placing or maintaining its Attachments on Electric Utility's poles, no liability on account thereof shall attach to Electric Utility of the poles.

ARTICLE VII – MAINTENANCE OF POLES AND ATTACHMENTS

A. Electric Utility shall maintain all Joint Poles in a safe and serviceable condition and in accordance with the specifications mentioned in ARTICLE III - SPECIFICATIONS and shall replace, reinforce or repair should a pole become defective.

B. When replacing a Joint Pole carrying terminals of aerial cable, underground connection, or transformer equipment, the new pole shall be set in the same hole which the replaced pole occupied, or immediately adjacent, and in a manner to facilitate Transfer of Attachments, unless special conditions make it desirable to set it in a different location. Replacement poles where risers (dips) are installed should be set as close as possible to the existing pole. Electric Utility will make reasonable effort to conduct a joint field review or otherwise coordinate with Licensee to determine the location of the proposed pole. Reasonable effort will be made to coordinate locations of risers and Non-guyed Service Drops with the locations of the power facilities serving the customer.

C. Whenever it is necessary to replace or relocate a Joint Pole, Electric Utility shall, before making such replacement or relocation give reasonable notice thereof in writing or by electronic means (except in case of emergency, when verbal notice will be given and subsequently confirmed in writing or by electronic means) to the Licensee, specifying in such notice the time of such proposed replacement or relocation and the Licensee shall at the time so specified Transfer its Attachments to the new or relocated Joint Pole.

1. Should the Licensee fail to Transfer its Attachments to the new Joint Pole on the date specified for such Transfer of Attachments (after all Electric Utility Transfers have been accomplished), Electric Utility may elect to relinquish the ownership of the old pole from which it has removed its Attachments, with the giving of verbal notice to be subsequently followed in writing. If Electric Utility so elects, such old pole shall thereupon, at no cost to the Licensee, become the property of the Licensee, as is, and the Licensee shall save harmless Electric Utility from all obligation, liability, damages, cost, expenses or charges incurred thereafter, and not arising out of anything theretofore occurring because of, or arising out of, the presence or condition of such pole or of any Attachments thereon. The unused portion of the pole above the Licensee's Attachments shall be cut off and removed by Electric Utility before relinquishing ownership, if the pole remains in structural conflict with the power route. Upon mutual agreement by Electric Utility and the Licensee, Electric Utility personnel may perform simple transfers for the Licensee at a mutually agreed upon price.
2. Should the Licensee fail to Transfer its Attachments to the new Joint Pole after the receipt of notification in writing or through electronic means for such Transfer of Attachments and after all third party and Electric Utility responsible Transfers have been accomplished, whichever is later ("Licensee Transfer Date"), and if Electric Utility does not elect to relinquish the ownership of the old pole from which it has removed its Attachments, the parties will have the following rights, in addition to any other rights and remedies available under this Agreement:
 - a. The Licensee shall pay Electric Utility the following amounts until the Licensee has transferred its Attachments and notified Electric Utility in writing or through electronic notification means that the Transfer has been accomplished:
 - i. Five dollars (\$5.00) per pole per month beginning with the sixty-first (61st) day after the Licensee Transfer Date and through and including the two hundred fortieth (240th) day after the Licensee Transfer Date,
 - ii. Ten dollars (\$10.00) per pole per month (instead of five dollars (\$5.00)) beginning with the two hundred forty-first (241st) day after the Licensee Transfer Date. In addition, the cost incurred by Electric Utility to return to the job site and remove the old pole will be paid by the Licensee. In the event the Licensee notifies Electric Utility that the Transfer has been accomplished, and Electric Utility returns to the job site to remove the old pole and discovers that the Transfer has not been made, then the Licensee will pay Electric Utility's cost of the trip to and from the job site.

The intent of this paragraph is to ensure timely Transfers and minimize situations of two or more poles needlessly remaining at the same location for extended periods of time. The aforementioned provisions of this paragraph will only apply when poles are installed in a manner consistent with ARTICLE VII B.

D. Each party shall at all times maintain all of its Attachments in accordance with the specifications mentioned in ARTICLE III and shall keep them in safe condition and in thorough repair.

E. Each party shall be responsible for right-of-way maintenance for its own circuits at its own expense.

F. Any existing joint use construction of the parties hereto which does not conform to the specifications mentioned in ARTICLE III - SPECIFICATIONS shall be brought into conformity therewith as soon as practicable. To the extent such construction is compliant with the specifications in effect at the time of installation, neither party will be required to retrofit such existing, compliant attachments and at all times NESC grandfathering rules will apply. When such existing construction shall have been brought into

conformity with said specification, it shall at all times thereafter be maintained as provided in Sections A and D of this ARTICLE VII.

G. The cost of maintaining poles and Attachments and of bringing existing joint use construction into conformity with said specifications shall be borne by the parties hereto in the manner provided in this Agreement.

H. Where a pole currently exists, and different, new or replacement poles are needed in substantially the same place to accommodate the Licensee's desired additional Attachments or desired new joint use, then, if joint use is established or to be established as provided in this Agreement, Electric Utility will construct and own the new poles, and the costs will be paid as provided in ARTICLE IX - DIVISION OF COSTS.

I. Electric Utility shall have the right to require the Licensee, within one hundred twenty (120) days after the Licensee Transfer Date (as defined in ARTICLE VII - MAINTENANCE OF POLES AND ATTACHMENTS), either (a) to Transfer its Attachments from an existing pole to a new pole that is erected to carry the same or a similar service or Attachments as those on the existing pole, or (b) to remove its Attachments from the existing pole and terminate joint use as to the existing pole. The choice of option (a) or (b) will be the Licensee's. Or, if neither Electric Utility nor the Licensee desires a Transfer, Electric Utility may elect to abandon the existing pole to the Licensee as provided in ARTICLE VII - MAINTENANCE OF POLES AND ATTACHMENTS C. I. In the case of any such Transfer, the costs of transferring the Licensee's Attachments will be paid by the Licensee, unless such Transfer is required due to the requirements of an Outside Party, in which case the Outside Party shall reimburse the Licensee upon demand.

ARTICLE VIII – SAFETY INSPECTIONS

A. **INSPECTION PERFORMANCE.** If Electric Utility has reasonable cause to believe Code Violations or unsafe conditions (or other violations of ARTICLE III) involving all parties exist on its system, it will provide documentation of this belief to all parties, and it may, not more than once every five (5) years, perform a periodic safety inspection of Electric Utility's Poles, including Attachments under this Agreement. The scope of the safety inspection may include the entire system or may be limited to a smaller portion of the system, such as one circuit or the circuits fed by one substation, at the discretion of Electric Utility. At least three (3) months prior to any such safety inspection, Electric Utility shall provide notice of the safety inspection to the Licensee, which shall describe the scope of the inspection and provide Licensee with notice of the anticipated date of the inspection. Electric Utility and all Attachments shall share equally in the cost of the Initial Safety Inspection and any subsequent safety inspections.

B. **CORRECTIONS.** In the event Licensee has caused any violations of the specifications set forth in ARTICLE III, and such violation poses an imminent danger to persons or property ("Imminent Danger Violation"), such party shall correct such violation immediately, but at least within twenty-four (24) hours, unless otherwise agreed to by the parties. Should Licensee fail to correct such violation after notice, Electric Utility may correct the violation and bill the Licensee for the Actual Costs incurred. Following the Initial Safety Inspection, if Licensee has caused a Non-Imminent Danger Violation, Licensee shall have ninety (90) days to correct any such violation upon written notice from Utility, or within a longer, mutually agreed-to time frame if correction of the violation is not possible within ninety (90) days, such extended time to be not more than an additional ninety (90) days. Notwithstanding the foregoing grace periods, in the event Electric Utility or any other third party prevents Licensee from properly correcting a Non-Imminent Danger Violation, the timeframe for correcting such violation shall be extended to account for the time during which Licensee was unable to correct the violation due to such actions of the Electric Utility or third party. Licensee will not be responsible for the costs associated with violations caused by Electric Utility or its agents or Outside Parties. In all circumstances, all of the parties on the pole will work together to maximize safety while minimizing the cost of correcting any such deficiencies, but the Licensee shall be responsible for the full cost of any necessary or appropriate corrective measures associated with violations caused by Licensee, including removal and replacement of the pole and all Transfers or other work incident thereto. Licensee shall insure that its employees, agents, or contractors, which Licensee causes to work on Joint

Poles, will be notified of pending, unresolved poles requiring corrective actions, prior to activities on such poles, and Licensee shall not allow unqualified or improperly equipped personnel to work on poles. If causation cannot be established, the cost to correct the violation will be split equally among all parties on the pole.

C. PENALTIES. Electric Utility may impose a penalty in the amount of one hundred (\$100) dollars for any violation caused by Licensee that is not corrected in accordance with the terms of this Agreement.

D. OBSERVED SAFETY VIOLATIONS. For avoidance of doubt, Licensee shall be required to correct any safety violations as provided herein whether or not such are observed or noticed.

ARTICLE IX – DIVISION OF COSTS

A. NEW POLES INSTALLED WHERE NONE CURRENTLY EXIST. Whenever Electric Utility requires new pole facilities within the Licensee's service territory for any reason, including an additional Pole line, an extension of an existing pole line, or in connection with the reconstruction of an existing Pole line, it shall make a best effort to notify Licensee to that effect in writing (verbal notice subsequently confirmed in writing may be given in cases of emergency) stating the proposed location of the new pole. In the case of emergency, the Licensee will preliminarily respond verbally on an expedited basis that it does or does not want to attach its Attachments and will generally describe its planned Attachments. Within a reasonable period (not to exceed fifteen (15) business days) after the receipt of such written notice, the Licensee shall submit the notice required under ARTICLE IV - ESTABLISHING JOINT USE OF POLES AND PERMISSION FOR JOINT USE. If Licensee chooses to attach to a newly installed pole(s) and requires more than the 12" of space on such pole, then the Licensee shall pay the incremental cost of the required new pole. If in connection with the construction of a pole(s) the Licensee makes the payment required by this paragraph, then the Licensee shall in the future be entitled to attach on such pole(s) even if the pole(s) does not at that time become a Joint Pole. If joint use is established pursuant to ARTICLE V – PLACEMENT OF NEW POLES A. above, the cost to erect new Joint Poles coming under this Agreement, to construct new pole lines, or to make extensions to existing pole lines shall be borne by the parties as set forth in this ARTICLE IX – DIVISION OF COSTS A. If joint use is not established pursuant to ARTICLE V - PLACEMENT OF NEW POLES A. above, the provisions of ARTICLE IX – DIVISION OF COSTS below will control.

1. A Standard Pole, or if adequate a Joint Pole smaller than the Standard Pole, shall be erected at the sole expense of Electric Utility.
2. A pole larger than the Standard Pole, the extra height or strength of which is due wholly to Electric Utility's requirements including owner's requirements for pole space in excess of Supply Space set forth in ARTICLE II - EXPLANATION OF TERMS and requirements as to keeping Electric Utility's wires clear of trees shall be erected at the sole expense of Electric Utility.
3. In the case of a pole larger than the Standard Pole, the extra height or strength of which is due wholly to the Licensee's requirements including Licensee requirement for pole space in excess of Communication Space set forth in ARTICLE II - EXPLANATION OF TERMS and requirements as to keeping the Licensee's wires clear of trees, Electric Utility shall pay all costs associated with the construction of a Standard Pole and the Licensee shall pay to the owner the remaining costs of erecting the larger than Standard Pole. If in connection with the construction of a pole the Licensee makes the payment required by this paragraph, then the Licensee shall in the future be entitled to its Space on such pole even if the pole does not at that time become a Joint Pole; provided, however, if the Licensee does not attach to the pole within three years from the date the pole was set, then the Licensee shall no longer be entitled to its Space on such pole.
4. In the case of a pole larger than the Standard Pole, the extra height or strength of which is due to the requirements of both parties for greater Space or the requirements for proper

ground clearance or of public authorities or of property owners, (other than requirements with regard to keeping the wires of one party only clear of trees), the difference between the Cost in Place of such pole and the Cost in Place of a Standard Pole shall be shared equally by the Licensee and Electric Utility, with the rest of the cost of erecting such pole to be borne by Electric Utility.

5. A pole, including all appurtenances or fixtures, erected between existing poles to provide sufficient clearance and furnish adequate strength to support the circuits of both the owner and the Licensee, which it would have been unnecessary except solely due to Licensee's use had not been undertaken, shall be erected at the sole expense of the Licensee.

B. **PAYMENTS DO NOT AFFECT OWNERSHIP.** Any payments for poles made by the Licensee under any provisions of this Article shall not entitle the Licensee to the ownership of any part of the poles for which it has contributed in whole or in part.

C. **REPLACEMENT OF EXISTING POLES.** Where an existing pole is replaced for maintenance purposes, Electric Utility shall erect a pole adequate for the existing Attachments and additional Attachments for which Applications have been previously delivered to Electric Utility, unless such Application is denied in accordance herewith, and Electric Utility will pay all the costs of installing the replacement pole. Licensee will pay to replace its existing Attachments. The replaced pole shall be removed by Electric Utility.

1. A pole larger than the existing pole, which is installed to replace an existing pole, the extra height or strength of which is due wholly to Electric Utility's requirements, such as providing service, normal maintenance, or keeping Electric Utility's wires clear of trees, shall be erected at the sole expense of Electric Utility. Electric Utility shall bear the full expense of replacing or transferring all Electric Utility's Attachments and the Licensee shall bear the full expense of replacing or transferring all the Licensee's Attachments.
2. A pole larger than the existing pole, which is installed to replace an existing pole, the extra height or strength of which is due wholly to the Licensee's requirements, including Licensee's requirements as to keeping the Licensee's wires clear of trees, the Licensee shall pay to Electric Utility the Make-ready cost of the new pole.
3. A pole larger than the existing pole, which is installed to replace an existing pole, the extra height or strength of which is due wholly to Licensee's requirements such as providing service, correcting a safety violation or keeping Licensee's wires clear of trees, Licensee shall pay all of the Make-ready cost of the new pole, including any costs associated with replacing or Transferring Licensee's Attachments.
4. In the case of a pole larger than the existing pole, which is installed to replace an existing pole, the extra height or strength which is due to the requirements of all parties on the pole, such as when the parties share responsibility for correcting a safety violation, the difference between the Cost in Place of such pole and the Cost in Place of the existing pole shall be shared equally by the Licensee and Electric Utility, and other third parties, if applicable, the rest of the cost of erecting such pole to be borne by Electric Utility. Electric Utility and Licensee shall replace or Transfer all Attachments at their own expense.
5. In the case of a pole larger than the existing pole, which is installed to replace an existing pole, the extra height or strength which is due wholly to the requirements of an Outside Party, the Outside Party shall pay all of the Make-Ready cost of the new pole, including any costs associated with replacing or Transferring Licensee's Attachments.

D. **RESPONSIBILITY FOR OWN ATTACHMENTS.** Each party shall place, maintain, rearrange, Transfer and remove its own Attachments at its own expense except as otherwise expressly provided herein.

E. **SERVICE DROPS.** Where an existing pole is replaced by a taller one to provide the necessary clearance for the Licensee's Service Drop, the Licensee shall pay to Electric Utility the installed cost of the

new pole plus the labor costs of replacing or transferring of the Attachments on the existing pole and the cost to remove the existing pole, minus any salvage value to Electric Utility.

F. PAYMENT BASIS. Payments made under the provisions of this Article may be based on the estimated or Actual Cost, as mutually agreed upon (including overhead), of making such changes but in no event, however, shall either Party be required to pay for such changes more than 120% of the estimated cost supplied by the other if such cost estimate shall have been requested and furnished before the changes were made.

G. ELECTRIC UTILITY INSTALLING LARGER POLES FOR ELECTRIC UTILITY'S FUTURE USE. In the event Electric Utility installs a pole larger than is initially required for Electric Utility's and Licensee's use in anticipation of Electric Utility's future requirements or additions, the additional space provided by Electric Utility shall be reserved for Electric Utility's sole use. Licensee may request documentation to validate the need for future space.

H. CORRECTIVE MEASURES.

1. If any Attachment of the Licensee is found to be in violation of the terms of this Agreement, then the parties will work together to minimize the cost of correcting any such deficiencies, but the Licensee shall be responsible for the full cost of any necessary or appropriate corrective measures, including removal and replacement of the pole(s) and all Transfers or other work incident thereto.
2. If any Attachment of Electric Utility is found to be in violation of the terms of this Agreement, then the parties will work together to minimize the cost of correcting any such deficiencies, but Electric Utility shall be responsible for the full cost of any necessary or appropriate corrective measures, including removal and replacement of the pole(s) and all Transfers or other work incident thereto.
3. If there exists a violation of the terms of this Agreement (including the provisions of ARTICLE II - EXPLANATION OF TERMS and ARTICLE III - SPECIFICATIONS), and it cannot be determined whose Attachment has caused such violation or there is a mixture of the parties causing the violation, then the parties will work together to minimize the cost of correcting any such deficiencies; provided, however, that if a party can modify its Attachments so that they no longer may be a cause of the violation or deficiency, then such party may elect to make such modification instead of otherwise sharing in any costs. Such a modification shall not relieve a party from sharing in such costs if the party making the modification could still have been a cause of any deficiency that remains.
4. If one or more Outside Party Licensee(s) caused the violation, then such Outside Party Licensee(s) will pay the corrective costs incurred by all who have Attachments on the pole, including for the Licensee, Electric Utility and any other Attachments; and Electric Utility will make reasonable effort to cause the Outside Party to make such payment.

I. WHEN EXISTING POLES NOT IN JOINT USE BECOME JOINT POLES.

1. If an existing pole not in joint use was constructed before the Effective Date and becomes a Joint Pole, the Licensee shall pay all necessary Make-ready costs associated with the Licensee attaching to the pole.
2. If an existing pole not in joint use was constructed after the Effective Date and becomes a Joint Pole, then:
 - a. The Licensee shall pay all Make-ready costs associated with the Licensee attaching to the pole if Electric Utility gave notice pursuant to ARTICLE V.A. but the Licensee did not, if required, submit an APPENDIX A as provided in ARTICLE IV and, if applicable, ARTICLE V.A.

- b. If Electric Utility did not give notice pursuant to ARTICLE V.A. with respect to the pole, then Electric Utility shall pay all Make-ready costs associated with the Licensee attaching to the pole.

J. **BUILDING DOWN.** If one party installs Attachments that encroach or needs to install Attachments that would encroach upon the other party's use of its own Space (sometimes known as "building down"), the party installing or needing to install such Attachments must pay the Make-ready costs necessary to permit the other party to use its own Space.

K. **MAKE-READY WHEN APPENDIX A NOT REQUIRED.** Except as provided in ARTICLE IX.I. above, Electric Utility shall not be obligated to pay Make-Ready costs for any initial or additional Licensee Attachment for which an APPENDIX A is not required.

ARTICLE X – UNAUTHORIZED ATTACHMENTS

If any Attachment made after the Effective Date of this Agreement is identified for which the APPENDIX A requirements (as set forth herein) have not been satisfied ("Unauthorized Attachment"), then, provided Licensee has 90 days to verify or deny the unauthorized attachments, upon receiving written notice the Licensee shall pay to the Electric Utility a one-time fee of fifty dollars (\$50) per pole plus a sum equal to the adjustment payments that would have been payable from and after the date the Attachment was first placed on the Electric Utility's pole as determined from Licensee's records or other evidence; provided, however, that if the date on which the Attachment was made cannot be determined, then the Licensee will pay a sum equal to the adjustment payments that would have been payable from and after the date the last Actual Inventory of Joint Poles was conducted, subject to any applicable laws regarding statutes of limitations. If the Licensee does not respond within 90 days, it will not have the right to dispute the unauthorized attachment fee. In addition, the Electric Utility may, without prejudice to its other rights or remedies under this Agreement, require the Licensee to submit within fifteen (15) business days of verification by Licensee that an Attachment is an Unauthorized Attachment (provided that Licensee has 90 days to verify or deny that an Unauthorized Attachment exists upon receiving written notice from Utility), an APPENDIX A along with supporting engineering design data for each such Attachment, and upon review of such information, the Electric Utility may require the Licensee to make or pay for such modifications as may be specified by mutual consent of the parties or if non-approval of APPENDIX A is justified, remove the Unauthorized Attachment at Licensee's expense within 90 days or by mutual agreement after Licensee has verified that the Attachment is an Unauthorized Attachment. If Licensee has failed to submit an APPENDIX A or has not removed such Unauthorized Attachments within the 90 days or by mutual agreement if such non-approval is justified, then the Electric Utility may remove such Attachments at the Licensee's expense and with no liability to the Electric Utility, in which event the Licensee shall reimburse the Electric Utility upon demand for the cost the Electric Utility incurred in making such removal and shall indemnify and save the Electric Utility harmless from and against all loss, liability, or expense (including but not limited to claim of third parties) resulting from the removal of such Unauthorized Attachment, except in cases of negligence, gross negligence or intentional misconduct. Nothing herein shall relieve the Licensee of its obligation to maintain Attachments at all times in conformity with ARTICLE III - SPECIFICATIONS.

ARTICLE XI – ABANDONMENT OF JOINT USE POLES

A. If Electric Utility desires at any time to abandon any Joint Pole, it shall, except as provided in ARTICLE VII - MAINTENANCE OF POLES AND ATTACHMENTS C., give the Licensee notice in writing to that effect at least sixty (60) days prior to the date on which it intends to abandon such pole. If at the expiration of said period Electric Utility shall have no Attachments thereon, but Licensee has not removed its Attachments, such pole shall thereupon become the property of the Licensee, as is, and the Licensee shall save harmless Electric Utility from all obligation, liability, damages, cost, expenses or charges incurred thereafter, and not arising out of anything theretofore occurring because of or arising out of the

presence or condition of such pole or of any Attachments thereon; and shall pay Electric Utility the then depreciated value in place of the pole to Electric Utility. Electric Utility shall further evidence transfer of title to the pole by appropriate means. Credit shall be allowed for any payments which the Licensee may have made under the provisions of ARTICLE IX - DIVISION OF COSTS, when the pole was originally set, provided the Licensee furnishes proof of such payment. However, if the Electric Utility is putting its facilities underground, the pole shall not be sold to the Licensee, and the Licensee will comply with the undergrounding of the facilities or remove its facilities.

B. The Licensee may at any time abandon the use of a Joint Pole by removing therefrom any and all Attachments it may have thereon and by giving written notice thereof.

C. Licensee shall comply with reasonable and nondiscriminatory requirements that prohibit installation of structures on or above ground in an area designated solely for underground or buried cable and utility facilities.

ARTICLE XII – ADJUSTMENT PAYMENTS

A. At intervals of five (5) years, unless otherwise mutually agreed by the parties, an actual inventory of Joint Poles shall be made by representatives of the parties (the "Actual Inventory"). At the request of either party, an Actual Inventory shall be initiated within a year of the Effective Date and be promptly completed as the parties may more particularly agree. For the purpose of such Actual Inventory, any pole used by the Licensee for the sole purpose of attaching wires or cables thereto shall be considered a Joint Pole. Each Outside Party shall pay a prorated share of the cost of performing the Actual Inventory, based on the number of poles to which each Licensee has Attachments on Electric Utility's poles.

B. For a year in which there is no Actual Inventory, the number of Joint Poles used in calculating the adjustment payments provided for herein shall be based on the previous inventory plus any subsequent Permits submitted by the Licensee.

C. For a year for which there is an Actual Inventory, the adjustment payments provided for herein shall be based on the Actual Inventory; but there shall also be the adjustment provided for in ARTICLE XII.D. below.

D. For a year for which there is an Actual Inventory, the following adjustment shall be made:

1. The difference between the number of Joint Poles found by the Actual Inventory for the year in question and the number of Joint Poles currently being billed, whenever conducted, including any Actual Inventory conducted prior to the Effective Date of this Agreement, shall be prorated evenly based on the assumption that such poles were added evenly over the years between the Actual Inventories in order to calculate, on the basis of such proration, a prorated number of poles for each year between the year of the previous Actual Inventory and the year of the present Actual Inventory.
2. If the adjustment payment so calculated pursuant to this section is greater than the adjustment payment that was actually made, the difference shall constitute an additional amount owed by the Licensee to Electric Utility; if less, the difference shall constitute an amount owed by Electric Utility or a credit to the Licensee.

ARTICLE XIII – FEES AND CHARGES

A. Payment of Fees and Charges. Licensee shall pay to Electric Utility fees and charges and shall comply with the terms and conditions specified in the Agreement.

B. Payment Period. Unless otherwise expressly provided, Licensee shall pay any invoice it receives from Electric Utility pursuant to this Agreement within thirty (30) calendar days after Licensee receives the invoice.

C. The applicable computation of payments and calculations as above provided shall be made on or about January 1st of the calendar year following the Attachment rental year, each party acting in cooperation with the other. For example, on or about January 1, 2019, Electric Utility will issue the rental invoice for the rental period covering January 1, 2018 through December 31, 2018.

D. Annual Pole Attachment Fee per foot of occupied usable space per year shall be as follows:

Rate: Maximum allowable rate pursuant to 47 USC 224(d) and (e) as established in Federal Communications Commission Order on Reconsideration 15-151. Calculations will be provided to Licensee annually upon request.

E. Non-Recurring Fees:

1. Permit Application Fee:

Number of Poles Affected	Application Fee (Per Application)
1-10	\$50
11-20	\$150
21-25	\$250
26+	Cost Estimate Will Be Provided

2. Make Ready Charges: See Article IX

3. Miscellaneous Charges: See Article IX

4. Unauthorized Attachment Fee: See Article X

5. Safety Inspection Fees: See Article VIII

6. Inventory Inspection Fees: See Article XII

7. Timely Transfer Fees: See Article VII

ARTICLE XIV – DEFAULTS

A. If either party shall default in any of its obligations under this Agreement and such default continues thirty (30) days after due notice thereof in writing by the other party, the party not in default may suspend the rights of the party in default insofar as concerns the granting of future joint use and if such default shall continue for a period of ninety (90) days after such suspension, the party not in default may forthwith terminate this Agreement.

B. If after reasonable notice either party shall make default in the performance of any work it is obligated to do under this Agreement at its sole expense, the other party may elect to do such work, and the party in default shall reimburse the other party for the cost thereof. Failure on the part of the defaulting party to make such a payment within thirty (30) days upon presentation of bills therefor shall, at the election of the other party, constitute a default under this ARTICLE XIV.

ARTICLE XV – RIGHTS OF OTHER PARTIES

A. If Electric Utility, prior to the execution of this Agreement, conferred upon Outside Parties, by contract or otherwise, rights or privileges to attach to any of its poles covered by this Agreement, nothing herein contained shall be construed as affecting said rights or privileges with respect to existing Attachments of such Outside Parties, which Attachments shall continue in accordance with the present practice; all future Attachments of such Outside Parties shall be in accordance with the requirements of ARTICLE XV.B. below, except where such Outside Parties have by agreements entered into prior to the execution of this Agreement acquired enforceable rights or privileges to make Attachments which do not meet such space allocations. Electric Utility shall derive all of the revenue accruing from such Outside Parties. Any

contractual rights or privileges of Outside Parties recognized in this paragraph shall include renewals of or extensions of the term (period) of such contracts.

B. If Electric Utility desires to confer upon Outside Parties, by contract or otherwise, rights or privileges to attach to any of its poles covered by this Agreement, it shall have the right to do so, provided all such Attachments of such Outside Parties are made in accordance with the following: (1) such Attachments shall be maintained in conformity with the requirements of ARTICLE III - SPECIFICATIONS, and (2) such Attachments shall not be located within the space allocation of Licensee. Electric Utility shall derive all of the revenue accruing from such Outside Parties.

C. With respect to any rights and privileges granted by Electric Utility under this Article to others not parties hereto, Electric Utility shall reimburse Licensee's cost for transferring and rearranging Licensee's Attachments to provide space for Attachments for such Outside Parties.

D. Outside Parties shall be responsible for their pro rata share of any costs mentioned in ARTICLE IX-DIVISION OF COSTS.

ARTICLE XVI – ASSIGNMENTS OF RIGHTS

Except as otherwise provided in this Agreement, neither party hereto shall assign or otherwise dispose of this Agreement or any of its rights or interests hereunder, or in any of the Joint Poles, or the Attachments or rights-of-way covered by this Agreement, to any firm, corporation or individual, without the written consent of the other party, except to the United States of America or any agency thereof; provided, however, that nothing herein contained shall prevent or limit the right of either party to mortgage any or all of its property, rights, privileges, and franchises, or lease or transfer any of them to another corporation organized for the purpose of conducting a business of the same general character as that of such party, or to enter into any merger or consolidation; and, in case of the foreclosure of such mortgage or in case of lease, transfer, merger, or consolidation, its rights and obligations hereunder shall pass to, and be acquired and assumed by, the purchaser at foreclosure, the transferee, lessee, assignee, merging or consolidating company, as the case may be; and provided further that, subject to all of the terms and conditions of this Agreement, either party may permit any corporation conducting a business of the same general character as that of such party, and owned, operated, leased and controlled by it or associated or affiliated with it, the use of all or any part of the space reserved hereunder on any pole covered by this Agreement for the Attachments used by such party in the conduct of its said business; and for the purpose of this Agreement, all such Attachments maintained on any such pole by the permission as aforesaid of either party herein shall be considered as the Attachments of the party granting such permission, and the rights, obligations and liabilities of such party under this Agreement, with respect to such Attachments, shall be the same as if it were the actual owner thereof.

ARTICLE XVII – WAIVER OF TERMS OR CONDITIONS

The failure of either party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.

ARTICLE XVIII – PAYMENT OF TAXES

Each party shall pay all taxes and assessments lawfully levied on its own property upon Joint Poles, and the taxes and the assessments which are levied on Joint Poles shall be paid by Electric Utility, but any tax, fee, or charge levied on Electric Utility's poles solely because of their use by the Licensee shall be paid by the Licensee.

ARTICLE XIX – BILLS AND PAYMENT FOR WORK

A. Upon the completion of work performed hereunder by either party, the expense of which is to be borne wholly or in part by the other party, the party performing the work shall present to the other party within ninety (90) days after the completion of such work an itemized statement of the costs and such other party shall within thirty (30) days after such statement is presented pay to the party doing the work such other party's proportion of the cost of said work.

B. All amounts to be paid by either party under this Agreement shall be due and payable within thirty (30) days after the invoice is received. Except as provided in ARTICLE XIX.C. below, any payment not made within thirty (30) days from the due date shall bear interest at the rate of one and a half percent (1.5%) per month until paid, or if one and a half percent (1.5%) exceeds the maximum rate allowed by law, then at the maximum rate allowed by law. If party bills the interest provided for in this paragraph but then receives a payment showing that the payment was timely made, the billing party will write off and cancel the interest.

C. A party receiving a bill may, in good faith and for good cause, dispute the amount or adequacy of substantiation for the bill. In the event that a party so disputes only a portion of a bill, then such party shall promptly pay the undisputed amount. Upon resolution of the dispute, if the amount and substantiation were correct and sufficient, interest will be paid on the unpaid balance from the date of the initial bill at the rate of one and a half percent (1.5%) per month until paid, or if one and a half percent (1.5%) exceeds the maximum rate allowed by law, then at the maximum rate allowed by law; but, if the amount was not correct or substantiation was not sufficient, no interest will be payable unless the amount determined to be correct is not paid within thirty (30) days of receipt of substantiation and determination of the correct amount.

ARTICLE XX – NOTICES

A. Except as otherwise provided in this Agreement, all notices and writings shall be made to the following people, who from time to time may be changed by written notice:

Licensee:

Electric Utility:

The City of Petoskey
Public Works, Electric Division
101 E. Lake Street
Petoskey, MI 49770

B. By written notice pursuant hereto a party may from time to time specify a person in lieu of the person designated in ARTICLE XX.A. above to receive notices or writings with respect to specified matter(s) and/or geographic area(s), in which case such notices or writings shall be sent to that person as to such matter(s) and area(s).

C. Response to any notice or APPENDIX A shall be made to the sender rather than to the person designated in ARTICLE XX.A. or ARTICLE XX.B. above.

D. Unless otherwise provided in this Agreement, any notice shall be in writing, which may, when mutually agreeable, include preservable electronic means, such as email or facsimile.

E. A second copy of any notice given under ARTICLE XIV – DEFAULTS or ARTICLE XXI - RESOLUTION OF CERTAIN DISPUTES shall be given to the following persons, who may from time to time be changed by written notice:

Licensee:

Electric Utility:

The City of Petoskey
Public Works, Electric Division
101 E. Lake Street
Petoskey, MI 49770

F. The parties will develop and maintain a joint form designating the people to whom notices shall be given pursuant to the foregoing.

ARTICLE XXI – TERM OF AGREEMENT

A. This Agreement shall become effective upon its execution and, if not terminated in accordance with the provisions of this agreement, continue in effect for a term of five (5) years. Following the initial term, either party may terminate this Agreement by giving to the other party written notice of an intention to terminate the Agreement at least 90 days in advance of termination; but, upon failure to give such notice, this Agreement shall continue in force upon the same terms and conditions.

B. The Licensee shall have 180 days from the date Electric Utility has issued a Permit to complete attachment of Licensee's Attachment. If the Attachment has not been completed within the 180-day period, the Permit shall terminate without further notice to Licensee as to any pole or poles covered by the Permit to which Licensee has not attached its Attachment.

C. If at any time after Licensee has attached its Attachment to Electric Utility's poles, Electric Utility is informed or has reason to believe that such Attachment is not authorized by any governmental authority or private property owner, then Licensee shall remove its Attachment from any of Electric Utility's poles immediately after receiving notice from Electric Utility of such circumstance and the Permit covering such poles shall automatically terminate, provided, however, if Licensee is in the process of disputing such lack of authority, and has received permission to remain on the pole pending the outcome of the dispute, Licensee may maintain its Attachment without any liability to Electric Utility thereto.

D. Electric Utility may, in addition to seeking any other remedy available to it, terminate this Agreement or any Permit issued under this Agreement if Licensee fails to comply with any of the provisions of this Agreement and fails within 30 days (or such longer reasonable period if a 30 day cure period is not possible) after written notice from Electric Utility to correct such neglect, refusal, or default.

E. In the event a governmental entity at any time requires Electric Utility to remove 1 or more of its poles, any Permit issued to Licensee for such poles shall automatically terminate as to such poles, in which event Electric Utility shall refund to Licensee any unearned payments made pursuant to this Agreement.

G. Licensee may at any time terminate any right to attach an Attachment to any pole by removing its Attachment from such pole and notifying Electric Utility of such removal. The Permit covering such pole shall terminate upon receipt of such notice by Electric Utility. Licensee may at any time terminate this Agreement by removing all of its Attachments from all of Electric Utility's poles and notifying Electric Utility of such removal. Except as otherwise provided in this Agreement, the Licensee shall have 60 days within which to remove its Attachments from Electric Utility's pole or poles upon termination of this Agreement or of a Permit issued under this Agreement. If the Licensee fails to remove its Attachments from Electric Utility's pole or poles within such 60-day period, Electric Utility shall have the right to remove the Licensee's Attachments from said pole or poles, without notice or liability of any kind to the Licensee, in which event the Licensee shall reimburse Electric Utility upon demand for the cost Electric Utility incurred in making such removal. The Licensee shall indemnify and save Electric Utility harmless from and against all loss, liability, or expense resulting such removal, including but not limited to claims of third parties.

H. All Permits issued under this Agreement shall automatically terminate upon termination of this Agreement.

ARTICLE XXII – EXISTING CONTRACTS

All existing agreements for Pole attachment license between the parties, and all amendments thereto are by mutual consent hereby abrogated and superseded by this Agreement.

Nothing in the foregoing shall preclude the parties to this Agreement from entering such supplemental operating routines or working practices as they mutually agree to be necessary or desirable to effectively administer the provisions of this Agreement.

ARTICLE XXIII – LIABILITY

Licensee agrees to indemnify, defend and hold harmless Electric Utility, its directors, officers, shareholders and employees (collectively "Indemnified Persons") from and against any and all claims, liabilities, losses, damages, costs, discovery requests, demands, judgments, actions, causes of action, disbursements and expenses in connection therewith (including, without limitation, the reimbursement of all such costs, fees, expenses and disbursements, including reasonable attorneys' fees, as and when incurred, of investigating, preparing for, responding to or defending against any action, suit, proceeding, investigation, subpoena or other inquiry (whether or not Electric Utility is a party to the proceedings or litigation at issue) in connection with actual or threatened actions ("Losses") relating to or arising out of this License or any matter relating to the License; provided, however that Licensee will not be liable under this indemnity to the extent any of the foregoing Losses are determined, in a final judgment by a court of competent jurisdiction, not subject to further appeal, to have resulted from the sole negligence of any Indemnified Person in connection with the performance of the License.

ARTICLE XXIV – CONSTRUCTION

This Agreement was drafted by all parties to it and is not to be construed against any party. Neither the negotiations of the language of this Agreement, nor prior drafts of this Agreement, nor the inclusion or exclusion of any language from prior drafts shall be admissible or probative as to the meaning of this Agreement.

ARTICLE XXV – REMEDIES CUMULATIVE

Unless otherwise provided in this Agreement, all remedies set forth in this Agreement are cumulative and in addition to any other remedies that may be available herein or at law or in equity, if any.

In witness whereof the parties hereto, have caused these presents to be executed in two (2) counterparts, each of which shall be deemed an original and their corporate seals to be affixed thereto by their respective officers thereunto duly authorized, as of the Effective Date.

ARTICLE XXVI – INSURANCE

A. Policies Required. At all times during the term of this Agreement, Licensee shall keep in force and effect all insurance policies as described below and shall name Electric Utility as an additional insured on all such policies, except workers compensation:

1. Workers Compensation and Employers' Liability Insurance. Statutory workers' compensation benefits and employers' liability insurance with a limit of liability no less than that required by Michigan law at the time of the application of this provision for each accident. This policy shall be endorsed to include a waiver of subrogation in favor of Electric Utility. Licensee shall require subcontractors and others not protected under its insurance to obtain and maintain such insurance.
2. Commercial General Liability Insurance. Policy will be written to provide coverage for, but not limited to, the following: premises and operations, products and completed operations, personal injury, blanket contractual coverage, broad form property damage, independent contractor's coverage with limits of liability not less than \$5,000,000 general aggregate, \$2,000,000 products/completed operations aggregate, \$2,000,000 personal injury, \$2,000,000 each occurrence.
3. Automobile Liability Insurance. Business automobile policy covering all owned, hired and non-owned private passenger autos and commercial vehicles. Limits of liability not less than \$1,000,000 each occurrence, \$1,000,000 aggregate.
4. Umbrella Liability Insurance. Coverage is to be in excess of the sum of the employers' liability, commercial general liability, and automobile liability insurance required above. Limits of liability not less than \$5,000,000 each occurrence, \$5,000,000 aggregate.
5. Property Insurance. Each party will be responsible for maintaining property insurance on its own facilities, buildings, and other improvements, including all equipment, fixtures, and Electric Utility structures, fencing, or support systems that may be placed on, within, or around Electric Utility facilities to protect fully against hazards of fire, vandalism and malicious mischief, and such other perils as are covered by policies of insurance commonly referred to and known as extended coverage insurance or self-insure for such exposures.
6. Performance Bond. Prior to making any Attachments under this Agreement, Licensee shall provide to Electric Utility a performance bond in an amount corresponding with the requirements of Appendix C. The bond shall be executed with a proper surety through a company licensed and qualified to operate in the State of Michigan and listed with the U.S. Department of the Treasury as published in the Federal Register. In addition, the bond shall not be for an amount greater than the surety's approved limit as referenced in the current Federal Register and shall be accompanied by a certified power-of-attorney document, all still subject to the final approval of Electric Utility. The purpose of the bond is to ensure Licensee's performance of all of its obligations under this Agreement and for the payment by the Licensee of any damages, claims, liens, taxes, liquidated damages, penalties, or fees due to Electric Utility which arise by reason of the construction, installation, operation, maintenance, transfer, relocation, or removal of Licensee's Attachments or Communications Facilities on or about Electric Utility's Poles. This shall include claims for damages to Electric Utility Facilities caused by Licensee, or its contractors and agents. Electric Utility shall have the right to draw funds from the bond to recover damages to Electric Utility Facilities caused by Licensee, its contractors, or agents.

Provision shall be made to permit Electric Utility to draw against the bond. Licensee shall not use such bond for other purposes and shall not assign, pledge or otherwise use the bond as security for any other purpose. The amount and form of the performance bond applicable to Licensee is based on the requirements provided in Appendix C.

B. Qualification; Priority; Contractors' Coverage. The insurer must be authorized to do business under the laws of the state of Michigan and have an "A" or better rating in Best's Guide. Such insurance will be primary. All contractors and all of their subcontractors who perform work on behalf of Licensee shall carry in full force and effect, workers' compensation and employers' liability, comprehensive general liability, and automobile liability insurance coverage of the type that Licensee is required to obtain under this ARTICLE XXVI with the same limits.

C. Certificate of Insurance; Other Requirements. Prior to the execution of this Agreement and prior to each insurance policy expiration date during the term of this Agreement, the Licensee will furnish Electric Utility with a certificate of insurance ("Certificate") and, upon request, certified copies of the required insurance policies. The Certificate shall reference this Agreement and workers' compensation and property insurance waivers of subrogation required by this Agreement. Electric Utility shall be given thirty (30) calendar days advance notice of cancellation or nonrenewal of insurance during the term of this Agreement. Electric Utility, its council members, board members, commissioners, agencies, officers, officials, employees and representatives (collectively, "Additional Insureds") shall be named as Additional Insureds under all of the policies, except workers' compensation, which shall be so stated on the Certificate. All policies, other than workers' compensation, shall be written on an occurrence and not on a claims-made basis. All policies may be written with deductibles, not to exceed \$100,000, or such greater amount as expressly allowed in writing by Electric Utility. Licensee shall defend, indemnify and hold harmless Electric Utility and Additional Insureds from and against payment of any deductible and payment of any premium on any policy required under this Article.

Licensee shall obtain Certificates from its agents, contractors, and their subcontractors and provide a copy of such Certificates to Electric Utility upon request.

D. Limits. The limits of liability set out in this Article XXVI may be increased or decreased by mutual consent of the parties, which consent will not be unreasonably withheld by either party, in the event of any factors or occurrences, including substantial increases in the level of jury verdicts or judgments or the passage of state, federal, or other governmental compensation plans, or laws that would materially increase or decrease Licensee's exposure to risk.

E. Prohibited Exclusions. No policies of insurance required to be obtained by Licensee or its contractors or subcontractors shall contain provisions that: (1) exclude coverage of liability assumed by this Agreement with Electric Utility except as to infringement of patents or copyrights or for libel and slander in program material, (2) exclude coverage of liability arising from excavating, collapse, or underground work, (3) exclude coverage for injuries to Electric Utility's employees or agents, or (4) exclude coverage of liability for injuries or damages caused by Licensee's contractors or the contractors' employees, or agents. This list of prohibited provisions shall not be interpreted as exclusive.

F. Deductible/Self-insurance Retention Amounts. Licensee may meet all or a portion of the insurance requirements of this article by self insurance. To the extent the Licensee self-insures, the Licensee is not required to name additional insureds as required by this Article. The Licensee must provide to the Electric Utility such evidence as required by the Electric Utility demonstrating, to the Electric Utility's satisfaction, the Licensee's financial ability to meet the requirements of this Article requiring insurance coverage by self-insurance. In the event the Licensee fails to meet the Licensee's insurance requirements to Electric Utility's satisfaction, Licensee shall provide the insurance coverage and the additional insured endorsements in accordance with this Article.

G. Additional Insurance. Electric Utility shall have the right at any time to require public liability insurance and property damage liability insurance in greater amounts than those required in this ARTICLE XXVI. In any such event, the additional premium or premiums payable solely as the result of such additional insurance coverage shall be payable by Electric Utility within thirty (30) days of the Licensee providing proof of such additional premium to Electric Utility and requesting payment therefor.

ARTICLE XXVII – GOVERNING LAW AND VENUE

This Agreement shall be construed in accordance with the laws of the State of Michigan without regard to its rules regarding choice of law. Any action or claim arising from, under or pursuant to this Agreement shall be brought in the State Courts within Emmet County in the State of Michigan, and the parties expressly waive the right to bring any legal action or claims in any other courts.

ARTICLE XXVIII – SEVERABILITY

The provisions (or parts thereof) of this Agreement shall be severable. In the event that any provision (or part thereof) of this Agreement is determined to be illegal, invalid, or otherwise enforceable, then such illegality, invalidity or unenforceability shall not affect or impair the remainder of this Agreement.

In witness whereof the parties hereto, have caused these presents to be executed in two (2) counterparts, each of which shall be deemed an original and their corporate seals to be affixed thereto by their respective officers thereunto duly authorized, as of the Effective Date.

Electric Utility

By: _____

Dated: _____

Printed Name

Title

Licensee

By: _____

Dated: _____

Printed Name

Title

APPENDIX A – REQUEST TO ATTACH/MODIFY ATTACHMENTS TO POLE(S)

Attacher Job # _____ (to be completed by Attacher)
Electric Utility Work Order #: _____ (to be completed by Electric Utility)

SECTION 1 - REQUEST FOR APPROVAL TO PLACE ATTACHMENTS ON A POLE (to be completed by Attacher)

Company		Poles with Attachments (specify quantity)	Added	
Project			Removed	
Request Date			Overlashed	
Name			Modified	
Title		Estimated	Start	
Phone		Construction Dates	Completion	
Email		Fees Submitted:	Application	
Signature:			Other	
Make Ready Anticipated? (Yes or No)				

Location of Attachment Request (Street Address and Coordinates (Lat, Long)):

Checklist of Attached Documents (Containing Attacher Job #):

- ☐ Detailed construction plans and drawings
- ☐ Necessary maps, containing the following:
- | | |
|--|---|
| <input type="checkbox"/> Poles that we wish to use | <input type="checkbox"/> Relocations or replacements of poles |
| <input type="checkbox"/> Point of attachment (proposed height) on each pole | <input type="checkbox"/> Rearrangements of fixtures and equipment necessary |
| <input type="checkbox"/> Number and type of attachments to be placed on each pole (including anchor type and distance from | <input type="checkbox"/> Additional poles required |

The included information represents our proposed facilities. Any changes will be submitted to Electric Utility for approval prior to construction. The Attacher will obtain all authorizations, permits, and approvals from all Municipal, State, and Federal authorities for the Attacher's proposed service and all easements, licenses, rights-of-way and permits necessary for the proposed use of these poles.

SECTION 2 - APPROVAL/DENIAL OF REQUEST (to be completed by Electric Utility)

Response Date		Utility Make Ready Construction Required?		
Name		Total Estimated Cost to Attacher		
Title		(Detailed invoice to be provided)		
Phone		Permit #		
Email				
Request Response	Approve		If denied, reason for denial:	
	Deny			
Signature:				

APPENDIX B – SPECIFICATION FOR ATTACHMENTS TO POLES

Licensee, when making Attachments to Electric Utility Poles, will adhere to the following engineering and construction practices.

A. All Attachments shall be made in accordance with ARTICLE III – SPECIFICATIONS.

B. Clearances

1. Attachment and Cable Clearances: Licensee's Attachments on Electric Utility Poles, including metal attachment clamps and bolts, metal cross-arm supports, bolts and other equipment, must be attached so as to maintain the minimum 40" separation specified in the National Electrical Safety Code ("NESC") Table 235-5(1a) and in drawings and specifications Electric Utility may from time to time furnish Licensee.
2. Service Drop Clearance: From the pole to the home/building the parallel minimum separation between Electric Utility's service drops and communications service drops shall be twelve (12) inches, per NESC 235C1b (exception 3). (see drawing A-5)
3. Other Drop Clearances: All other drop clearances at the mid-span must conform to NESC table 235-6 (or its successor).

a. Sag and Mid-Span Clearances: Licensee will be particularly careful to leave proper sag in its lines and cables and shall observe the established sag of power line conductors and other cables so that minimum clearances are: (a) achieved at poles located on both ends of the span; and (b) retained throughout the span. At mid-span, a minimum of twelve (12) inches of separation must be maintained between all telecommunication cables that meet NESC rule 230E 1 (includes common phone, CATV, and fiber optic cables lashed to an effectively grounded messenger strand, or self-supporting cables).

NESC table 235-6 requires:

- 30" from neutral (May be 12" when exception #16 is adequate)
 - 30" from supply lines carrying 0 to 8.7 kV (secondary)
 - 30" plus 0.4" per kV in excess of 8.7 (primary)
4. Vertical Risers: All risers, including those providing 120/240 volt power for Licensee's equipment enclosure, shall be placed on the quarter faces of the pole and must be installed in conduit with weatherhead (if possible), attached to the pole with stand-off brackets.
 5. Climbing Space: A clear climbing space must be maintained at all times on the face of the pole. All Attachments must be placed so as to allow and maintain a clear and proper climbing space on the face of Electric Utility pole. Licensee's cable/wire Attachments shall be placed on the same side of the pole as those of other Attaching Entities. In general, all other Attachments and risers should be placed on pole quarter faces.
 6. Pedestals and Enclosures: Every effort should be made to install pedestals, vaults and/or enclosures at a minimum of four (4) feet from poles or other Electric Utility facilities, or the distance specified by Electric Utility, whichever is greater.

C. Anchors and Guys

1. Licensee shall be responsible for procuring and installing all anchors and guy wires to support the additional stress placed on Electric Utility's poles by Licensee's Attachments. Anchors must be guyed adequately.

2. Anchors and guy wires must be installed on each Electric Utility pole where an angle or a dead-end occurs. Licensee shall make guy attachments to poles at or below its cable attachment. No proposed anchor can be within five (5) feet of an existing anchor.
3. Licensee may not attach guy wires to the anchors of Electric Utility or third-party user without the anchor owner's specific prior written consent.
4. No Attachment may be installed on an Electric Utility pole until all required guys and anchors are installed. No Attachment may be modified, added to, or relocated in such a way as will materially increase the stress or loading on Electric Utility poles until all required guys and anchors are installed.
5. Licensee's down guys, if needed, shall be bonded, to the vertical ground wires of Electric Utility's pole, in accordance to NESC rule 092C3a. Electric Utility will determine if guys should be grounded or insulated.

D. Certification of Licensee's Design

1. Licensee's Attachment Permit application must be signed by an engineer certifying that Licensee's aerial cable design fully complies with the NESC and Electric Utility's Construction Standards and any other applicable federal, state or local codes and/or requirements, or Licensee will pay Electric Utility for actual costs for necessary engineering and post-construction inspection and to ensure Licensee's design fully complies with the NESC and Electric Utility's Construction Standards and any other applicable federal, state or local codes and/or requirements.
2. This certification shall include the confirmation that the design is in accordance with pole strength requirements of the NESC, taking into account the effects of Electric Utility's facilities and other Attaching Entities' facilities that exist on the poles without regard to the condition of the existing facilities.

E. Miscellaneous Requirements

1. Attachments: All Licensee Attachments will be made on the street side of the pole unless otherwise approved by Electric Utility.
2. Cable Bonding: Licensee's messenger cable shall be bonded according to NESC rule 092C1 as a minimum, or at every pole with a vertical ground, as determined by Electric Utility.
3. Customer Premises: Licensee's service drop into customer premises shall be protected as required by the most current edition of the NEC.
4. Communication Cables: All communications cables/wires not owned by Electric Utility shall be attached within the communications space that is located below the Communication Worker Safety Zone.
5. Tagging: On at least every other pole to which the Licensee is attached, Licensee's facilities shall be identified with a band-type communications cable tag or other identification acceptable to Electric Utility within twelve (12) inches of the pole. The communications tag shall be consistent with communication industry standards and shall include at least the following: Licensee name and emergency contact number.

APPENDIX C – PERFORMANCE BONDS

The performance bond requirements applicable to Licensee are listed below. Attachers operating Private Networks that select Option A are exempt from the performance bond requirements.

Option A. Private or public Attaching Entity operating a Private Network and not providing Communications Services regardless of the number of Attachments installed on Electric Utility Poles. No performance bond required.

Option B. Attaching Entity providing Communications Services with Attachments installed on Electric Utility Poles. Require a performance bond in the amount of \$10,000 or \$50 per Attachment, whichever is greater.

WIRELESS ADDENDUM

TO

STANDARD POLE ATTACHMENT LICENSE AGREEMENT

BETWEEN

The City of Petoskey.

AND

DATED: _____

Contents

PREAMBLE iii

ARTICLE I – EXPLANATION OF TERMS iii

ARTICLE II – GENERAL CONDITIONS AND PROCEDURES iv

ARTICLE III – RADIO FREQUENCY iv

ARTICLE IV – ESTABLISHING ATTACHMENT TO POLES iv

ARTICLE V – FEES AND CHARGES v

PREAMBLE

In addition to the terms agreed to in the Standard Pole Attachment License Agreement dated _____, Licensee, when co-locating small cell wireless facilities on Electric Utility poles, agrees to adhere to the following non-discriminatory procedures and specifications in accordance with the small wireless communications facilities deployment act.

ARTICLE I – EXPLANATION OF TERMS

- A. **Antenna** means communications equipment that transmits or receives electromagnetic radio frequency signals used in the provision of wireless services.
- B. **Co-locate** means to install, mount, maintain, modify, operate, or replace wireless facilities on or adjacent to a wireless support structure or utility pole. “Co-location” has a corresponding meaning. Co-locate does not include make-ready work or the installation of a new utility pole or new wireless support structure.
- C. **Electric Utility** refers to the signatory organization of this addendum or any contractor or subcontractor working on behalf.
- D. **Licensee** refers to the signatory organization of this addendum or any “wireless provider,” “wireless infrastructure provider,” “wireless services provider” (as defined in the small wireless communications facilities deployment act), or other contractor or subcontractor working on behalf of the Licensee.
- E. **Make-ready work** means work necessary to enable an authority pole or utility pole to support co-location, which may include modification or replacement of utility poles or modification of lines.
- F. **Micro wireless facility** means a small cell wireless facility that is not more than 24 inches in length, 15 inches in width, and 12 inches in height and that does not have an exterior antenna more than 11 inches in length.
- G. **Rate** means a recurring charge.
- H. **Small cell wireless facility** means a wireless facility that meets both of the following requirements:
 - a) Each antenna is located inside an enclosure of not more than 6 cubic feet in volume or, in the case of an antenna that has exposed elements, the antenna and all of its exposed elements would fit within an imaginary enclosure of not more than 6 cubic feet.
 - b) All other wireless equipment associated with the facility is cumulatively not more than 25 cubic feet in volume. The following types of associated ancillary equipment are not included in the calculation of equipment volume: electric meters, concealment elements, telecommunications demarcation boxes, grounding equipment, power transfer switches, cut-off switches, and vertical cable runs for the connection of power and other services.
- I. **Wireless facility** means equipment at a fixed location that enables the provision of wireless services between user equipment and a communications network, including, but not limited to, radio transceivers, antennas, coaxial or fiber-optic cable, regular and backup power supplies, and comparable equipment, regardless of technological configuration. Wireless facility includes a small cell wireless facility. Wireless facility does not include any of the following:
 - a) The structure or improvements on, under, or within which the equipment is co-located.
 - b) A wireline backhaul facility.
 - c) Coaxial or fiber-optic cable between utility poles or wireless support structures or that otherwise is not immediately adjacent to or directly associated with a particular antenna.

ARTICLE II – GENERAL CONDITIONS AND PROCEDURES

A. The Licensee is responsible for responding to any and all community concerns or complaints related to Antennas, Micro Wireless Facilities, or Small Cell Wireless Facilities, including aesthetic appearance, health concerns due to radio frequency emissions, etc.

B. The Licensee will independently obtain all authorizations, permits, and approvals from all Municipal, State, and Federal authorities to the extent required by law for the Licensee's proposed service and all easements, licenses, rights-of way and permits necessary for the proposed use of Electric Utility's poles. The Licensee may also be required to obtain a franchise agreement when and where necessary.

C. The Electric Utility must approve all pole locations selected for antenna placement.

D. The Electric Utility must approve the design and mounting requirements for all pole-top, and other type Antennas, Micro Wireless Facilities and Small Cell Wireless Facilities.

E. All Antennas, Micro Wireless Facilities and Small Cell Wireless Facilities to be installed in or above the Communication Worker Safety Zone will be installed by the Electric Utility or a contractor approved by the Electric Utility.

- 1) Electric Utility is not a guarantor of any approved contractors. Electric Utility, whether by making available a list of approved contractors or by other methods, has not made and makes no representations or warranties of any nature, directly or indirectly, express or implied, as to performance of the contractors. Selection of the approved contractor to perform the specified work is the sole decision of the Licensee.

F. If Licensee is required to relocate Antennas, Micro Wireless Facilities or Small Cell Wireless Facilities co-located on an Electric Utility pole, it shall do so in accordance with the nondiscriminatory terms set by the Electric Utility.

G. Notwithstanding any conditions herein, equipment must be installed in accordance with the National Electrical Safety Code and the Electric Utility's construction standards.

ARTICLE III – RADIO FREQUENCY

A. Where required, two radio frequency (RF) warning signs must be installed. One RF warning sign must be placed at eye level, a second sign must be placed at the pole top, just beyond where the safe approach distance ends. The sign must include the Electric Utility's name, contact number, and the approach distance of the Antenna.

B. The Licensee must provide the Electric Utility with documentation that confirms all RF emissions comply with applicable laws governing RF exposure levels.

ARTICLE IV – ESTABLISHING ATTACHMENT TO POLES

A. Licensees seeking to attach pole-top Antennas, Micro Wireless Facilities or Small cell wireless facilities must follow the procedure delineated in Article IV of the underlying Standard Pole Attachment License Agreement and must provide the Electric Utility with the following:

1. Permit form, including associated maps, drawing and other requested information, as provided in Appendix A of the underlying Pole Attachment License Agreement;
2. Spec sheets (including typical attachment drawings) and design information for the equipment proposed for attachment.

B. Poles selected for pole-top Antennas, Micro Wireless Facilities or Small cell wireless facilities must meet the following criteria:

1. Proposed pole-top locations must have adequate pole space and not exceed the pole's maximum loading.
2. Only one attachment will be allowed on a pole-top;
3. Must be a tangent pole;
4. Poles selected must not have existing equipment (regulators, gang switches, capacitors, etc.);
5. Pole must be readily accessible by bucket truck;
6. Minimum of a class 3 pole;
7. Attachment must be a minimum of 5 feet above the highest electric attachment;
8. Pole extensions are not permitted;
9. A new ground rod is required at all pole-top attachment locations.

C. Riser cables and grounds must be installed in a minimum of Schedule 40 conduit made of nonconductive material and not larger than 2 inches.

D. All Antenna, Micro Wireless Facility, or Small Cell Wireless Facility power sources must have a lockable disconnect installed, to allow for the power source and any back-up power sources to be disconnected. The Licensee must provide the Electric Utility with access to the disconnect by providing keys or combination to the lock. Disconnect and/or meter boxes must be installed according to Electric Utility's standards.

E. Licensees seeking to attach to Electric Utility-owned streetlight poles must conform to the following conditions:

1. All Antennas, Micro Wireless Facilities or Small Cell Wireless Facilities must clamp to the streetlight arm. Holes drilled in the arm or bracket will not be permitted.
2. Antennas, Micro Wireless Facilities and Small cell wireless facilities to be installed on a pole must match the aesthetics of the existing Electric Utility pole, satisfy wind load testing requirements, and must not interfere with the maintenance of the lights.
3. For purposes of this Article, "pole" means a pole owned or controlled by Electric Utility that is used for the distribution of electricity, wood poles used for street lighting. A pole does not include wire, fiber, or any similar thing used to conduct information or electricity between the pole structure or decorative street lighting poles. Decorative street lighting poles are poles, other than wood poles, used for street lighting, but not electric delivery service.

ARTICLE V – FEES AND CHARGES

A. Licensee is solely responsible for all costs associated with Make-Ready Work needed to bring the pole into compliance, including the cost of the pole-loading analysis and other required engineering. A good-faith estimate established by Electric Utility for any make-ready work shall include pole replacement if necessary. All make-ready costs shall be based on actual costs, with detailed documentation provided. All fees, charges and Annual Rental will be administered in accordance with Article XIII of the Standard Pole Attachment License Agreement, except for the following:

1. The Rate to Co-locate Antennas, Micro Wireless Facilities or Small Cell Wireless Facilities on the Electric Utility's pole is \$50 per pole annually. Every 5 years after the effective date of the small wireless communications facilities deployment act (March 12, 2019), the Rate shall be increased by 10% and rounded to the nearest dollar.

2. The fee to process requests by Licensee to Co-locate Antennas, Micro Wireless Facilities or Small Cell Wireless Facilities on Electric Utility poles is \$100 per pole. There will be an additional fee of \$100.00 per pole for processing the request, if a modification or maintenance of the co-location requires an engineering analysis. Every 5 years after the effective date of the small wireless communications facilities deployment act (March 12, 2019), the Rate shall be increased by 10% and rounded to the nearest dollar.

In witness whereof the parties hereto, have caused these presents to be executed in two (2) counterparts, each of which shall be deemed an original and their corporate seals to be affixed thereto by their respective officers thereunto duly authorized, as of the Effective Date.

Electric Utility

By: _____

Dated: _____

Printed Name

Title

Licensee

By: _____

Dated: _____

Printed Name

Title

FCC CABLE POLE ATTACHMENT RATE CALCULATION

Client:
Fiscal Year:

City of Petoskey
2018

Space Factor Calculation

Space occupied	1 ft.
Usable Space	13.5 ft.
Common Space	24.0
Number of attaching entities	2.00
Pole height	37.5 ft.
Space factor	<u>7.41%</u>

Number of Attaching Entities

Number of Poles	1,895
Number of Foreign Attachments	3,790
Total Number of Attachments	<u>5,685</u>
Number of Attachments	5,685
Number of Poles	<u>1,895</u>
Number of Attachments per Pole	3.00

Net Cost of a Bare Pole Calculation

	<u>FY 2018</u>	
Gross plant (Acct. 364)	\$ 87,321.60	See Inputs and Assumptions
Accumulated depreciation (Acct. 364)		
Net plant (Acct. 364)	<u>\$ 87,321.60</u>	
Appurtenances factor	1.00	
Net plant allocable to attachments	<u>\$ 87,321.60</u>	
Total number of distribution poles	<u>1,895</u>	
Net cost of a bare pole	<u>\$ 46.08</u>	

Carrying Charge Calculation

Total general and administrative (Accts. 920 - 926)	\$ 1,562,225.00
Total utility net plant (Accts. 310 - 398)	<u>\$ 14,619,245.00</u>
Administrative carrying charge	10.69%
Distribution maintenance expense (Acct. 590 - 598)	\$ 255,058.00
Total distribution net plant (Acct. 360 - 373)	<u>\$ 13,511,635.00</u>
Maintenance carrying charge	1.89%
Depreciation rate for gross plant (Acct. 364)	3.33%
Net plant adjustment factor	<u>1.00</u>
Depreciation carrying charge	3.33%
Payment in lieu of taxes	5.20%
Taxes carrying charge	5.20%
Rate of return	<u>10.25%</u>
Return carrying charge	10.25%
Total carrying charge	31.36%

RATE CALCULATION

Net Cost of a Bare Pole	\$ 46.08
Carrying Charge Rate	31.36%
Cost	<u><u>\$ 14.45</u></u>
Space Factor	7.41%
Pole Attachment Rate	<u><u>\$ 1.07</u></u>

SMALL WIRELESS COMMUNICATIONS FACILITIES DEPLOYMENT ACT
Act 365 of 2018

AN ACT to provide for the regulation by state or local government authorities and municipally owned electric utilities of the activities of wireless infrastructure providers and wireless services providers and of wireless facilities, wireless support structures, and utility poles; to regulate rates and fees concerning wireless facilities, wireless support structures, communications service provider pole attachments, and utility poles charged by state or local government authorities and municipally owned electric utilities; to provide for collocation of wireless facilities and of communications service provider pole attachments; to provide for use of public rights-of-way; to regulate certain permitting processes and zoning reviews; to prohibit certain commercially discriminatory actions by state or local government authorities and municipally owned electric utilities; to prohibit state and local government authorities from entering into exclusive arrangements with any person for the right to attach to certain utility poles; to authorize indemnification and insurance requirements; to authorize certain bonding requirements; and to provide for charges for electricity to operate small cell wireless facilities.

History: 2018, Act 365, Eff. Mar. 12, 2019.

The People of the State of Michigan enact:

460.1301 Short title; purpose of act.

Sec. 1. (1) This act shall be known and may be cited as the "small wireless communications facilities deployment act".

(2) The purpose of the act is to do all of the following:

(a) Increase investment in wireless networks that will benefit the citizens of this state by providing better access to emergency services, advanced technology, and information.

(b) Increase investment in wireless networks that will enhance the competitiveness of this state in the global economy.

(c) Encourage the deployment of advanced wireless services by streamlining the process for the permitting, construction, modification, maintenance, and operation of wireless facilities in the public rights-of-way.

(d) Allow wireless services providers and wireless infrastructure providers access to the public rights-of-way and the ability to attach to poles and structures in the public rights-of-way to enhance their networks and provide next generation services.

(e) Ensure the reasonable and fair control and management of public rights-of-way by governmental authorities within this state.

(f) Address the timely design, engineering, permitting, construction, modification, maintenance, and operation of wireless facilities as matters of statewide concern and interest.

(g) Provide for the management of public rights-of-way in a safe and reliable manner that does all of the following:

(i) Supports new technology.

(ii) Avoids interference with right-of-way use by existing public utilities and cable communications providers.

(iii) Allows for a level playing field for competitive communications service providers.

(iv) Protects public health, safety, and welfare.

(h) Increase the connectivity for autonomous and connected vehicles through the deployment of small cell wireless facilities with full access and compatibility for connected and autonomous vehicles as determined and approved by the state transportation department, county road commissions, and authorities.

(i) Prioritize, as provided in this act, the use of existing utility poles and wireless support structures for collocation over the installation of new utility poles or wireless support structures.

History: 2018, Act 365, Eff. Mar. 12, 2019.

460.1303 Definitions; A, B.

Sec. 3. As used in this act:

(a) "Affiliated transmission company" means that term as defined in section 2 of the electric transmission line certification act, 1995 PA 30, MCL 460.562.

(b) "Antenna" means communications equipment that transmits or receives electromagnetic radio frequency signals used in the provision of wireless services.

(c) "Applicable codes" means uniform building, fire, electrical, plumbing, or mechanical codes adopted under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531,

or adopted by the United States Occupational Safety and Health Administration or by a state or national code organization, including, but not limited to, the "National Electrical Safety Code" published by the Institute of Electrical and Electronics Engineers.

(d) "Applicant" means a wireless provider that submits an application described in this act.

(e) "Attaching entity" means a public or private party or entity, other than the municipally owned electric utility, that, pursuant to an agreement with the municipally owned electric utility, places a wire or cable attachment on a nonauthority pole or related infrastructure within the communication space. Attaching entity includes, but is not limited to, both of the following:

(i) A telecommunication provider as that term is defined in section 102 of the metropolitan extension telecommunications rights-of-way oversight act, 2002 PA 48, MCL 484.3102.

(ii) A video service provider as that term is defined in the uniform video services local franchise act, 2006 PA 480, MCL 484.3301.

(f) "Authority", unless the context implies otherwise, means this state, or a county, township, city, village, district, or subdivision thereof if authorized by law to make legislative, quasi-judicial, or administrative decisions concerning an application described in this act. Authority does not include any of the following:

(i) A municipally owned electric utility.

(ii) An investor-owned utility whose rates are regulated by the MPSC.

(iii) A state court having jurisdiction over an authority.

(g) "Authority pole" means a utility pole owned or operated by an authority and located in the ROW.

History: 2018, Act 365, Eff. Mar. 12, 2019.

460.1305 Definitions; C to I.

Sec. 5. As used in this act:

(a) "Colocate" means to install, mount, maintain, modify, operate, or replace wireless facilities on or adjacent to a wireless support structure or utility pole. "Collocation" has a corresponding meaning. Colocate does not include make-ready work or the installation of a new utility pole or new wireless support structure.

(b) "Communications facility" means the set of equipment and network components, including wires, cables, antennas, and associated facilities, used by a communications service provider to provide communications service.

(c) "Communication space" means that term as defined in the "National Electric Safety Code" published by the Institute of Electrical and Electronics Engineers.

(d) "Communications service" means service provided over a communications facility, including cable service as defined in 47 USC 522, information service as defined in 47 USC 153, telecommunications service as defined in 47 USC 153, or wireless service.

(e) "Communications service provider" means any entity that provides communications services.

(f) "FCC" means the Federal Communications Commission.

(g) "Fee" means a nonrecurring charge for services.

(h) "Historic district" means a historic district established under section 3 of the local historic districts act, 1970 PA 169, MCL 399.203, or a group of buildings, properties, or sites that are either listed in the National Register of Historic Places or formally determined eligible for listing by the Keeper of the National Register, the individual who has been delegated the authority by the federal agency to list properties and determine their eligibility for the National Register, in accordance with Section VI.D.1.a.i-v of the Nationwide Programmatic Agreement codified at 47 CFR Part 1, appendix C.

(i) "Independent transmission company" means that term as defined in section 2 of the electric transmission line certification act, 1995 PA 30, MCL 460.562.

History: 2018, Act 365, Eff. Mar. 12, 2019.

460.1307 Definitions; L to S.

Sec. 7. As used in this act:

(a) "Law" means federal, state, or local law, including common law, a statute, a rule, a regulation, an order, or an ordinance.

(b) "Make-ready work" means work necessary to enable an authority pole or utility pole to support collocation, which may include modification or replacement of utility poles or modification of lines.

(c) "Micro wireless facility" means a small cell wireless facility that is not more than 24 inches in length, 15 inches in width, and 12 inches in height and that does not have an exterior antenna more than 11 inches in length.

(d) "MPSC" means the Michigan Public Service Commission created in section 1 of 1939 PA 3, MCL 460.1.

(e) "Municipally owned electric utility" means a system owned by a municipality or combination of municipalities to furnish power or light and includes a cooperative electric utility that, on or after the effective date of this act, acquired all or substantially all of the assets of a municipal electric utility, when applying this act to the former territory of the municipal electric utility.

(f) "Nonauthority pole" means a utility pole used for electric delivery service and controlled by the governing body of a municipally owned electric utility.

(g) "Person" means an individual, corporation, limited liability company, partnership, association, trust, or other entity or organization, including an authority.

(h) "Public right-of-way" or "ROW" means the area on, below, or above a public roadway, highway, street, alley, bridge, sidewalk, or utility easement dedicated for compatible uses. Public right-of-way does not include any of the following:

(i) A private right-of-way.

(ii) A limited access highway.

(iii) Land owned or controlled by a railroad as defined in section 109 of the railroad code of 1993, 1993 PA 354, MCL 462.109.

(iv) Railroad infrastructure.

(i) "Rate" means a recurring charge.

(j) "Small cell wireless facility" means a wireless facility that meets both of the following requirements:

(i) Each antenna is located inside an enclosure of not more than 6 cubic feet in volume or, in the case of an antenna that has exposed elements, the antenna and all of its exposed elements would fit within an imaginary enclosure of not more than 6 cubic feet.

(ii) All other wireless equipment associated with the facility is cumulatively not more than 25 cubic feet in volume. The following types of associated ancillary equipment are not included in the calculation of equipment volume: electric meters, concealment elements, telecommunications demarcation boxes, grounding equipment, power transfer switches, cut-off switches, and vertical cable runs for the connection of power and other services.

History: 2018, Act 365, Eff. Mar. 12, 2019.

460.1309 Definitions; U to W.

Sec 9. As used in this act:

(a) "Utility pole" means a pole or similar structure that is or may be used in whole or in part for cable or wireline communications service, electric distribution, lighting, traffic control, signage, or a similar function, or a pole or similar structure that meets the height requirements in section 13(5) and is designed to support small cell wireless facilities. Utility pole does not include a sign pole less than 15 feet in height above ground.

(b) "Wireless facility" means equipment at a fixed location that enables the provision of wireless services between user equipment and a communications network, including, but not limited to, radio transceivers, antennas, coaxial or fiber-optic cable, regular and backup power supplies, and comparable equipment, regardless of technological configuration. Wireless facility includes a small cell wireless facility. Wireless facility does not include any of the following:

(i) The structure or improvements on, under, or within which the equipment is colocated.

(ii) A wireline backhaul facility.

(iii) Coaxial or fiber-optic cable between utility poles or wireless support structures or that otherwise is not immediately adjacent to or directly associated with a particular antenna.

(c) "Wireless infrastructure provider" means any person, including a person authorized to provide telecommunications services in this state but not including a wireless services provider, that builds or installs wireless communication transmission equipment, wireless facilities, or wireless support structures and who, when filing an application with an authority under this act, provides written authorization to perform the work on behalf of a wireless services provider.

(d) "Wireless provider" means a wireless infrastructure provider or a wireless services provider. Wireless provider does not include an investor-owned utility whose rates are regulated by the MPSC.

(e) "Wireless services" means any services, provided using licensed or unlicensed spectrum, including the use of Wi-Fi, whether at a fixed location or mobile.

(f) "Wireless services provider" means a person that provides wireless services.

(g) "Wireless support structure" means a freestanding structure designed to support or capable of supporting small cell wireless facilities. Wireless support structure does not include a utility pole.

(h) "Wireline backhaul facility" means a facility used to transport services by wire or fiber-optic cable from a wireless facility to a network.

History: 2018, Act 365, Eff. Mar. 12, 2019.

Rendered Thursday, September 19, 2019

Page 3

Michigan Compiled Laws Complete Through PA 48 of 2019

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460.1311 Collocation of small cell wireless facilities; prohibited authority.

Sec. 11. (1) Except as provided in this act, an authority shall not prohibit, regulate, or charge for the collocation of small cell wireless facilities.

(2) The approval of a small cell wireless facility under this act authorizes only the collocation of a small cell wireless facility and does not authorize either of the following:

(a) The provision of any particular services.

(b) The installation, placement, modification, maintenance, or operation of a wireline backhaul facility in the ROW.

History: 2018, Act 365, Eff. Mar. 12, 2019.

460.1313 Activities of wireless provider in public right of way; exclusive arrangement prohibited; rates; ordinance compliance; installation and concealment requirements; waiver of undergrounding requirements; repair damage to right of way.

Sec. 13. (1) This section applies only to activities of a wireless provider within the public right-of-way for the deployment of small cell wireless facilities and associated new or modified utility poles.

(2) An authority shall not enter into an exclusive arrangement with any person for use of the ROW for the construction, operation, or maintenance of utility poles or the collocation of small cell wireless facilities.

(3) An authority shall not charge a wireless provider a rate for each utility pole or wireless support structure in the ROW in the authority's geographic jurisdiction on which the wireless provider has colocated a small cell wireless facility that exceeds the following:

(a) \$20.00 annually, unless subdivision (b) applies.

(b) \$125.00 annually, if the utility pole or wireless support structure was erected by or on behalf of the wireless provider on or after the effective date of this act. This subdivision does not apply to the replacement of a utility pole that was not designed to support small cell wireless facilities.

Every 5 years after the effective date of this act, the maximum rates then authorized under subdivisions (a) and (b) are increased by 10% and rounded to the nearest dollar.

(4) If, on the effective date of this act, an authority has a rate or fee in an ordinance or in an agreement with a wireless provider for the use of the ROW to colocate a small cell wireless facility or to construct, install, mount, maintain, modify, operate, or replace a utility pole, and the rate or fee does not comply with subsection (3), the authority shall, not later than 90 days after the effective date of this act, revise the rate or fee to comply with subsection (3). Both of the following apply:

(a) For installations of utility poles designed to support small cell wireless facilities or collocations of small cell wireless facilities installed and operational in the ROW before the effective date of this act, the fees, rates, and terms of an agreement or ordinance for use of the ROW remain in effect subject to the termination provisions contained in the agreement or ordinance.

(b) For installations of utility poles designed to support small cell wireless facilities or collocations of small cell wireless facilities installed and operational in the ROW after the effective date of this act, the fees, rates, and terms of an agreement or ordinance for use of the ROW shall comply with subsection (3).

(5) A wireless provider may, as a permitted use not subject to zoning review or approval, except that an application for a permitted use is still subject to approval by the authority under section 15, colocate small cell wireless facilities and construct, maintain, modify, operate, or replace utility poles in, along, across, upon, and under the ROW. Such structures and facilities shall be constructed and maintained so as not to obstruct or hinder the usual travel or public safety on the ROW or obstruct the legal use of the authority's ROW or uses of the ROW by other utilities and communications service providers. Both of the following apply:

(a) A utility pole in the ROW installed or modified on or after the effective date of this act shall not exceed 40 feet above ground level, unless a taller height is agreed to by the authority.

(b) A small cell wireless facility in the ROW installed or modified after the effective date of this act shall not extend more than 5 feet above a utility pole or wireless support structure on which the small cell wireless facility is colocated.

(6) Subject to this section, section 17, and applicable zoning regulations, a wireless provider may colocate a small cell wireless facility or install, construct, maintain, modify, operate, or replace a utility pole that exceeds the height limits under subsection (5), or a wireless support structure, in, along, across, upon, and under the ROW.

(7) A wireless provider shall comply with reasonable and nondiscriminatory requirements otherwise provided that prohibit communications service providers from installing structures on or above ground in the ROW in an area designated solely for underground or buried cable and utility facilities if all of the following apply:

(a) The authority has required all cable and utility facilities, other than authority poles, along with any attachments, or poles used for street lights, traffic signals, or other attachments necessary for public safety, to be placed underground by a date that is not less than 90 days before the submission of the application.

(b) The authority does not prohibit the replacement of authority poles by a wireless provider in the designated area.

(c) The authority allows wireless providers to apply for a waiver of the undergrounding requirements for the placement of a new utility pole to support small cell wireless facilities, and the waiver applications are addressed in a nondiscriminatory manner.

(8) Subject to section 15(2), and except for facilities excluded from evaluation for effects on historic properties under 47 CFR 1.1307(a)(4)(ii), an authority may adopt written, objective requirements for reasonable, technically feasible, nondiscriminatory, and technologically neutral design or concealment measures in a historic district, downtown district, or residential zoning district. Any such requirement shall not have the effect of prohibiting any wireless provider's technology. Any such design or concealment measures are not considered a part of the small wireless facility for purposes of the size restrictions in the definition of small wireless facility in section 7.

(9) An authority's administration and regulation of activities of wireless providers in the ROW shall be reasonable, nondiscriminatory, and competitively neutral and shall comply with applicable law.

(10) An authority may require a wireless provider to repair all damage to the ROW directly caused by the activities of the wireless provider while occupying, constructing, installing, mounting, maintaining, modifying, operating, or replacing small cell wireless facilities, utility poles, or wireless support structures in the ROW and to return the ROW to its functional equivalent before the damage. If the wireless provider fails to make the repairs required by the authority within 60 days after written notice, the authority may make those repairs and charge the wireless provider the reasonable, documented cost of the repairs.

History: 2018, Act 365, Eff. Mar. 12, 2019.

460.1315 Permitted activities of wireless provider in right of way; application; determination; notice; denial; consolidated application; extension; fees; revocation; moratorium prohibited; notice of discontinuance of use.

Sec. 15. (1) This section applies to activities of a wireless provider within the public right-of-way.

(2) Except as otherwise provided in subsection (5), an authority may require a permit to collocate a small cell wireless facility or install, modify, or replace a utility pole on which a small cell wireless facility will be collocated if the permit is of general applicability. The processing of an application for such a permit is subject to all of the following:

(a) The authority shall not directly or indirectly require an applicant to perform services unrelated to the collocation for which a permit is sought, such as reserving fiber, conduit, or pole space for the authority or making other in-kind contributions to the authority.

(b) An authority may require an applicant to provide information and documentation to enable the authority to make a decision with regard to the criteria in subdivision (i). An authority may also require a certificate of compliance with FCC rules related to radio frequency emissions from a small cell wireless facility.

(c) If the proposed activity will occur within a shared ROW or an ROW that overlaps another ROW, a wireless provider shall provide, to each affected authority to which an application for the activity is not submitted, notification of the wireless provider's intent to locate a small cell wireless facility within the ROW. An authority may require proof of other necessary permits, permit applications, or easements to ensure all necessary permissions for the proposed activity are obtained.

(d) Within 25 days after receiving an application, an authority shall notify the applicant in writing whether the application is complete. If the application is incomplete, the notice shall clearly and specifically delineate all missing documents or information. The notice tolls the running of the time for approving or denying an application under subdivision (h).

(e) The running of time period tolled under subdivision (d) resumes when the applicant makes a supplemental submission in response to the authority's notice of incompleteness. If a supplemental submission is inadequate, the authority shall notify the applicant in writing not later than 10 days after receiving the supplemental submission that the supplemental submission did not provide the information identified in the original notice delineating missing documents or information. The time period may be tolled in the case of second or subsequent notices under the procedures identified in subdivision (d). Second or subsequent notices of incompleteness may not specify missing documents or information that was not delineated in the original notice of incompleteness.

(f) The authority may require an applicant to include an attestation that the small cell wireless facilities will

be operational for use by a wireless services provider within 1 year after the permit issuance date, unless the authority and the applicant agree to extend this period or delay is caused by lack of commercial power or communications transport facilities to the site.

(g) The application shall be processed on a nondiscriminatory basis.

(h) The authority shall approve or deny the application and notify the applicant in writing within the following period of time after the application is received:

(i) For an application for the collocation of small cell wireless facilities on a utility pole, 60 days, subject to the following adjustments:

(A) Add 15 days if an application from another wireless provider was received within 1 week of the application in question.

(B) Add 15 days if, before the otherwise applicable 60-day or 75-day time period under this subparagraph elapses, the authority notifies the applicant in writing that an extension is needed and the reasons for the extension.

(ii) For an application for a new or replacement utility pole that meets the height requirements of section 13(5)(a) and associated small cell facility, 90 days, subject to the following adjustments:

(A) Add 15 days if an application from another wireless provider was received within 1 week of the application in question.

(B) Add 15 days if, before the otherwise applicable 90-day or 105-day time period under this subparagraph elapses, the authority notifies the applicant in writing that an extension is needed and the reasons for the extension.

If the authority fails to comply with this subdivision, the completed application is considered to be approved subject to the condition that the applicant provide the authority not less than 7 days' advance written notice that the applicant will be proceeding with the work pursuant to this automatic approval.

(i) An authority may deny a completed application for a proposed collocation of a small cell wireless facility or installation, modification, or replacement of a utility pole that meets the height requirements in section 13(5)(a) only if the proposed activity would do any of the following:

(i) Materially interfere with the safe operation of traffic control equipment.

(ii) Materially interfere with sight lines or clear zones for transportation or pedestrians.

(iii) Materially interfere with compliance with the Americans with Disabilities Act of 1990, Public Law 101-336, or similar federal, state, or local standards regarding pedestrian access or movement.

(iv) Materially interfere with maintenance or full unobstructed use of public utility infrastructure under the jurisdiction of an authority.

(v) With respect to drainage infrastructure under the jurisdiction of an authority, either of the following:

(A) Materially interfere with maintenance or full unobstructed use of the drainage infrastructure as it was originally designed.

(B) Not be located a reasonable distance from the drainage infrastructure to ensure maintenance under the drain code of 1956, 1956 PA 40, MCL 280.1 to 280.630, and access to the drainage infrastructure.

(vi) Fail to comply with reasonable, nondiscriminatory, written spacing requirements of general applicability adopted by ordinance or otherwise that apply to the location of ground-mounted equipment and new utility poles and that do not prevent a wireless provider from serving any location.

(vii) Fail to comply with applicable codes.

(viii) Fail to comply with section 13(7) or (8).

(ix) Fail to meet reasonable, objective, written stealth or concealment criteria for small cell wireless facilities applicable in a historic district or other designated area, as specified in an ordinance or otherwise and nondiscriminatorily applied to all other occupants of the ROW, including electric utilities, incumbent or competitive local exchange carriers, fiber providers, cable television operators, and the authority.

(j) If the completed application is denied, the notice under subdivision (h) shall explain the reasons for the denial and, if applicable, cite the specific provisions of applicable codes on which the denial is based. The applicant may cure the deficiencies identified by the authority and resubmit the application within 30 days after the denial without paying an additional application fee. The authority shall approve or deny the revised application within 30 days. The authority shall limit its review of the revised application to the deficiencies cited in the denial.

(k) An applicant may at the applicant's discretion file a consolidated application and receive a single permit for the collocation of up to 20 small cell wireless facilities within the jurisdiction of a single authority or, in the case of the state transportation department, a single designated control section as identified on the department's website. The small cell wireless facilities within a consolidated application must consist of substantially similar equipment and be placed on similar types of utility poles or wireless support structures. An authority may approve a permit for 1 or more small cell wireless facilities included in a consolidated

application and deny a permit for the remaining small cell facilities. An authority shall not deny a permit for a small cell wireless facility included in a consolidated application on the basis that a permit is being denied for 1 or more other small cell facilities included in that application.

(l) Within 1 year after a permit is granted, a wireless provider shall complete collocation of a small cell wireless facility that is to be operational for use by a wireless services provider, unless the authority and the applicant agree to extend this period or the delay is caused by the lack of commercial power or communications facilities at the site. If the wireless provider fails to complete the collocation within the applicable time, the permit is void, and the wireless provider may reapply for a permit. A permittee may voluntarily request that a permit be terminated.

(m) Approval of an application authorizes the wireless provider to do both of the following:

(i) Undertake the installation or collocation.

(ii) Subject to relocation requirements that apply to similarly situated users of the ROW and the applicant's right to terminate at any time, maintain the small cell wireless facilities and any associated utility poles or wireless support structures covered by the permit for so long as the site is in use and in compliance with the initial permit under this act.

(n) An authority shall not institute a moratorium on filing, receiving, or processing applications or issuing permits for the collocation of small cell wireless facilities or the installation, modification, or replacement of utility poles on which small cell wireless facilities will be colocated.

(o) The authority and an applicant may extend a time period under this subsection by mutual agreement.

(3) An application fee for a permit under subsection (2) shall not exceed the lesser of the following:

(a) \$200.00 for each small cell wireless facility alone.

(b) \$300.00 for each small cell wireless facility and a new utility pole to which it will be attached.

Every 5 years after the effective date of this act, the maximum fees then authorized under this subsection are increased by 10% and rounded to the nearest dollar.

(4) An authority may revoke a permit, upon 30 days' notice and an opportunity to cure, if the permitted small cell wireless facilities and any associated utility pole fail to meet the requirements of subsection (2)(i).

(5) An authority shall not require a permit or any other approval or require fees or rates for any of the following:

(a) The replacement of a small cell wireless facility with a small cell wireless facility that is not larger or heavier, in compliance with applicable codes.

(b) Routine maintenance of a small cell wireless facility, utility pole, or wireless support structure.

(c) The installation, placement, maintenance, operation, or replacement of a micro wireless facility that is suspended on cables strung between utility poles or wireless support structures in compliance with applicable codes.

(6) An authority that receives an application to place a new utility pole may propose an alternate location within the ROW or on property or structures owned or controlled by an authority within 75 feet of the proposed location to either place the new utility pole or colocate on an existing structure. The applicant shall use the alternate location if, as determined by the applicant, the applicant has the right to do so on reasonable terms and conditions and the alternate location does not impose unreasonable technical limits or significant additional costs.

(7) Before discontinuing its use of a small cell wireless facility, utility pole, or wireless support structure, a wireless provider shall notify an authority in writing. The notice shall specify when and how the wireless provider intends to remove the small cell wireless facility, utility pole, or wireless support structure. The authority may impose reasonable and nondiscriminatory requirements and specifications for the wireless provider to return the property to its preinstallation condition. If the wireless provider does not complete the removal within 45 days after the discontinuance of use, the authority may complete the removal and assess the costs of removal against the wireless provider. A permit under this section for a small cell wireless facility expires upon removal of the small cell wireless facility.

(8) This section does not prohibit an authority from requiring a permit for work that will unreasonably affect traffic patterns or obstruct vehicular or pedestrian traffic in the ROW.

History: 2018, Act 365, Eff. Mar. 12, 2019.

460.1317 Zoning review and approval; application; approval or denial requirements; fees; moratorium prohibited; revocation.

Sec. 17. (1) The activities set forth in section 15(5) are exempt from zoning review. Subsections (2) to (4) apply to zoning reviews for the following activities that are subject to zoning review and approval, that are not a permitted use under section 13(5), and that take place within or outside the public right-of-way:

(a) The modification of existing or installation of new small cell wireless facilities.

(b) The modification of existing or installation of new wireless support structures used for such small cell wireless facilities.

(2) The processing of an application for a zoning approval is subject to all of the following requirements:

(a) Within 30 days after receiving an application under this section, an authority shall notify the applicant in writing whether the application is complete. If the application is incomplete, the notice shall clearly and specifically delineate all missing documents or information. The notice tolls the running of the 30-day period.

(b) The running of the time period tolled under subdivision (a) resumes when the applicant makes a supplemental submission in response to the authority's notice of incompleteness. If a supplemental submission is inadequate, the authority shall notify the applicant not later than 10 days after receiving the supplemental submission that the supplemental submission did not provide the information identified in the original notice delineating missing documents or information. The time period may be tolled in the case of second or subsequent notices under the procedures identified in subdivision (a). Second or subsequent notices of incompleteness may not specify missing documents or information that was not delineated in the original notice of incompleteness.

(c) The application shall be processed on a nondiscriminatory basis.

(d) The authority shall approve or deny the application and notify the applicant in writing within 90 days after an application for a modification of a wireless support structure or installation of a small cell wireless facility is received or 150 days after an application for a new wireless support structure is received. The time period for approval may be extended by mutual agreement between the applicant and authority. If the authority fails to comply with this subdivision, the application is considered to be approved subject to the condition that the applicant provide the authority not less than 15 days' advance written notice that the applicant will be proceeding with the work pursuant to this automatic approval.

(e) An authority shall not deny an application unless all of the following apply:

(i) The denial is supported by substantial evidence contained in a written record that is publicly released contemporaneously.

(ii) There is a reasonable basis for the denial.

(iii) The denial would not discriminate against the applicant with respect to the placement of the facilities of other wireless providers.

(3) An authority's review of an application for a zoning approval is subject to all of the following requirements:

(a) An applicant's business decision on the type and location of small cell wireless facilities, wireless support structures, or technology to be used is presumed to be reasonable. This presumption does not apply with respect to the height of wireless facilities or wireless support structures. An authority may consider the height of such structures in its zoning review, but shall not discriminate between the applicant and other communications service providers.

(b) An authority shall not evaluate or require an applicant to submit information about an applicant's business decisions with respect to any of the following:

(i) The need for a wireless support structure or small cell wireless facilities.

(ii) The applicant's service, customer demand for the service, or the quality of service.

(c) Any requirements regarding the appearance of facilities, including those relating to materials used or arranging, screening, or landscaping, shall be reasonable.

(d) Any spacing, setback, or fall zone requirement shall be substantially similar to a spacing, setback, or fall zone requirement imposed on other types of commercial structures of a similar height.

(4) An application fee for a zoning approval shall not exceed the following:

(a) \$1,000.00 for a new wireless support structure or modification of an existing wireless support structure.

(b) \$500.00 for a new small cell wireless facility or modification of an existing small cell wireless facility.

(5) Within 1 year after a zoning approval is granted, a wireless provider shall commence construction of the approved structure or facilities that are to be operational for use by a wireless services provider, unless the authority and the applicant agree to extend this period or the delay is caused by a lack of commercial power or communications facilities at the site. If the wireless provider fails to commence the construction of the approved structure or facilities within the time required pursuant to section 15(2)(f), the zoning approval is void, and the wireless provider may reapply for a zoning approval. However, the wireless provider may voluntarily request that the zoning approval be terminated.

(6) An authority shall not institute a moratorium on either of the following:

(a) Filing, receiving, or processing applications for zoning approval.

(b) Issuing approvals for installations that are not a permitted use.

(7) An authority may revoke a zoning approval, upon 30 days' notice and an opportunity to cure, if the permitted small cell wireless facilities and any associated wireless support structure fail to meet the

requirements of the approval, applicable codes, or applicable zoning requirements.

History: 2018, Act 365, Eff. Mar. 12, 2019.

460.1319 Authority poles; exclusive arrangement prohibited; limitation on rates, fees, and terms; elimination of aboveground poles.

Sec. 19. (1) An authority shall not enter into an exclusive arrangement with any person for the right to attach to authority poles. A person who purchases, controls, or otherwise acquires an authority pole is subject to the requirements of this section.

(2) The rate for the collocation of small cell wireless facilities on authority poles shall be nondiscriminatory regardless of the services provided by the collocating person. The rate shall not exceed \$30.00 per year per authority pole. Every 5 years after the effective date of this act, the maximum rate then authorized under this subsection is increased by 10% and rounded to the nearest dollar. This rate for the collocation of small cell wireless facilities on authority poles is in addition to any rate charged for the use of the ROW under section 13.

(3) If, on the effective date of this act, an authority has a rate, fee, or other term in an ordinance or in an agreement with a wireless provider that does not comply with this section, the authority shall, not later than 90 days after the effective date of this act, revise the rate, fee, or term to comply with this section. Both of the following apply:

(a) An ordinance or an agreement between an authority and a wireless provider that is in effect on the effective date of this act and that relates to the collocation on authority poles of small cell wireless facilities installed and operational before the effective date of this act remains in effect as it relates to those collocations, subject to termination provisions in the ordinance or agreement.

(b) The rates, fees, and terms established under this section apply to the collocation on authority poles of small cell wireless facilities that are installed and operational after the rates, fees, and terms take effect.

(4) Within 90 days after receiving the first request to collocate a small cell wireless facility on an authority pole, the authority shall make available, through ordinance or otherwise, the rates, fees, and terms for the collocation of small cell wireless facilities on the authority poles. The rates, fees, and terms shall comply with all of the following:

(a) The rates, fees, and terms shall be nondiscriminatory, competitively neutral, and commercially reasonable and shall comply with this act.

(b) The authority shall provide a good-faith estimate for any make-ready work within 60 days after receipt of a complete application. Make-ready work shall be completed within 60 days of written acceptance of the good-faith estimate by the applicant.

(c) The person owning or controlling the authority pole shall not require more make-ready work than required to comply with law or industry standards.

(d) Fees for make-ready work shall not do any of the following:

(i) Include costs related to preexisting or prior damage or noncompliance unless the damage or noncompliance was caused by the applicant.

(ii) Include any unreasonable consultant fees or expenses.

(iii) Exceed actual costs imposed on a nondiscriminatory basis.

(5) This section does not require an authority to install or maintain any specific authority pole or to continue to install or maintain authority poles in any location if the authority makes a nondiscriminatory decision to eliminate aboveground poles of a particular type generally, such as electric utility poles, in a designated area of its geographic jurisdiction. For authority poles with collocated small cell wireless facilities in place when an authority makes a decision to eliminate aboveground poles of a particular type, the authority shall do 1 of the following:

(a) Continue to maintain the authority pole.

(b) Install and maintain a reasonable alternative pole or wireless support structure for the collocation of the small cell wireless facility.

(c) Offer to sell the pole to the wireless provider at a reasonable cost.

(d) Allow the wireless provider to install its own utility pole so it can maintain service from that location.

(e) Proceed as provided by an agreement between the authority and the wireless provider.

History: 2018, Act 365, Eff. Mar. 12, 2019.

460.1321 Municipally owned electric utility; collocation on nonauthority poles; standards; application process; moratorium prohibited; rates; make-ready work.

Sec. 21. (1) The governing body of a municipally owned electric utility shall not enter into an exclusive arrangement with any person for the right to attach to nonauthority poles.

(2) The governing body of a municipally owned electric utility shall allow the collocation of small cell wireless facilities on nonauthority poles on a nondiscriminatory basis.

(3) The collocation of small cell wireless facilities on nonauthority poles by a wireless provider shall comply with the applicable, nondiscriminatory safety and reliability standards adopted by the governing body of a municipally owned electric utility and with the "National Electric Safety Code" published by the Institute of Electrical and Electronics Engineers. The governing body of a municipally owned electric utility may require a wireless provider to execute an agreement for nonauthority pole attachments if such an agreement is required of all other nonauthority pole attachments.

(4) The governing body of a municipally owned electric utility shall adopt a process for requests by wireless providers to colocate small cell wireless facilities on nonauthority poles that is nondiscriminatory and competitively neutral. If such a process has not been adopted within 90 days after the effective date of this act, the application process in section 15 applies to such requests. The governing body of a municipally owned electric utility shall not impose a moratorium on the processing of nonauthority pole collocation requests, or require a wireless provider to perform any service not directly related to the collocation. The governing body of a municipally owned electric utility may charge a fee not to exceed \$100.00 per nonauthority pole for processing the request. The governing body of a municipally owned electric utility may charge an additional fee not to exceed \$100.00 per nonauthority pole for processing the request, if a modification or maintenance of the collocation requires an engineering analysis. Every 5 years after the effective date of this act, the maximum fees then authorized under this subsection are increased by 10% and rounded to the nearest dollar.

(5) The rate for a wireless provider to colocate on a nonauthority pole in the ROW shall not exceed \$50.00 annually per nonauthority pole. Every 5 years after the effective date of this act, the maximum rate then authorized under this subsection is increased by 10% and rounded to the nearest dollar.

(6) A wireless provider shall comply with the process for make-ready work that the governing body of a municipally owned electric utility has adopted for other parties under the same or similar circumstances that attach facilities to nonauthority poles. If such a process has not been adopted, the wireless provider and the governing body of a municipally owned electric utility shall comply with the process for make-ready work under 47 USC 224 and implementing orders and regulations. A good-faith estimate established by the governing body of a municipally owned electric utility for any make-ready work for nonauthority poles shall include pole replacement if necessary. All make-ready costs shall be based on actual costs, with detailed documentation provided.

(7) If a wireless provider is required to relocate small cell wireless facilities colocated on a nonauthority pole, it shall do so in accordance with the nondiscriminatory terms adopted by the governing body of a municipally owned electric utility.

History: 2018, Act 365, Eff. Mar. 12, 2019.

460.1323 Attaching entity; standards; compliance; rate; civil action.

Sec. 23. (1) An attaching entity, and all contractors or parties under its control, shall comply with reliability, safety, and engineering standards adopted by the governing body of a municipally owned electric utility, including, but not limited to, the following:

(a) Applicable engineering and safety standards governing installation, maintenance, and operation of facilities and the performance of work in or around the municipally owned electric utility nonauthority poles and facilities.

(b) The "National Electric Safety Code" published by the Institute of Electrical and Electronics Engineers.

(c) Regulations of the United States Occupational Safety and Health Administration.

(d) Other reasonable safety and engineering requirements to which municipally owned electric utility facilities are subject by law.

(2) The governing body of a municipally owned electric utility may require an attaching entity to execute an agreement for wire or cable attachments to nonauthority poles or related infrastructure.

(3) The governing body of a municipally owned electric utility shall not charge an attaching entity a rate for wire or cable pole attachments within the communication space on a nonauthority pole greater than the maximum allowable rate pursuant to 47 USC 224(d) and (e) as established in Federal Communications Commission Order on Reconsideration 15-151.

(4) Subject to section 27, an attaching entity may commence a civil action for injunctive relief for a violation of this section. The attaching entity shall not file an action under this subsection unless the attaching entity has first provided the municipally owned electric utility with a written notice of the intent to sue. Within 30 days after the municipally owned electric utility receives written notice of intent to sue, the municipally owned electric utility and the attaching entity shall meet and make a good-faith attempt to determine if there is a credible basis for the action. If the parties agree that there is a credible basis for the

action, the governing body of the municipally owned electric utility shall take all reasonable and prudent steps necessary to comply with the applicable requirements of this section within 90 days after the meeting.

History: 2018, Act 365, Eff. Mar. 12, 2019.

460.1325 Jurisdiction; authority; certain interior structures, campuses, stadiums, and athletic facilities.

Sec. 25. An authority does not have jurisdiction or authority over the design, engineering, construction, installation, or operation of a small cell wireless facility located in an interior structure or upon a campus of an institution of higher education including any stadiums or athletic facilities associated with the institution of higher education, a professional stadium, or a professional athletic facility, other than to enforce applicable codes. This act does not authorize this state or any other authority to require wireless facility deployment or to regulate wireless services.

History: 2018, Act 365, Eff. Mar. 12, 2019.

460.1327 Circuit courts; jurisdiction; right to appeal.

Sec. 27. The circuit court has jurisdiction to determine all disputes arising under this act. Venue lies in the judicial circuit where the authority or municipally owned electric utility is located. In addition to its right to appeal to the circuit court, an applicant may elect, at its sole discretion, to appeal a determination under the act to an authority, if the authority has an appeal process to render a decision expeditiously.

History: 2018, Act 365, Eff. Mar. 12, 2019.

460.1329 Indemnification; insurance requirements.

Sec. 29. As part of the permit process under section 15, a zoning approval process under section 17, or a request process under section 21, an authority or the governing body of a municipally owned electric utility may require a wireless provider to do the following with respect to a small cell wireless facility, a wireless support structure, or a utility pole:

(a) Defend, indemnify, and hold harmless the authority or the governing body of a municipally owned electric utility and its officers, agents, and employees against any claims, demands, damages, lawsuits, judgments, costs, liens, losses, expenses, and attorney fees resulting from the installation, construction, repair, replacement, operation, or maintenance of any wireless facilities, wireless support structures, or utility poles to the extent caused by the applicant, its contractors, its subcontractors, and the officers, employees, or agents of any of these. A wireless provider has no obligation to defend, indemnify, or hold harmless an authority or the governing body of a municipally owned electric utility, or the officers, agents, or employees of the authority or governing body against any liabilities or losses due to or caused by the sole negligence of the authority or the governing body of a municipally owned electric utility or its officers, agents, or employees.

(b) Obtain insurance naming the authority or the governing body of a municipally owned electric utility and its officers, agents, and employees as additional insureds against any claims, demands, damages, lawsuits, judgments, costs, liens, losses, expenses, and attorney fees. A wireless provider may meet all or a portion of the authority's insurance coverage and limit requirements by self-insurance. To the extent it self-insures, a wireless provider is not required to name additional insureds under this section. To the extent a wireless provider elects to self-insure, the wireless provider shall provide to the authority evidence demonstrating, to the authority's satisfaction, the wireless provider's financial ability to meet the authority's insurance coverage and limit requirements.

History: 2018, Act 365, Eff. Mar. 12, 2019.

460.1331 Fee and rate limitations.

Sec. 31. An authority may establish a fee or rate less than the maximum specified in section 13(3), 15(3), 17(4), or 19(2), subject to other requirements of this act.

History: 2018, Act 365, Eff. Mar. 12, 2019.

460.1333 Bonding requirements; limitations.

Sec. 33. (1) As a condition of a permit described in this act, an authority may adopt bonding requirements for small cell wireless facilities if both of the following requirements are met:

(a) The authority imposes similar requirements in connection with permits issued for similarly situated users of the ROW.

(b) The purpose of the bonds is 1 or more of the following:

(i) To provide for the removal of abandoned or improperly maintained small cell wireless facilities, including those that an authority determines should be removed to protect public health, safety, or welfare.

(ii) To repair the ROW as provided under section 13(10).

(iii) To recoup rates or fees that have not been paid by a wireless provider in more than 12 months, if the wireless provider has received 60-day advance notice from the authority of the noncompliance.

(2) An authority shall not require either of the following under subsection (1):

(a) A cash bond, unless any of the following apply:

(i) The wireless provider has failed to obtain or maintain a bond required under this section.

(ii) The surety has defaulted or failed to perform on a bond given to the authority on behalf of the wireless provider.

(b) A bond in an amount exceeding \$1,000.00 per small cell wireless facility.

History: 2018, Act 365, Eff. Mar. 12, 2019.

460.1335 Labeling requirement of small cell wireless facility.

Sec. 35. A small cell wireless facility for which a permit is issued shall be labeled with the name of the wireless provider, emergency contact telephone number, and information that identifies the small cell wireless facility and its location.

History: 2018, Act 365, Eff. Mar. 12, 2019.

460.1337 Payment of electricity to operate small cell wireless facility.

Sec. 37. A wireless provider is responsible for arranging and paying for the electricity used to operate a small cell wireless facility.

History: 2018, Act 365, Eff. Mar. 12, 2019.

460.1339 Scope of act; application to and effect on certain electric utilities.

Sec. 39. (1) This act does not add to, replace, or supersede any law regarding poles or conduits, similar structures, or equipment of any type owned or controlled by an investor-owned utility whose rates are regulated by the MPSC, an affiliated transmission company, an independent transmission company, or, except as provided in section 7(e), a cooperative electric utility.

(2) This act does not impose or otherwise affect any rights, controls, or contractual obligations of an investor-owned utility whose rates are regulated by the MPSC, an affiliated transmission company, an independent transmission company or, except as provided in section 7(e), a cooperative electric utility with respect to its poles or conduits, similar structures, or equipment of any type.

(3) Except for purposes of a wireless provider obtaining a permit to occupy a right-of-way, this act does not affect an investor-owned utility whose rates are regulated by the MPSC. Notwithstanding any other provision of this act, pursuant to and consistent with section 6g of 1980 PA 470, MCL 460.6g, the MPSC has sole jurisdiction over attachment of wireless facilities on the poles, conduits, and similar structures or equipment of any type or kind owned or controlled by an investor-owned utility whose rates are regulated by the MPSC.

History: 2018, Act 365, Eff. Mar. 12, 2019.



City of Petoskey

Agenda Memo

BOARD: City Council

MEETING DATE: October 21, 2019 **DATE PREPARED:** September 18, 2019

AGENDA SUBJECT: State Trunkline Maintenance Contract

RECOMMENDATION: That the City Council adopt this proposed resolution

Background The Michigan Department of Transportation routinely contracts with cities, villages, and county road commissions to maintain State-owned highways within the jurisdictions of these local governmental units. In Petoskey's case, State-owned trunkline portions that are maintained by the City under Department of Transportation guidelines include US-31 from Eppler Road to the north city limit and US-131 from its junction with US-31 to the south city limit. Maintenance costs are reimbursed to the City by the Department of Transportation based on budgets provided by the State, which for 2019, is \$103,151.

Action The proposed renewal contract that has been provided to the City by the Department of Transportation has been reviewed by the Director of Public Works and the Director of Finance, who determined that the proposed contract, other than minor language changes, is the same as those that had been approved by the City Council in the past. The proposed contract would be effective from the date of signing by all parties and would expire September 30, 2024. Enclosed is a proposed resolution that would authorize the renewal of this proposed contract and re-designate the Director of Public Works as the City's "Transportation Maintenance Superintendent" and the Director of Finance as the City's "Contract Administrator".

sb
Enclosures



City of Petoskey

Resolution

WHEREAS, the City of Petoskey wishes to continue the State Trunkline Maintenance Contract with the Michigan Department of Transportation:

NOW, THEREFORE, BE IT RESOLVED by the City of Petoskey City Council that the State Transportation Maintenance Contract between the Michigan Department of Transportation and the City of Petoskey for the period October 1, 2019, through September 30, 2024, be and is hereby accepted; and

BE IT FURTHER RESOLVED that the City's Director of Public Works be and is hereby designated as Transportation Maintenance Superintendent on sections of the State Trunkline Highways within the City of Petoskey Corporate limits; and

BE IT FURTHER RESOLVED that the City's Director of Finance be and is hereby designated as Contract Administrator responsible for budget and administration of the Contract; and

BE IT FURTHER RESOLVED that the Mayor and City Clerk be and are hereby authorized to sign said Maintenance Contract.

State of Michigan)
County of Emmet) ss.
City of Petoskey)

I, Alan Terry, Clerk of the City of Petoskey, do hereby certify that the foregoing is a true copy of a resolution adopted by the City of Petoskey City Council at a regular meeting on the ____ day of _____, 2019, and of the whole thereof.

In witness whereof, I have hereunto set my hand and affixed the corporate seal of said City of Petoskey this ____ day of _____, 2019.

Alan Terry, City Clerk

CONTRACT NO.
REGION:
AGENDA: DAB

MICHIGAN DEPARTMENT OF TRANSPORTATION
STATE TRUNKLINE MAINTENANCE CONTRACT

This Contract, made and entered into this date of _____, by and between the Michigan Department of Transportation (MDOT), and the Michigan municipal corporation (Municipality) of the

RECITALS:

MDOT is authorized by 1925 PA 17 Section 2, MCL 250.62 to contract with the Municipality for the construction, improvement, or maintenance of state trunkline highways. MDOT, subject to the approval of the State Administrative Board; and

MDOT has so advised the State Transportation Commission and the Appropriations Committees of the Senate and House of Representatives in accordance with 1951 PA 51 Section 11c, MCL 247.661c; and

MDOT has affirmatively found that contracting with this Municipality for the maintenance of state trunkline highways and bridges within its contract area, is in the best public interest.

The parties agree as follows:

Section 1. ORGANIZATION, EQUIPMENT, AND FACILITIES

The Municipality will provide personnel, equipment, materials, and facilities to maintain the state trunkline highways and provide agreed upon services under the terms of this Contract. MDOT will review the Municipality's operation and organizational plan, annually, relative to the work to be completed under this Contract. MDOT will approve the plan if it meets MDOT's goals for the state trunkline system. The Municipality will furnish an organizational chart showing garage locations, all facilities including salt sheds, the names of supervisory personnel, and any other information incidental to the performance of this maintenance contract as required by the Region Engineer.

Section 2. SCOPE OF WORK

- A. The Municipality will perform maintenance work under the direction of the Region Engineer of MDOT or a designee of the Region Engineer, acting under the general direction of the Engineer of Transportation Systems Management Operations of MDOT. Maintenance and other work will be performed under the terms of this Contract and as covered by the Field Activity Budget, subsequent work plans, and Transportation Work Authorizations (TWAs), for each fiscal year, which are incorporated herein by reference. Work performed under this Contract will be performed in accordance with accepted maintenance practices and/or specifications provided by MDOT as identified in a written Letter of Understanding.
1. A written Letter of Understanding shall be drafted by MDOT and signed by both MDOT and the designated representative of the Municipality. The letter shall remain in effect until either replaced or modified by the Region Engineer and approved by the Municipality. The letter will outline the number and type of maintenance activities to be performed under this Contract (A sample Letter of Understanding is attached as Appendix F). The Letter of Understanding shall provide sufficient detail of the work activities to be performed, expectations or outcomes from the performance of this work, and identification of budget line items for budgeting and billing purposes.
 2. The executed Letter of Understanding and all subsequent approved revisions thereto, are incorporated herein by reference as if the same were repeated in full herein.
 3. If the Municipality is unable to perform any of the services outlined in the Letter of Understanding on a twenty-four (24) hour, seven (7) day-a-week basis, the Municipality will immediately notify MDOT. MDOT will work with the Municipality to ensure that the services defined in the Letter of Understanding are performed.
- B. When the Municipality inspects permits on MDOT's behalf or assists MDOT with a permit:
1. MDOT will require all Permit Applicants to "save harmless" the State of Michigan, Transportation Commission, MDOT, and all officers, agents, and employees thereof, and the Municipality, their officials, agents and employees, against any and all claims for damages arising from operations covered by the permit as a condition of all permits issued by MDOT.

2. MDOT will further require Permit Applicants to provide comprehensive general liability insurance, including coverage for contractual liability, completed operations, and/or product liability, X (Explosion), C (Collapse), & U (Underground), and a contractor's protective liability with a blasting endorsement when blasting is involved, or commercial general liability insurance which includes all the above, naming as additional parties insured on all such policies, the State of Michigan, Transportation Commission, MDOT, and all officers, agents, and employees thereof, the Municipality their officials, agents, and employees. The Permit Applicant will provide written proof of the insurance to MDOT. MDOT may waive this requirement for permits issued to governmental entities and public utilities or when specifically waived by the Municipality in writing.
3. The amounts of such insurance will be no less than:

Comprehensive General Liability:

Bodily Injury	--	\$500,000 each occurrence
	--	\$500,000 each aggregate
Property Damage	--	\$250,000 each occurrence
	--	\$250,000 each aggregate

Commercial General Liability Insurance:

\$500,000 each occurrence and aggregate

- C. TWAs may be issued by the Region Engineer for special maintenance work (work not covered by the Line Item Budget) and non-maintenance work. This work may be performed by the Municipality or a subcontractor as set forth in Section 9 of this Contract. TWAs will be performed in accordance with MDOT's accepted maintenance practices and specifications as specified on the TWA. The Municipality will provide the necessary supervision or inspection to assure that the work is performed in accordance with the TWA.

The Municipality and MDOT may agree to include additional maintenance items to be covered under this Contract. Such items may include, but are not limited to, maintenance of traffic control devices (signals), freeway lighting and intelligent traffic system (ITS). All such work will be listed in the Letter of Understanding, included in the line item budget and defined in a supplemental scope which will become an attachment to this Contract.

The Municipality shall be responsible for providing all traffic control necessary to complete the work as outlined in this Contract unless otherwise agreed to by MDOT.

The Municipality and MDOT may enter into separate agreements for the shared payment of installation, maintenance, and energy costs for traffic control devices.

- D. The Region Engineer is authorized to issue written orders, as necessary, for the performance of maintenance work under the provisions of this Contract.

Section 3. INTEGRATION OF STATE AND MUNICIPAL WORK

The Municipality will furnish qualified personnel and adequate equipment and may furnish materials, as set forth in this Contract, as needed to perform maintenance on state trunkline highways, consistent with MDOT's established core level of service for winter and non-winter maintenance activities, an approved annual budget, work plan, and work schedule. Personnel and equipment may be used on the local road system and state trunkline highways as conditions warrant.

Section 4. HIGHWAY MAINTENANCE CONTRACT ADMINISTRATOR

The Municipality hereby designates _____ as Contract Administrator on state trunkline highways, who will be responsible for budget and the administration of the Contract. In the event the Municipality desires to replace the Contract Administrator, the Municipality will notify MDOT within (30) days of the change in writing.

Section 5. SUPERVISION

The Municipality hereby designates, where applicable, the following:

Maintenance Superintendent (Streets): _____

Signal/Electrical Superintendent: _____

Storm Sewer Superintendent: _____

Other (Specify): _____

who will supervise all work covered by this Contract. In the event the Municipality desires to replace the designated contacts, the Municipality will notify MDOT within (30) days of the change in writing.

Section 6. WAGE SCHEDULE

Wages paid by the Municipality for work on state trunkline highways will be the same as on street work for the Municipality.

Premium Pay and Overtime Pay (specify under what conditions and percentage of regular rate paid if not specified in the attached labor agreement).

Pay for “show-up time” (Specify under what conditions and number of hours, if a minimum number is used and is not specified in the attached labor agreement).

No “stand by at home” pay will be included in charges for work on state trunkline highways.

MDOT will reimburse the Municipality for Direct Labor Overhead costs on all labor costs properly chargeable to MDOT, including but not limited to, vacation, sick leave, holiday pay, workers’ compensation, retirement, social security, group life insurance, hospitalization, longevity, unemployment insurance, and military leave, hereinafter referred to as “EMPLOYEE BENEFITS,” in accordance with Section 16.

Section 7. MATERIALS TO BE ACQUIRED AND SPECIFICATIONS

Material necessary for the performance under this Contract, may, at the option of the Municipality, be purchased by the Municipality unless otherwise directed by the Region Engineer. The Municipality will advertise and receive competitive bids when such purchases exceed Ten Thousand Dollars (\$10,000.00) or if required by federal or state law.

The Municipality will retain documentation that such bids were taken. Failure to retain documentation that such bids were taken may result in denial of reimbursement of the costs of such materials.

The following materials: bituminous pre-mixed materials, bituminous materials, aggregates (except ice control sand), bulk salt and traffic control devices used on state trunkline highways by the Municipality will conform to current or supplemental specifications of MDOT, unless otherwise approved in advance by the Region Engineer. The Region Engineer may require approval by MDOT'S Construction Field Services Division or by a laboratory approved by the Construction Field Services Division. Copies of approvals will be placed on file in the offices of the Municipality and the Region Engineer. If MDOT-owned materials are stored jointly with Municipality-owned materials, proper and adequate inventory records must be maintained by the Municipality, clearly indicating the portion that is MDOT-owned.

Section 8. PRICE SCHEDULE OF MATERIALS AND SERVICES

Materials produced and/or supplied by the Municipality including aggregates and bituminous materials, may be furnished at a firm unit price subject to approval of source and price by the Region Engineer. Firm unit prices are not subject to unit price adjustment by review.

The Municipality may change, add, or delete firm unit prices when requested in writing and approved by the Region Engineer at least sixty (60) days prior to the effective date of the change, addition, or deletion.

FIRM UNIT PRICES

<u>ITEM KIND</u>	<u>ITEM LOCATION</u>	<u>PRICE UNIT</u>	<u>PRICE INCLUDES*</u>	<u>PER UNIT</u>

Insert above, the following applicable number(s):

*Firm Unit Price Includes:

<u>Item Kind</u>	<u>Item Locations</u>
1. Processing/or Mixing Costs	1. Pit Site
2. Stockpiling/or Hauling to Stockpile Costs	2. Yard
3. Royalty Costs	3. Other (Describe)
4. Municipal Supplied Salt or Calcium Chloride (when used in a winter salt/sand mixture)	
5. Winter Sand	
6. Bituminous Costs	
7. Other (Describe)	

MDOT may review all records necessary to confirm the accuracy of the material quantities for all materials on the Firm Unit Price List shown above for which the Municipality requests reimbursement.

Items purchased from a vendor source or vendor stockpile for direct use on the state trunkline highways, are not eligible for firm unit price consideration and should be billed at vendor pricing.

Reimbursement for all materials supplied by the Municipality which are not included in the firm unit price schedule will be reimbursed in accordance with Section 16(D). MDOT may review all records for materials purchased from a vendor source or vendor stockpile for direct use on state trunkline highways.

Section 9. SUBCONTRACTS

The Municipality may subcontract any portion of the work to be performed under this Contract. Bid/price solicitation and subcontracts will be in conformance with the Municipality's contracting process, and applicable state laws, except as modified herein. All subcontracted work will require the Municipality to submit a Quotation Request for Services or Equipment (Form 426) along with relevant bid and contract documents and bid or quote tabulation.

All subcontracted work will be performed in accordance with the established Scope of Work outlined on Form 426 and any specifications developed by the Municipality and/or MDOT for said subcontracted work. The scope of work and specifications (if any) must be approved by the Region Engineer. The Municipality will provide the necessary supervision or inspection to assure the subcontracted work is performed in accordance with the scope of work and specifications. At no time will the Municipality pay for subcontracted work until the work has been inspected and approved for compliance with the scope of work and specifications.

Emergency work will be subcontracted based on a verbal approval given by the Region Engineer. The work must be supported by the subsequent submission of Form 426 upon completion of work. State Administrative Board approval is required within thirty (30) days of completion of emergency work for contracts of \$250,000 or greater.

It is the intent of the parties to extend the terms of the Contract if the subcontract work is in progress at the conclusion of the Contract term. This provision shall not apply if this Contract is terminated by the Municipality or MDOT.

Failure to obtain the necessary approvals or to retain the documentation that the bids, prices, or rate quotations were solicited as required under this Section, may result in a denial of the reimbursement of the costs.

For subcontracts involving the items of CLEANING DRAINAGE STRUCTURES, SWEEPING AND FLUSHING or GRASS AND WEED CONTROL, the Municipality will include a cancellation clause that will allow the Municipality to cancel the subcontract if funds are not made available by MDOT.

County and/or Municipality-based advantage programs (CBA Process) or any type of preference program that awards contracts based on criteria other than low bid through the competitive bidding process, will not be used for MDOT-funded projects.

The term of the subcontract will not exceed five (5) years; said term will include any time extensions.

The subcontract solicitation and approval process will be as follows:

- A. **Subcontracts \$24,999 or less:** The Municipality will solicit either a bid price, or rate quotation from three or more qualified sources. Documentation of solicitation from all qualified sources must be retained for at least three (3) years following final payment made for each subcontract. Region Engineer approval of Form 426 is required.
- B. **Subcontracts \$25,000 or greater:** The Municipality will advertise and award by competitive bid. Advertisements must clearly define contract term and location of work. Documentation of the solicitation from all qualified sources must be retained for at least three (3) years following final payment made for each subcontract. Region Engineer approval of Form 426 is required.

State Administrative Board approval is required prior to the execution of contracts that are \$500,000 or greater.

State Administrative Board requirements for Amendments (previously referred to as overruns, extra work and adjustments), are outlined in Appendix E, attached hereto and made a part hereof.

Section 10. NON-DISCRIMINATION

In connection with the performance of maintenance work under this Contract, the Municipality (hereinafter in Appendix C referred to as the “contractor”) agrees to comply with the State of Michigan provisions for “Prohibition of Discrimination in State Contracts,” as set forth in Appendix C, attached hereto and made a part hereof. The Municipality further covenants that it will comply with the Civil Rights Act of 1964, being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 U.S.C. Sections 1971, 1975a-1975d, and 2000a-2000h-6 and will require similar covenants on the part of any contractor or subcontractor employed in the performance of this Contract.

Section 11. ANTI-KICKBACK

No official or employee of the Municipality or of the State of Michigan will receive remuneration (directly or indirectly) for the purchase of materials, supplies, equipment, or subcontracts in connection with the performance of this Contract.

Section 12. SCOPE OF CONTRACT

It is declared that the work performed under this Contract is a governmental function which the Municipality performs for MDOT. This Contract does not confer jurisdiction upon the Municipality over the state trunkline highways encompassed by this Contract or over any other state trunkline highways. This Contract may not be construed to confer temporary or concurrent jurisdiction upon the Municipality over a state trunkline highway. Nothing inconsistent with the underlying statutory jurisdiction, duties, prerogatives, and obligations of MDOT is herein intended. The parties hereto further declare that this Contract is not made for the benefit of any third party.

Section 13. INSURANCE

- A. The Municipality will furnish MDOT with a certificate of automobile liability insurance, which complies with the No-Fault Automobile Insurance laws of the State of Michigan, MCL 500.3101, *et seq.* The Insurance coverage will include vehicles owned, leased or rented by the Municipality. Such insurance will not be less than Two Hundred and Fifty Thousand Dollars (\$250,000.00) for bodily

injury or death of any one person. Coverage for public liability, property damage, and combined single limit will also comply with the No-Fault Automobile Insurance laws of the State of Michigan. The Municipality will provide thirty (30) days notice to MDOT prior to cancellation, termination, or material change of the policy. The certificate of said insurance, on MDOT Form shall be submitted to MDOT on DEPARTMENT Form 428 (Certificate of Insurance for State Highway Maintenance Contract) covering public liability and property damage, indicating thereon the policy number, and the aforesaid thirty (30) days notice provisions and the limits of liability. The Municipality agrees to review its insurance programs with its statewide association in an attempt to obtain cost savings and efficiency for MDOT.

If the Municipality is self-insured, a copy of the Secretary of State's Certificate of Self-insurance will be submitted to MDOT.

- B. In the event the Municipality receives a Notice of Intent to File Claim and/or any complaint filed by a person seeking to recover damages from the Municipality for its alleged acts or omissions on a state trunkline highway, the Municipality will provide a copy of such notice to the Assistant Attorney General, within fifteen (15) days of receipt of said notice or complaint. The Notice of Intent to File Claim and/or any complaint filed by a person seeking to recover damages from the Municipality will be sent to:

Assistant Attorney General
Division Chief
Transportation Division
Van Wagoner Building - 4th Floor
425 West Ottawa Street
P.O. BOX 30050
Lansing, Michigan 48909

Thereafter, the Municipality will provide copies of pleadings and other information regarding the claim or lawsuit when requested by an Assistant Attorney General

SECTION 14. WORKERS' DISABILITY COMPENSATION

The Municipality will comply with the Michigan Workers' Disability Compensation Law for all employees performing work under this Contract, MCL 500.3400, *et seq.*

SECTION 15. BUDGET GUARANTEE

Each MDOT fiscal year, a winter and non-winter maintenance budget will be prepared separately. These budgets will be established by the Region Engineer within guidelines established by MDOT. Prior to the development of an annual budget by the Region Engineer, the Municipality and MDOT will meet and develop a proposed work plan including a schedule for routine maintenance and the associated cost of the work plan for the coming year. This proposed work plan will be broken down by month and form the basis of the non-winter maintenance budget for the Municipality for the next fiscal year. The non-winter budget will be balanced over all twelve months of the fiscal year. The budget will be adjusted each month to address budget overruns and under-runs to ensure that total Municipality budget is not exceeded. MDOT will work with the Municipality to reach agreement on the components of this annual work plan, taking into consideration the features and conditions of the state trunkline system within the Municipality's contract area, as well as the size of the Municipality's staff that is available for state trunkline Highway maintenance. MDOT and the Municipality will identify maintenance activities that can be performed in the winter months when not performing winter maintenance.

The Municipality will work with MDOT to develop an annual priority plan for scheduling work over the term of this Contract consistent with MDOT'S road preservation objectives.

MDOT will establish the winter maintenance budget based on a five (5)-year average of winter expenditures which includes the costs for labor, fringe benefits, equipment, MDOT Salt Stores, Municipality supplied road salt, winter sand, other de-icing chemicals and overhead.

The Region Engineer and the Municipality will review the non-winter maintenance budget together at least every other month. This review will cover work planned and conducted, work planned and not conducted, and the current status of the non-winter maintenance budget. Any adjustments to the proposed work plan to curtail or expand operations to meet budget limitations will be covered in this budget review. During winter operations, the winter budget will be reviewed monthly by the Region Engineer and the Municipality.

MDOT and the Municipality will meet between March 1 and May 15 of each budget year to discuss a supplemental summer program. The supplemental summer program will be funded by the remainder of the winter budget. During this meeting, participants will estimate the remainder of the winter budget, review the status of current and future bills for winter maintenance and propose a supplemental summer. The proposed work activities will be prioritized to support MDOT'S preservation strategy as indicted in Appendix G.

SECTION 16: REIMBURSEMENT SCHEDULE REQUEST FOR REIMBURSEMENT

MDOT will reimburse the Municipality for the following costs incurred in the performance of routine maintenance, non-maintenance, and all other work covered by this Contract, except as set forth in Sections 18, 19, 20, and 21. To be eligible for reimbursement under this Section, costs must be submitted to MDOT prior to the start of the review for each respective year of the Contract period.

- A. MDOT will reimburse the Municipality for the cost of all labor employed in the performance of this Contract. The reimbursement will include the expense of permit inspections, field and office engineering, and reviewing expenses in connection with force account work by subcontractors.
- B. MDOT'S share of the cost of EMPLOYEE BENEFITS as referred to in Section 6 as a percentage of payroll. The percentage shall be developed using MDOT Form 455M (Report of Employee Benefit Costs for the Municipality) and shall conform with the general accounts of the Municipality on the Municipality's previous fiscal years' experience. These charges are subject to review in accordance with Section 25.
- C. MDOT'S share of the actual cost of Municipality owned or purchased energy.
- D. MDOT will reimburse the Municipality for the cost of purchased bulk (measured by volume or weight) materials and Non-Bulk (measured by area or count) material used in the performance of this Contract. The Municipality shall deduct all discounts or rebates in excess of two percent (2%), to establish the reimbursed cost.
- E. MDOT will reimburse the Municipality for the cost of handling materials furnished by the Municipality and materials furnished by MDOT as follows:
 - 1. **Bulk Items (measured by volume or weight):**
The direct expenses of handling, such as unloading, processing, stockpiling, heating or loading of materials measured by volume or weight in bulk, bags or drums such as aggregates, bituminous materials and chemicals, on condition that reimbursement of such expenses is not provided elsewhere herein, provided that these costs can be identified within the records of the Municipality. When bulk items paid for by MDOT are co-mingled with the Municipality's materials, MDOT will only reimburse the Municipality for the cost of handling the portion expected to be used on the state trunkline highways. The Municipality will establish a rate of use annually, based on the previous year's use to

identify MDOT's share of handling cost. The Municipality's established rate is subject to adjustment by review.

2. Non-Bulk Items (measured by area or count):

A five percent (5%) handling and storage charge may be added to the purchase price of all materials measured by area or count provided such materials are stocked in and distributed from approved storage facilities. When reported by the Municipality, charges for handling and storage in excess of five percent (5%) will be reimbursed to the Municipality upon review, provided that these charges can be identified and supported within the records of the Municipality.

- F. Equipment owned by the Municipality will be reimbursed at the established rental rates found in Schedule C, Report 375 Equipment Rental Rates, issued annually by MDOT. Rented equipment will be reimbursed at actual cost for the equipment rental.
- G. MDOT will reimburse the Municipality for the amounts paid by the Municipality to a subcontractor as set forth in Section 9.
- H. MDOT will reimburse the Municipality for the cost of labor, materials, and equipment rental incurred in connection with engineering, supervision, and inspection of subcontract work.
- I. Overhead in Accordance with Attached Overhead Schedule.

MDOT will reimburse the Municipality for overhead costs at the appropriate percentage rate as indicated in Appendix B. The overhead rate shall be based upon the original annual budget established for the Municipality and shall not change.

The overhead amount payable under Section 16(I) is reimbursement to the Municipality for all costs and expenses arising out of the performance of this Contract not specifically described in other sections of this Contract. This reimbursement includes salary and expenses (including transportation) of the Maintenance Superintendent (except as noted in Section 16(K)), salaries of clerical assistants, including radio communication staff, office expense, storage rentals on Municipality owned property, and the cost of small road tools. Work tools without a power assist and used in a road or a bridge maintenance activity, are considered small road tools. Small road tools do not have an equipment rental rate listed in Schedule C, Report 375, Equipment Rental Rates. Small road tools are reimbursed as an overhead cost.

- J. MDOT will reimburse the Municipality for MDOT'S pro-rata share of the cost to maintain chemical storage facilities as provided for in the chemical storage facility contracts between the Municipality and MDOT.

- J. MDOT will reimburse the Municipality for MDOT'S pro-rata share of the cost to maintain chemical storage facilities as provided for in the chemical storage facility contracts between the Municipality and MDOT.
- K. Requests for reimbursement to be made at least bi-monthly (every other month) on the basis of certified statement of charges prepared and submitted by the Municipality within thirty (30) days from the end of each bi-monthly period on forms furnished by MDOT or using an equivalent approved alternative format. Costs submitted beyond sixty (60) days from the end of each bi-monthly period will include written justification for the delay and will be paid only upon approval of the Region Engineer. Upon written request to the Region Engineer, payment may be made to the Municipality on a monthly basis, after submission to MDOT of certified statements of costs for each monthly payment period. Municipalities with a line item budget contract of \$100,000 or greater **shall** submit request for reimbursement on a **monthly** basis through MDOT'S Local Agency Payment System (LAPS).
- L. The Municipality will be reimbursed as a direct cost for work performed by the Maintenance Superintendent making regular inspections of state trunkline highways in accordance with written instructions from the Region Engineer. This time shall be specifically recorded on daily time sheets and reported as a direct labor charge.
- It is further agreed that in smaller municipalities, the Maintenance Superintendent designated above may at times be engaged in tasks other than those of a strictly supervisory nature, such as operator of a truck or other highway equipment. The Municipality may be reimbursed for this time worked on state trunklines, provided that all such time for non-supervisory work is specifically recorded on the daily time sheet and reported on the Maintenance Payroll Report Form 410A. The exact dates on which the Maintenance Superintendent so worked, the number of hours worked, and the number of hours worked under each classification shall be indicated on the Maintenance Payroll Report Form 410A.

SECTION 17: ELECTRONIC FUNDS TRANSFER

Public Act 533 of 2004 requires that payments under this Contract be processed by electronic funds transfer (EFT). The Municipality is required to register to receive payments by EFT at the SIGMA Vendor Self Service (VSS) website (www.michigan.gov/SIGMAVSS).

SECTION 18: SNOW HAULING

MDOT will share in the cost of snow hauling if each snow hauling effort is approved by the Region Engineer. MDOT'S share of snow hauling will be determined based on the ratio of area designated for traffic movement to the total area of the state trunkline highway right-of-way within the agreed upon area of snowhaul. MDOT will subtract the area of parking lanes and sidewalks from the total area of the state trunkline highway right-of-way to determine the area designated for traffic movement. MDOT'S reimbursement for snow hauling from state trunkline highways, based upon this calculation, is paid at the rate of _____ percent (%) of actual charges supported by proper documentation. The frequency (annually, each storm, etc.) will be at the discretion of the Region Engineer. The Municipality should denote snow hauling charges as Activity 149, Other Winter Maintenance, on Trunk Line Maintenance Reports. A prior written authorization for each snow haul event from the Region Engineer shall be required and kept on file for review purposes.

The Municipality agrees that it will prohibit additional snow from being deposited on the highway right-of-way from side streets.

SECTION 19: PAVEMENT MARKING

Compensation for the item of PAVEMENT MARKING will be made on the basis of actual expenditure only, except in no case will the Municipality be compensated for a total expenditure in excess of the amount designated for PAVEMENT MARKING in the Line Item Budget for the appropriate MDOT fiscal year. Compensation for PAVEMENT MARKING is limited to only painting authorized by the Region Engineer. The Municipality shall not include charges for curb painting in the routine maintenance cost for state trunkline maintenance.

SECTION 20: COMPENSATION FOR AESTHETIC WORK ITEMS

Compensation for the items of SWEEPING AND FLUSHING, GRASS AND WEED CONTROL and ROADSIDE CLEAN UP will be made on the basis of actual expenditures only, except that in no case will the Municipality be compensated for a total expenditure in excess of the budget amount designated each of these three work activities on the Summary of the Field Activity Budget for the appropriate MDOT fiscal year.

The number of work operations for each of these three activities will be agreed upon between the Municipality and Region Engineer; and reflected in each line activity budget amount.

SECTION 21: TREES AND SHRUBS

Except for emergency work, the Municipality must request MDOT'S written approval to remove dead trees and/or trim trees prior to the start of work. MDOT will pay all costs to remove dead trees. MDOT and Municipality shall equally share costs when state and local forces combine efforts to trim trees within the trunkline right-of-way as approved by the Region Engineer.

SECTION 22: EQUIPMENT LIST

The Municipality will furnish MDOT a list of the equipment it uses during performance under this Contract, on MDOT form 471 (Equipment Specifications and Rentals.) This form shall be furnished to MDOT no later than February 28 of each year.

SECTION 23: RECORDS TO BE KEPT

The Municipality will:

- A. Establish and maintain accurate records, in accordance with generally accepted accounting principals, of all expenses incurred for which payment is sought or made under this Contract, said records to be hereinafter referred to as the "RECORDS." Separate accounts will be established and maintained for all costs incurred under the state trunkline maintenance contract. The Municipality will retain the following RECORDS, and others, in accordance with generally accepted accounting principles:
 - 1. Retain daily timecards or electronic timekeeping files for employees and equipment indicating the distribution of time to route sections and work items. Daily timecards must be signed by the employee, the immediate supervisor and by the timekeeper when the timekeeper is employed. If the Municipality uses crew-day cards, it will retain crew-day cards backed by a time record for the pay period signed as above, in lieu of daily individual timecards detailing the time distribution. If the Municipality uses electronic timekeeping, it will retain data files detailing time distribution and assigned supervisor approval.
 - 2. Retain properly signed material requisitions (daily distribution slips) which indicate type of material, quantity, units of measure, the date of distribution and the distribution to route sections and work items.

3. Retain additional cost records to support and develop unit cost charges and percentages as applied to invoice costs. No such cost records are necessary in support of the overhead percentage or the five percent (5%) handling charge.
- B. The Municipality will maintain the RECORDS for at least three (3) years from the date of MDOT'S receipt of the statement of charges for the quarter ending September 30 of each year of this Contract period. In the event of a dispute with regard to the allowable expenses or any other issue under this Contract, the Municipality will thereafter continue to maintain the RECORDS at least until that dispute has been finally decided and the time for all available challenges or appeals for that decision has expired.

Representatives of MDOT may inspect, copy or review the RECORDS at any mutually acceptable time. However, the Municipality cannot unreasonably delay the timely performance of the review.

SECTION 24: COST CERTIFICATION, REIMBURSEMENT AND ADJUSTMENT

The Municipality hereby certifies that, to the best of the Municipality's knowledge, the costs reported to MDOT under this Contract will represent only those items which are properly chargeable in accordance with the Contract. The Municipality also hereby certifies that it has read the Contract terms and is aware of the applicable laws, regulations, and terms of this Contract that apply to the reporting of costs incurred under the terms of this Contract.

SECTION 25: CONTRACT REVIEW AND RESPONSE

The Municipality's records will be subject to review/audit within the statute of limitations, and the review/audit period will coincide with the Municipality's fiscal year, unless the Contract is terminated or not renewed. The term "review/audit" hereafter will be referred to as "review".

Charges by the Municipality for maintenance of state trunkline highways and authorized non-maintenance work performed under this Contract will not be adjusted (increased or decreased) by review after twenty-four (24) months subsequent to the date of MDOT'S receipt of certified statement of charges for the quarter ending September 30 of each year of this Contract period. This limitation will not apply in case of fraud or misrepresentation of material fact or if mutually agreed to in writing.

The firm unit prices for aggregates and bituminous materials that are processed and furnished by the Municipality will not be subject to adjustment.

If any adjustments are to be made, the Municipality will be notified of the tentative exceptions and adjustments within the above twenty-four (24) month period. The twenty-four (24) month period is intended only as a limitation of time for making adjustments and does not limit the time for payment of such amounts. In the event that a review performed by or on behalf of MDOT indicates an adjustment to the costs reported under this Contract or questions the allowability of an item of expense, MDOT will promptly submit to the Municipality a Notice of Review Results and a copy of the Review Report, which may supplement or modify any tentative findings communicated to the Municipality at the completion of a review.

Within sixty (60) days after the date of the Notice of Review Results, the Municipality will:

1. Respond in writing to the responsible Bureau of MDOT indicating whether or not it concurs with the Review Report;
2. Clearly explain the nature and basis for any disagreement as to a disallowed item of expense; and
3. Include a written explanation as to any questioned item of expense. Hereinafter, the "RESPONSE" will be clearly stated and provide any supporting documentation necessary to resolve any disagreement or questioned item of expense. Where the documentation is voluminous, the Municipality may supply appropriate excerpts and make alternate arrangements to conveniently and reasonably make that documentation available for review by MDOT. The RESPONSE will refer to and apply the language of the Contract.
4. The Municipality agrees that failure to submit a RESPONSE within the sixty (60) day period constitutes agreement with any disallowance of an item of expense and authorizes MDOT to make a final decision to either allow or disallow any items of questioned cost.

MDOT will review submitted RESPONSE and attached documentation from the Municipality. MDOT will reply in writing acknowledging receipt of the Municipality RESPONSE. The submitted RESPONSE and attached documentation from the Municipality will be referred to the MDOT Appeal Panel. See Section 26, "Dispute Resolution Process".

SECTION 26: DISPUTE RESOLUTION PROCESS

A. Contract Disputes

For review disputes refer to Section 26 (B) below, all other disputes between the parties shall be resolved under the terms of this section. It is the intent that each party may communicate concerns relative to the contract and resolve any issues as they arise. After a contract issue has been resolved, a summary of the agreed upon resolution shall be jointly drafted and distributed. Some issues may require ongoing communication to resolve and may become an item for negotiation during the next review and renegotiation of the contract.

If the parties are unable to resolve any dispute, the parties must meet with the Engineer of Operations, Operations Field Services Division or designee. The following are steps to resolve the dispute without the need for formal legal proceedings:

- 1) The representative of the Municipality and MDOT must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter at issue which the parties believe to be appropriate and germane in connection with the dispute. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any legal proceeding.
- 2) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract shall be honored in order that each of the parties may be fully advised of the other's position.
- 3) The specific format for the discussions shall be left to the discretion of the designated Municipality and MDOT representatives but may include the preparation of agreed upon statement of fact or written statements of position.
- 4) Statements made by the Municipality or MDOT during Dispute Resolution may not be introduced as evidence by either party in any judicial action related to or under this Contract.
- 5) In cases where disputes have not been resolved, any remaining issues will be referred to the MDOT Appeal Panel which consists of four Bureau Directors, three of which will constitute a quorum.
- 6) Every effort will be made to complete this process within 90 calendar days by both parties.

B. Review Disputes

For Review Disputes the submitted RESPONSE and attached documentation from the Municipality will be referred to the MDOT Appeal Panel. The Appeal Panel consists of four Bureau Directors, three of which will constitute a quorum.

- 1) MDOT will provide the Municipality with an opportunity to appear before the Appeal Panel to explain and support their RESPONSE.
- 2) If, after an Appeal Panel written decision, the Municipality will either accept the decision or file a lawsuit in a court of proper jurisdiction to contest MDOT's decision. The filing of a lawsuit must be initiated by the Municipality within thirty (30) days of the receipt of the Appeal Panel's written decision. MDOT will not withhold or offset the funds in dispute if the Municipality files a lawsuit in a court of proper jurisdiction.
- 3) If the Municipality fails to repay an overpayment or reach an agreement with MDOT on a repayment schedule within the thirty (30) day period, the Municipality agrees that MDOT will deduct all or a portion of an overpayment from any funds due the Municipality by MDOT under the terms of this Contract.
- 4) Every effort will be made to complete this process within 60 calendar days by both parties.

This section shall not be construed to prevent either party from initiating, and a party is authorized to initiate, an action for breach of this Contract or for any other relief allowed by law earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to the other party, or under Injunctive Relief below. In the event that a dispute is not resolved through the Dispute Resolution Process, either party may initiate an action for breach of this Contract, or any other relief allowed by law in a court of proper jurisdiction. Time periods may be extended if mutually agreed upon by both parties.

Injunctive Relief

The only circumstance in which disputes between MDOT and the Municipality shall not be subject to the provisions of this Dispute Resolution Process is when a party makes a good faith determination that it will suffer irreparable harm due to a breach of the terms of the Contract by the other party and that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in Section 28.

SECTION 27: TERM OF CONTRACT

This Contract will be in effect from October 1, 2019 through September 30, 2024.

SECTION 28: BUDGET REDUCTION, TERMINATION OR NON-RENEWAL OF CONTRACT

- A. For convenience and without cause, MDOT may reduce the budget, terminate, or choose not to renew this Contract, if written notice is given to the Municipality at least one (1) year prior to the beginning of the Contract year to which the budget reduction, termination, or expiration applies. One year from the date of such notice shall be deemed the termination date of the Contract.

The Municipality may reduce the budget, terminate, or choose not to renew this Contract if one (1) year's written notice, prior to the effective date of budget reduction, termination, or expiration is given to MDOT. One year from the date of such notice shall be deemed the termination date of the Contract.

- B. Upon termination of this Contract "for cause" or any reason, the Municipality must, for a period of time specified by MDOT (not to exceed 90 calendar days), provide all reasonable transition assistance requested by MDOT, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to MDOT or its designees. This Contract will automatically be extended through the end of the transition period.

SECTION 29: STATE OF MICHIGAN ADMINISTRATIVE BOARD RESOLUTION

The provisions of the State Administrative Board Resolution 2017-2, April 25, 2017, as set forth in Appendix D, attached hereto and made a part hereof.

SECTION 30: CONTRACTUAL INTERPRETATION

All capitalized words and phrases used in this agreement have the meaning set forth in Appendix A.

All words and phrases not specifically defined in Appendix A shall be construed and understood according to the ordinary meaning of the words used, but technical words and phrases shall have the meanings set forth in MDOT's publications, manuals, advisories, or guides, as applicable. If no MDOT publication, manual, advisory or guide is applicable, such technical words shall be construed and understood according to the usual and accepted meaning used in the industry or field to which they relate. In case of any discrepancies between the body of this Contract and any appendices attached hereto, the body of this Contract will govern.

SECTION 31: AUTHORIZED SIGNATURE(S)

This Contract will become binding on the parties and of full force and effect upon signing by the duly authorized official(s) of the Municipality and of MDOT and upon adoption of a resolution approving said Contract and authorizing the signature(s) thereto of the respective official(s) of the Municipality, a certified copy of which resolution will be sent to MDOT with this Contract, as applicable.

BY: _____
TITLE:

BY: _____
TITLE:



MICHIGAN DEPARTMENT OF TRANSPORTATION

BY: _____
TITLE: MDOT Director

APPENDIX A

MICHIGAN DEPARTMENT OF TRANSPORTATION

MUNICIPALITY CONTRACT

DEFINITIONS

ANNUAL WORK PLAN: A schedule developed by the Municipality, and a Region Engineer designee, of the routine maintenance work to be performed annually on state trunklines by the Municipality.

BUDGET/FIELD ACTIVITY BUDGET: Both items are defined as the budgeted amount distributed to the Municipality at the beginning of the fiscal year (October 1).

CHEMICAL STORAGE FACILITIES: Bulk salt storage buildings.

COMPONENTS OF AN ANNUAL WORK PLAN: An outline of agreed upon maintenance activities to be performed to meet the needs of the trunkline. The components of this plan shall be a list of prioritized maintenance needs and a general break-down of how the Municipality's budget will be applied to the standard maintenance activity groups to facilitate work on the maintenance needs.

DEPARTMENT: Means the Michigan Department of Transportation.

MDOT APPEAL PANEL: A panel comprised of four Bureau Directors responsible for deciding Contract disputes, three of which will constitute a quorum.

EQUIPMENT SPECIFICATIONS AND RENTALS: An annual list of equipment proposed to be used on the state trunkline system by the Municipality forwarded to the Department with the hourly rates of each piece of equipment.

MICHIGAN STATE TRANSPORTATION COMMISSION: The policy-making body for all state transportation programs. The Commission establishes policy for the Michigan Department of Transportation in relation to transportation programs and facilities and other such works as related to transportation development as provided by law. Responsibilities of the Commission include the development and implementation of comprehensive transportation plans for the entire state, including aeronautics, bus and rail transit, providing professional and technical assistance, and overseeing the administration of state and federal funds allocated for these programs.

OFFICE OF COMMISSION AUDIT (OCA): The Office of Commission Audit reports directly to the Michigan State Transportation Commission. The Office of Commission Audits is

charged with the overall responsibility to supervise and conduct review activities for the Department of Transportation. The auditor submits to the Commission reports of financial and operational audits and investigations performed by staff for acceptance.

REGION ENGINEER: The Department's designated chief engineer (or designee) responsible for the oversight of each MDOT region.

RESPONSE: A written explanation as to any questioned item of expense

SCHEDULE C EQUIPMENT RENTAL RATES: The Department's annual list of statewide hourly equipment rental rates that shall be charged for the use of road equipment.

SMALL HAND TOOLS: Hand tools which do not have power assist (non-powered) used for general road and bridge maintenance such as rakes, shovels, brooms, etc.

STATE ADMINISTRATIVE BOARD: The State Administrative Board consists of the Governor, Lieutenant Governor, Secretary of State, Attorney General, State Treasurer, and the Superintendent of Public Instruction. The State Administrative Board has general supervisory control over the administrative activities of all state departments and agencies, including but not limited to, the approval of contracts and leases, oversight of the state capitol outlay process, and the settlement of small claims against the state.

STATE TRUNKLINE HIGHWAY: A road, highway, or freeway under the jurisdiction of the Department, and usually designated with an M, US, or I, preceding the route number.

WINTER MAINTENANCE: Maintenance operations centered on the process to remove snow and ice from the trunkline to provide a reasonably clear and safe driving surface under winter conditions. The activity codes that define the budget line items for winter maintenance are:

1410: Winter maintenance

1440: Winter road patrol (*See winter maintenance patrol above*)

1490: Other winter maintenance (*Shall include maintenance items resulting from winter maintenance, but not actual winter maintenance, i.e. sweeping and flushing immediately after winter ends*)

This work includes all material costs required to conduct work under the above activity codes.

APPENDIX B
MICHIGAN DEPARTMENT OF TRANSPORTATION
MUNICIPALITY CONTRACT
OVERHEAD SCHEDULE

Effective October 1, 2019, through September 30, 2024

Original Annual Budget Amount	Percent Allowed for Overhead	Percent Allowed for Small Tools	Total Percent Allowed
Up to \$25,000_____	11.00_____	.50_____	11.50
\$25,001 to \$50,000 _____	10.25_____	.50_____	10.75
\$50,001 to \$75,000 _____	9.50_____	.50_____	10.00
\$75,001 to \$100,000 _____	8.75_____	.50_____	9.25
\$100,001 and over _____	8.00_____	.50_____	8.50

APPENDIX C

PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS

In connection with the performance of work under this contract; the contractor agrees as follows:

1. In accordance with Public Act 453 of 1976 (Elliott-Larsen Civil Rights Act), the contractor shall not discriminate against an employee or applicant for employment with respect to hire, tenure, treatment, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, or marital status. A breach of this covenant will be regarded as a material breach of this contract. Further, in accordance with Public Act 220 of 1976 (Persons with Disabilities Civil Rights Act), as amended by Public Act 478 of 1980, the contractor shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of the above covenants will be regarded as a material breach of this contract.
2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinabove set forth in Section 1 of this Appendix.
3. The contractor will take affirmative action to ensure that applicants for employment and employees are treated without regard to their race, color, religion, national origin, age, sex, height, weight, marital status, or any disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Such action shall include, but not be limited to, the following: employment; treatment; upgrading; demotion or transfer; recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
4. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status, or disability that is unrelated to the individual's ability to perform the duties of a particular job or position.
5. The contractor or its collective bargaining representative shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers' representative of the contractor's commitments under this Appendix.
6. The contractor shall comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission that may be in effect prior to the taking of bids for any individual state project.

7. The contractor shall furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission; said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor, as well as the contractor itself, and said contractor shall permit access to the contractor's books, records, and accounts by the Michigan Civil Rights Commission and/or its agent for the purposes of investigation to ascertain compliance under this contract and relevant rules, regulations, and orders of the Michigan Civil Rights Commission.
8. In the event that the Michigan Civil Rights Commission finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this contract, the Michigan Civil Rights Commission may, as a part of its order based upon such findings, certify said findings to the State Administrative Board of the State of Michigan, which State Administrative Board may order the cancellation of the contract found to have been violated and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, including the governing boards of institutions of higher education, until the contractor complies with said order of the Michigan Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Michigan Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Michigan Civil Rights Commission to participate in such proceedings.
9. The contractor shall include or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Michigan Civil Rights Commission; all subcontracts and purchase orders will also state that said provisions will be binding upon each subcontractor or supplier.

Revised June 2011

APPENDIX D

STATE ADMINISTRATIVE BOARD RESOLUTION 2017-2 PROCEDURES APPLICABLE TO MDOT CONTRACTS AND GRANTS AND RECISSION OF RESOLUTION 2011-2

WHEREAS, the State Administrative Board ("Board") exercises general supervisory control over the functions and activities of all administrative departments, boards, commissioners, and officers of this State, and of all State institutions pursuant to Section 3 of 1921 PA 2, MCL 17.3;

WHEREAS, the Board may adopt rules governing its procedures and providing for the general conduct of its business and affairs pursuant to Section 2, of 1921 PA 2, MCL 17.2;

WHEREAS, exercising its power to adopt rules, the Board adopted Resolution 2011-2 on August 30, 2011, establishing a \$500,000 or more threshold for Board approval of the Michigan Department of Transportation ("MDOT") Professional Engineering Consultant Contracts and Construction Contracts and increasing the threshold for Board approval for Service Contracts to \$250,000 or more for initial contracts and \$125,000 or more for an amendment to a Service Contract;

WHEREAS, the Board has adopted Resolution 2017-1, raising the threshold for Board approval of contracts for materials and services to \$500,000 or more for the initial contract and \$500,000 or more for contract amendments, and rescinding Resolution 2011-1;

WHEREAS, MDOT is a party to a considerable number of contracts, the majority of which are funded via grants administered by federal agencies including the U.S. Department of Transportation's Federal Highway Administration, Federal Transit Administration, Federal Railroad Administration, and Federal Aviation Administration, which oversee MDOT's administration of such contracts and amendments thereto;

WHEREAS, MDOT has implemented internal procedures to assure the proper expenditure of state and federal funds and is subject to financial and performance audits by the Office of Commission Audits pursuant to 1982 PA 438, MCL 247.667a;

WHEREAS, MDOT is a party to a significant number of contracts which by their nature involve substantial consideration and often require amendments

arising out of changes in scope, differing field conditions and design errors and omissions;

WHEREAS, delays in the approval of amendments to contracts can result in postponement of payments to subcontractors and suppliers; work slowdowns and stoppages; delays in the completion of projects; exposure to additional costs; and exposure to litigation arising out of contractor claims; and

WHEREAS, recognizing the Board's duty to promote the efficiency of State Government, the Board resolves as follows:

1. Resolution 2011-2 is rescinded.
2. A contract for professional design, engineering or consulting services requiring MDOT prequalification in connection with the construction or physical improvement of a street, road, highway, bridge, transit or rail system, airport or other structure congruous with transportation ("Professional Engineering Consultant Contract") or a contract for the construction or physical improvement of a street, road, highway, bridge, transit or rail system, airport or other structure congruous with transportation ("Construction Contract") must be approved by the Board prior to execution by MDOT if the amount of the contract is \$500,000 or more. MDOT may obtain approval of the solicitation of a Professional Engineering Consultant Contract or a Construction Contract which, based on the estimate prepared by an engineer employed by the State of Michigan, is estimated to be \$500,000 or more. A contract arising out of such solicitation must be approved by the Board prior to execution by MDOT if the amount of the contract exceeds 110% of the State engineer's estimate.
3. An amendment to a Professional Engineering Consultant Contract or a Construction Contract must be approved by the Board prior to execution by MDOT if the amount of the amendment and the sum of all previous amendments exceed 10% of the original contract, except that an amendment to a Professional Engineering Consultant Contract or a Construction Contract need not be approved by the Board if: a) approved in accordance with applicable federal law or procedure by a representative of a federal agency contributing funds to the project that is the subject of the contract; or b) approved in accordance with MDOT's internal procedures provided the procedures include approval by at least one MDOT employee who has managerial responsibility and is neither the project manager nor directly involved in the administration of the project.
4. A contract for services not requiring MDOT prequalification ("Service Contract") in the amount of \$500,000 or more must be approved by the Board prior to execution by MDOT. A Service Contract does not include a Professional Engineering Consultant Contract or a Construction Contract.

5. An amendment to a Service Contract must be approved by the Board prior to execution by MDOT if the amount of the amendment and the sum of all previous amendments total \$500,000 or more. Thereafter, an amendment to a Service Contract must be approved by the Board if the amount of the amendment and the sum of all amendments executed after the most recent Board approval total \$500,000 or more.

6. A contract involving the conveyance of any real property interest under the jurisdiction of MDOT must be approved by the Board prior to execution by MDOT if the fair market value of the interest is \$500,000 or more. Fair market value must be determined in accordance with procedures approved by the State Transportation Commission.

7. MDOT may enter into a contract with a sub-recipient without approval of the Board if: a) the purpose of the contract is to provide federal or state matching funds for a project; b) MDOT has been authorized by an agency administering any federal funds to award them to the sub-recipient; and c) the sub-recipient has agreed to fully reimburse the State in the event the sub-recipient does not use the funds in accordance with the purpose of the funding. A sub-recipient includes, but is not limited to, a local unit of government, a governmental authority, a private non-profit entity, and a railroad or rail service provider.

8. MDOT may enter into a cost participation contract with a local unit of government without approval of the Board if: a) the contract involves the construction or physical improvement of a street, road, highway, bridge or other structure congruous with transportation; b) the construction or improvement is funded by federal, state or local funds; and c) the contract is approved by each entity providing funds or in accordance with applicable law.

9. MDOT may enter into a contract in connection with the award of a grant including state matching funds, to a local unit of government, a governmental authority, a private non-profit entity, a railroad or a rail service provider, without approval of the Board if the contract provides that the recipient will fully reimburse the State in the event grant funds are not used in accordance with the terms of the grant.

10. MDOT may enter into a contract with an airport sponsor without approval of the Board if the contract has been approved by the Michigan Aeronautics Commission.

11. MDOT may enter into a contract or award a grant without approval of the Board in situations where emergency action is required. For all emergency contracts or grants of \$250,000 or more, MDOT must transmit to the Board a

written report setting forth the nature of the emergency and the key terms of the contract or grant within 30 days of executing the contract or awarding the grant.

12. Notwithstanding any provisions of this resolution, the Board may require MDOT to report the status of any project and may require MDOT to obtain Board approval of any contract, grant or any amendment to a contract.

This Resolution is effective April 25, 2017.



APPENDIX E

SUBCONTRACT REQUIREMENTS

SUMMARY OF STATE ADMINISTRATIVE BOARD REQUIREMENTS FOR AMENDMENTS (PREVIOUSLY REFERRED TO AS OVERRUNS, EXTRA'S AND ADJUSTMENTS)

Administrative Board Resolution (2017-2, April 25, 2017)

Amendments

Subcontract Requirements:	Amendment Amount	State Administrative Board (SAB) Approval Requirements:
<ul style="list-style-type: none">• Region Engineer approval required prior to start of work.• Form 426 must be signed by the Region Engineer.	\$499,999 or less	Not required Note: Emergency contracts \$250,000 or greater require SAB approval.
<ul style="list-style-type: none">• Documentation of amendment is required by the Municipality.• Send revised Form 426 to the Operations Field Services Division Contract Administrator for review and approval prior to the start of work.	\$500,000 or greater	Required prior to the start of work Note: When the sum of the contract and all amendments total \$500,000 or greater, SAB approval is required.

Definition of Term: Amendment includes situations where the original contract quantity or contract cost is exceeded. It also includes situations where quantities or work are added to the original contract as extra's or adjustments.

April 25, 2017



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

PAUL C. AJEGBA
DIRECTOR

APPENDIX F

SAMPLE: Letter of Understanding

Date

Contract Agency Name
Address
Contact Person, Title

**RE: Clarification of State Trunkline Maintenance Contract between Michigan
Department of Transportation (MDOT) and the (insert name of contract agency)**

Dear _____:

This Letter of Understanding is in follow up to our recent meeting held on _____ and will serve as a reference to clarify the Scope of Work set forth in Section 2, of the State Trunkline Maintenance Contract.

The Scope of Work will be limited to (insert type of work activities and frequency of work to be performed) on the state trunkline (indicate routes) in the City of _____. The work activities are to be conducted by the City as a part of the Contract with MDOT.

The Scope of Work shall include traffic control to perform the work.

Request for reimbursement of the Scope of Work activities identified herein shall be in accordance with Section 16 of the Contract.

Subcontracting of any work activities shall be in accordance to Section 9 of the Contract.

Please sign each of the two original letters enclosed. Please keep one copy for your records and return the other copy to my attention.

Sincerely,

Name
Maintenance Engineer
MDOT ____TSC

APPROVED BY:

City of _____ agrees to the terms and conditions stated in this agreement.

Dated this _____ day of _____, 2014

Name, Title

APPROVED BY:

Region Engineer
Michigan Department of Transportation

Date _____

APPENDIX G

Non-Winter Maintenance Activity & Level of Service Priority

For the purposes of defining priority levels, the following guidance is suggested:

"Critical" work activities are those which address conditions in the infrastructure that pose an imminent threat to public health and safety. This would include instances in which defects or damage currently exist and must be repaired to restore the infrastructure to a safe operating condition. Examples may include filling existing potholes, repairing significantly damaged guardrail, grading shoulders with an edge drop in excess of 1 ½ inches or replacing a collapsed culvert.

"High Priority" work activities are those which address serious deficiencies in the condition of the infrastructure which, in the professional judgment of the Region and TSC management, could lead to defects or damage in the near future that would seriously impact public health and safety if they are not addressed now. Examples may include repairing significantly deteriorated pavement joints and cracks or repairing culverts with section loss.

"Routine/Preventive" work activities are those which address the condition of the infrastructure in such a way as to maintain or prevent the condition from deteriorating to serious condition. Examples may include sealing pavement cracks, grading shoulders, cleaning culverts and ditches, and brushing.

Priority Group 1:

Traffic Signal Energy
Facility Utilities
Freeway Lighting Energy
Operation of Pump Houses
Operation of Movable Bridges
Auto Liability Insurance (county contracts)
Supervision (county contracts)
Roadway Inspection (minimum acceptable level- county contracts)
Billable Construction Permits
Equipment Repair and Servicing
Fuel
Critical Surface Maintenance
Critical Guardrail Repair
Critical Sign Replacement
Critical Drainage Repair
Critical Traffic Signal Repair
Critical Freeway Lighting Repair
Critical Response to Traffic Incidents (to assist in traffic control, facility restoration)
Critical Drainage Area Sweeping (to prevent roadway flooding)

Critical Structural Maintenance on Bridges
Critical Pump House Maintenance
Critical Shoulder Maintenance (to address shoulder drops greater than 1 ½")
Critical Impact Attenuator Repair
Clear Vision Area Mowing
Removal of Large Debris and Dead Animals (from the traveled portion of the roadway)
Rest Area and Roadside Park Maintenance

Priority Group 2:

High Priority Surface Maintenance
High Priority Guardrail Repair
High Priority Sign Replacement
High Priority Drainage Repair
High Priority ROW Fence Repair
High Priority Shoulder Maintenance
High Priority Structural Maintenance
Adopt-A-Highway
Youth Corps in designated urban areas
Mowing (First Cycle)
Freeway Slope Mowing in designated urban areas
Litter Pickup in designated urban areas
Graffiti Removal in designated urban areas
Freeway Lighting Maintenance & Repair

Priority Group 3:

Mowing (Additional Cycles)
Brushing
Sweeping, beyond critical drainage areas
Litter Pickup, outside designated urban areas
Graffiti Removal, outside designated urban areas
Routine/Preventive Surface Maintenance
Routine/Preventive Guardrail Repair
Routine/Preventive Sign Replacement
Routine/Preventive Drainage Repair
Routine/Preventive Shoulder Maintenance
Routine/Preventive Structural Maintenance
Routine/Preventive Pump House Maintenance
Routine/Preventive Traffic Signal Maintenance
Youth Corps outside of designate urban areas
Non-motorized path maintenance



City of Petoskey

Agenda Memo

BOARD: City Council

MEETING DATE: October 7, 2019

PREPARED: September 26, 2019

AGENDA SUBJECT: Consideration to Approve a Resolution Authorizing a Closed Session Pursuant to Section 8(d) of the Michigan Open Meetings Act

RECOMMENDATION: That the City Council adopt this proposed resolution

City Council will be asked to adopt the enclosed proposed resolution that would authorize to adjourn to a closed session pursuant to Section 8(d) of the Michigan Open Meetings Act, to consider the purchase or lease of real property.

sb
Enclosure



City of Petoskey

Resolution

WHEREAS, the City Manager has requested that the City Council adjourn to a closed session, pursuant to Section 8(d) of the Michigan Open Meetings Act, to consider the purchase or lease of real property, at the City Council's regular meeting of October 7, 2019:

NOW, THEREFORE, BE IT RESOLVED that the City Council does and hereby authorizes to adjourn to a closed session, to consider purchase or lease of real property.