City Council Study Session Agenda

Monday, April 04, 2022 at 6:00 PM
27400 Southfield Road, Lathrup Village, Michigan 48076

HYBRID MEETING: Council Chambers with remote public access
Webinar ID: 811 3736 3185
Password: Lathrup22
CLICK HERE: Online Zoom Link
Telephone: 646.558.8656 or 312.626.6799
CLICK HERE: Public Comment Form Link

1. **Call to Order** by Mayor Garrett
2. **Discussion Items**
   - A. Tower lease/buy-out discussion
   - B. Cannabis Ballot Language
   - C. Interim City Administrator update
3. **Mayor and Council Comments**
4. **Public Comments (speakers limited to 3 minutes)**
5. **Adjourn**

Interim City Administrators
City of Lathrup Village
27400 Southfield Road | Lathrup Village, MI 48076
sstec@lathrupvillage.org
Office: 248.557.2600 x 223

COUNCIL COMMUNICATION:

TO: Mayor Garrett and City Council Members
FR: Pam Bratschi, Scott McKee, and Susie Stec, Interim City Administrators
DA: April 1, 2022

RE: Tower lease/buy-out discussion

Over the past few months City Council has been discussing whether to continue the cell tower (18625 Sunnybrook) lease or to accept a buy-out offer. Offers to buy-out the lease have been received by American Tower (current lease holder) and TowerPoint (3rd party). Included in the packet is information from Tower Point which is in response to discussion points raised at the previous City Council meeting. Also included is a staff memo from another community which has experienced a similar scenario and similar questions raised. These attachments are for discussion purposes only.

CITY COUNCIL AGENDA REPORT

DEPARTMENT: City Manager's Office **MEETING DATE:** November 20, 2018

PREPARED BY: Angela Cho, Management Analyst **AGENDA LOCATION:** AR-1

TITLE: Letter Agreements with TowerPoint Capital, LLC for Exclusive Option to Purchase Lease Interest in Wireless Communication Sites on City Property

OBJECTIVE: To approve letters of intent to sell the City's interest in three wireless cell tower sites to TowerPoint Capital, LLC, for $1,075,000.

BACKGROUND: During the past few years, the wireless telecommunications industry has been evolving rapidly to accommodate the pending roll-out of 5G wireless technology. Cell phone carriers, tower companies, and even cable television companies are all gearing up to rollout "small cell" facilities that will accommodate the next generation of wireless connectivity that offer 5G networks speeds. Based on current market trends, the widespread establishment of 5G wireless network speeds has the potential to revolutionize "the internet of things" by facilitating the deployment of everything from smart homes, to autonomous vehicles, to data-centric cities.

To that end, various telecommunication entities are actively – and successfully – lobbying members of the Federal government and state legislatures for the right to install wireless facilities on public property for a fraction of the cost that they are paying today for wireless cell tower leases featuring 4G technology. Currently, there are at least 14 states that have passed small cell legislation in various forms (with all of those laws containing small cell legislative subsidies that cap rents at just $250 per year per small cell node), and similar legislation was narrowly defeated in California last year. In addition, this past September, the Federal Communications Commission (FCC) established a new regulatory category of "small wireless facilities" which aims to impose substantial restrictions on how state and local jurisdictions regulate 5G wireless facilities in the public rights-of-way, including the imposition of a $500 cap for any permitting process, and a maximum rent cost of $270 / year for any single 5G node.

Given this emerging regulatory framework governing small cell sites, municipalities are likely going to have to provide a compelled subsidy for the telecommunication industry by capping the rents that can be charged to private wireless carriers and tower companies for use of public infrastructure. And of particular note, this advantageous cost structure means that in the future, small cell facilities will be significantly cheaper to operate than traditional cell towers, both in terms of acquiring the underlying property rights, as well as for facility and equipment costs.

These factors have provided telecommunication companies, wireless carriers, and cell tower companies tremendous leverage in renegotiating existing lease terms for current 4G cell sites, and furthermore, provides a built in financial incentive for these private companies to more quickly decommission existing tower sites that are more costly to operate and maintain than the new 5G small cell sites.

Against that backdrop, the City has spent considerable time these past few months conducting further analysis of our existing 4G cell tower leases. Currently, Monrovia has three such leases, where a cell phone carrier has leased City property for use as a 4G cell tower node. Our agreements include leases with AT&T ($2,138.64 / month payment to the City), T-Mobile ($2,059.48 / month payment to the City), and Verizon ($2,328.75 / month payment to the City).

However, as part of our lease agreements with each entity, all three carriers have the right to terminate their leases with the City for any reason and with no penalties, giving them tremendous leverage to try and renegotiate current lease costs. And to that end, AT&T and T-Mobile have both recently approached the City asking to lower their monthly payment – AT&T is requesting a reduction of 39.3% (down to $1,297.92 / month) while T-Mobile has demanded a 36.9% reduction (down to $1,300.00 / month).

Given the evolving nature of wireless connectivity, emerging 5G technology, and the relative ease with which cell phone carriers can cancel their existing lease arrangements, staff has spent considerable time assessing our options to identify the best way in which we can protect the City's interests. After extensive review and research, we believe we have identified an option that provides an optimal level of protection for the City from future changes in cell tower technology, while also providing the City with a substantial one-time infusion of cash.

The identified opportunity involves selling the rights to all three of our existing cell tower leases to TowerPoint Capital, LLC (TowerPoint), for an upfront payment of $1,075,000. In addition, pursuant to the terms of the proposed transaction, TowerPoint will give the City 55% of any new revenues that they extract from renegotiations with the three current wireless carriers, and also will provide the City with 55% of any new revenues that they earn from finding new tenants. Of note, this particular option also protects the City from any future rent reductions, as TowerPoint will absorb any future losses at no cost to Monrovia.

ANALYSIS: During the past few months, staff has engaged a comprehensive review of current trends in the wireless industry as it relates to our pending transition to the 5G wireless platform through establishment of small cell sites. That analysis has led staff to the conclusion that our existing cell tower leases with AT&T, T-Mobile, and Verizon are all at risk of being modified significantly to the City's detriment, or cancelled altogether.

That sentiment has been reinforced through recent actions by AT&T and T-Mobile, both of whom currently lease property on the City's telecommunication tower in the Civic Center complex at 140 East Lime Avenue. Both carriers have recently requested significant lease payment reductions.

Also, the City leases property to Verizon Wireless in the Sawpit Dam Parking Lot at Canyon Park. And while Verizon Wireless has not yet requested any rent reduction, staff does believe that the request to lower their payments will be coming in the near future.

An overview of our current cell tower lease arrangements is outlined in greater detail below.

1) **AT&T Cell Tower Lease Overview**
    a. *Current Rent:* $2,138.64 / month with an annual 3% rent escalation cost

    b. *AT&T Renegotiation Demand:* $1,297.92 / month with a 3% rent escalation every 5 years and a payment guarantee worth 10-years of lease payments (which equates to a guaranteed value of $158,086.25)

2) **T-Mobile Cell Tower Lease Overview**
    a. *Current Rent:* $2,059.48 / month with an annual 2% rent escalation cost

    b. *T-Mobile Renegotiation Demand:* $1,300.00 / month with an 8% rent escalation every 5 years and a payment guarantee worth 10-years of lease payments (which equates to a guaranteed value of $162,240.00

3) **Verizon Cell Tower Lease Overview**
   a. *Current Rent:* $2,328.75 / month with an annual 3.5% rent escalation cost.

   b. *Verizon Renegotiation Demand:* n/a

As a means to mitigate the risks associated with these lease arrangements, especially in light of the evolution of 5G technology and small wireless facilities, staff recommends that the City Council consider selling the rights to all three leases to TowerPoint.

TowerPoint is a financial services firm that specializes in acquiring and managing macro cell tower leases, and has offered to pay the City $1.075 million for the rights to all three of our existing cell tower agreements. Pursuant to the proposed terms of the transaction, in exchange for a payment of $1.075 million to the City, any future lease revenue derived from the three existing agreements would be given to TowerPoint. In addition, under the agreement negotiated by the City, TowerPoint has also offered to provide the City with 55% of any new revenues they extract in the future, while also absorbing any rent reductions with no impact to Monrovia.

If the City Council should authorize the execution of the proposed agreements, TowerPoint will engage in a due-diligence process that should take around 30-days. During that time, TowerPoint will run title reports on the existing properties in question, send their staff out to assess the equipment located on the City's infrastructure, and coordinate an escrow process through which the transfer of funds would occur. After reviewing multiple options and taking into account current market trends, staff believes that the TowerPoint deal provides the best option for the City moving ahead.

ENVIRONMENTAL IMPACT: There is no environmental impact associated with approving this action.

FISCAL IMPACT: The City will receive $1,075,000 in a lump sum payment upon the closing of the deal, which should take 30-days from the time that we execute the letters of intent. Additionally, the City will receive 55% of all future revenues received through a revenue sharing agreement on any future lease payments made.

OPTIONS: The following options are presented for City Council consideration:

1. Approve the Letters of Intent with TowerPoint Capital, LLC, thereby selling the City's lease interest in our three wireless communication sites for $1,075,000.

2. Do not approve the agreements and provide additional direction to staff.

RECOMMENDATION: Staff recommends that the City Council select Option 1, thereby approving the agreements with TowerPoint Capital, LLC.

COUNCIL ACTION REQUIRED: If the City Council concurs, the appropriate action would be a motion to approve the Letter Agreements with TowerPoint Capital, LLC, and authorize the City Manager to execute the necessary documents in a form approved by the City Attorney.

November 8, 2018

City of Monrovia CA
415 S Ivy Ave
Monrovia, CA 91016-5107

Re: Letter Agreement to Purchase Interest in Wireless Site

Dear Angela Cho:

In consideration of the sum of $100.00 ("Option Fee"), the receipt and sufficiency of which is hereby acknowledged, your signature below grants to TowerPoint Capital, LLC and its successors and assigns, including its asset holding company TowerPoint Acquisitions, LLC, (“TowerPoint”) an exclusive option (“Option”) to purchase your interest in the Lease (“Lease” as further described in Exhibit A) through an assignment of the Lease and the grant of an underlying telecommunications easement pursuant to the terms herein. TowerPoint may exercise the Option at any time within 90 calendar days of the date you sign this Letter Agreement (the “Option Period”). The Option Period will be extended for the length of any delay in delivering the due diligence items listed in Exhibit B. TowerPoint may exercise the Option by delivering executable closing documents to you. TowerPoint’s exercise of the Option will require you to sell to TowerPoint the Lease on the terms set forth in a mutually agreed upon Easement Agreement and other documentation as required by the escrow/closing agent for the transaction - TitleVest Agency, Inc. The basic terms of the transaction are as follows:

Purchase Price: **$660,115.00** paid in a lump sum at closing.

99 Year Purchase Term of Easement and Lease Assignment

Revenue Sharing Provisions:

- TowerPoint Site Management Agreement: **55% in favor of the Landlord**
- New Tenant Rent: **55% in favor of Landlord** (New Tenant Rent will be generated from tenants collocating equipment on the equivalent of up to 250 sq. ft. adjacent to the existing tower installation.)

TowerPoint pays for due diligence costs, the title insurance policy, and standard closing costs. Each party bears its own legal expenses. Landlord pays transfer/stamp or other tax (if any) and recording fees. Purchase price shall be pro-rated at closing based on interim monthly or annual rent payments and a rent check redirection period of the two (2) months following closing. Landlord shall retain rent checks for pro-rated periods and during the redirection period.

During the Option Period, you agree not to directly or indirectly solicit, initiate or participate in any discussions or negotiations with, or encourage or respond to any inquiries or proposals by, any persons, company or group other than TowerPoint concerning your Lease. You agree to promptly notify TowerPoint if any person, company or group seeks to initiate any discussions regarding your Lease. You further agree to work in good faith with TowerPoint to close this transaction. This Letter Agreement is intended as and shall be a legally binding commitment for you to sell your Lease. In the event of a breach of this Letter Agreement by you, TowerPoint shall, in addition to its other rights and remedies (including recording a copy of this Letter Agreement), be entitled to compensation for its time, effort and expense to evaluate this transaction and, in any action to enforce this Letter Agreement, to recovery of its reasonable attorneys’ fees. The terms of this Letter Agreement are confidential and may not be disclosed without the prior written consent of TowerPoint, except to professionals engaged to evaluate and conduct the transaction on your behalf. You acknowledge that TowerPoint has given you no tax or legal advice in evaluating the transaction.

To the extent the terms of this Letter Agreement represent an offer by TowerPoint, the terms herein are subject to change by TowerPoint after November 21, 2018 if this Letter Agreement is not mutually executed. TowerPoint reserves the right to change the terms of this Letter Agreement following expiration.

Sincerely,
TowerPoint Capital, LLC

Jesse M. Wellner, Chief Executive Officer
November 8, 2018

Accepted and Agreed:
City of Monrovia CA

Landlord’s Signature Date

Print Name:

Title:

Six Concourse Parkway, Suite 1450, Atlanta, GA 30328 | towerpoint.com | Ph: 678.775.0360 | F: 678.775.0361

Exhibit A

Site Location and Lease Terms

Site Location: 140 E Lime Ave, MONROVIA, CA 91016-2840

Wireless Tenants	Current Rent	Rent Payment Frequency	Escalation (CPI, % or $)	Escalation Frequency	Date of Next Escalation
AT&T	**$1,982.75**	Monthly	3%	Annual	November 1, 2019
T-Mobile	**$2,033.61**	Monthly	2%	Annual	October 1, 2019

Pricing is based on the Lease Terms above and is subject to confirmatory due diligence of the Lease Terms.

*** Currently, your records indicate that AT&T pays $1,982.75 monthly and T-Mobile pays $2033.61 monthly. Per the respective leases, it appears that AT&T should be paying $2138.64 monthly and T-Mobile should be paying $2059.18 monthly. As we work through our due diligence process, we will confirm the correct monthly rents for both tenants and if we conclude that the city should be collecting the higher rental rates, we will then increase the purchase by $29,885 at closing for an updated purchase price of 690,000.00.**

Initial
Here:

Six Concourse Parkway, Suite 1450, Atlanta, GA 30328 | towerpoint.com | Ph: 678.775.0360 | F: 678.775.0361

Exhibit B

Required Due Diligence Items

1. Executed Lease including any and all Amendments thereto (as well as any lease commencement letters, notices, or other correspondence regarding the Lease)
2. Proof of Rent Payments under the Lease (minimum of 3 months received in the last 6 months); e.g.: copies of rent checks/stubs and/or direct deposit statements.
3. Landlord Request for Information (RFI): Completed and executed including social security numbers for individuals with 20% or greater ownership positions in the entity which owns the property.
4. Landlord's comments or Landlord's counsel's comments, if any, to the Easement Agreement ("Easement") to be provided under separate cover (to be finalized in a mutually agreeable Easement) or return the Easement with each page initialed showing approval of the form Easement.
5. If an existing mortgage is in place on the property: A Mortgage Statement and Lender contact information for obtaining a non-disturbance agreement from Lender (required only if the property is encumbered by a Mortgage, Deed of Trust, Line of Credit or similar instrument).
6. Legal entity organizational documents (including any Amendments thereto) showing proof of authority, as applicable below, for all entities owning an interest in the Property:

Corporation	**LLC**	**General Partnership**	**Limited Partnership**	**Condominium Association**	**Cooperative Corporation (i.e.: Housing Co-op)**	**Trust**
Articles of Incorporation	Articles of Incorporation	Certificate of Partnership	Certificate of Limited Partnership	Condominium Declaration	Articles of Incorporation	Trust Agreement
Signed Corporate Bylaws	Signed Operating Agreement	Signed General Partnership Agreement	Signed Limited Partnership Agreement	Signed Condominium Bylaws	Signed Corporate Bylaws	Certificate of Trust

Within 10 days of signing this Letter Agreement, I agree to provide to TowerPoint the Required Due Diligence Items listed above to facilitate a timely close under the terms of this Letter Agreement.

Initial Here:

Submitted by: Andrew Sikes, Ph: (678) 987-1141, Email: andrew.sikes@towerpoint.com

November 9, 2018

City of Monrovia CA
415 S Ivy Ave
Monrovia, CA 91016-5107

Re: Letter Agreement to Purchase Interest in Wireless Site

Dear Angela Cho:

In consideration of the sum of $100.00 ("Option Fee"), the receipt and sufficiency of which is hereby acknowledged, your signature below grants to TowerPoint Capital, LLC and its successors and assigns, including its asset holding company TowerPoint Acquisitions, LLC, (“TowerPoint”) an exclusive option (“Option”) to purchase your interest in the Lease (“Lease” as further described in Exhibit A) through an assignment of the Lease and the grant of an underlying telecommunications easement pursuant to the terms herein. TowerPoint may exercise the Option at any time within 90 calendar days of the date you sign this Letter Agreement (the “Option Period”). The Option Period will be extended for the length of any delay in delivering the due diligence items listed in Exhibit B. TowerPoint may exercise the Option by delivering executable closing documents to you. TowerPoint’s exercise of the Option will require you to sell to TowerPoint the Lease on the terms set forth in a mutually agreed upon Easement Agreement and other documentation as required by the escrow/closing agent for the transaction - TitleVest Agency, Inc. The basic terms of the transaction are as follows:

Purchase Price: **$385,000.00** paid in a lump sum at closing.

99 Year Purchase Term of Easement and Lease Assignment

Revenue Sharing Provisions:

- TowerPoint Site Management Agreement: **55% in favor of the Landlord**
- New Tenant Rent: **55% in favor of Landlord** (New Tenant Rent will be generated from tenants collocating equipment on the equivalent of up to 250 sq. ft. adjacent to the existing tower installation.)

TowerPoint pays for due diligence costs, the title insurance policy, and standard closing costs. Each party bears its own legal expenses. Landlord pays transfer/stamp or other tax (if any) and recording fees. Purchase price shall be pro-rated at closing based on interim monthly or annual rent payments and a rent check redirection period of the two (2) months following closing. Landlord shall retain rent checks for pro-rated periods and during the redirection period.

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To the extent the terms of this Letter Agreement represent an offer by TowerPoint, the terms herein are subject to change by TowerPoint after November 21, 2018 if this Letter Agreement is not mutually executed. TowerPoint reserves the right to change the terms of this Letter Agreement following expiration.

Sincerely,
TowerPoint Capital, LLC

Jesse M. Wellner, Chief Executive Officer
November 9, 2018

Accepted and Agreed:
City of Monrovia CA

Landlord’s Signature Date

Print Name:

Title:

Six Concourse Parkway, Suite 1450, Atlanta, GA 30328 | towerpoint.com | Ph: 678.775.0360 | F: 678.775.0361

Exhibit A

Site Location and Lease Terms

Site Location: 1 Monrovia Nature Center Rd, Monrovia, CA 91016

Wireless Tenants	Current Rent	Rent Payment Frequency	Escalation (CPI, % or $)	Escalation Frequency	Date of Next Escalation
Verizon	**$2,328.75**	Monthly	3.5%	Annual	April 1, 2019

Pricing is based on the Lease Terms above and is subject to confirmatory due diligence of the Lease Terms.

Initial Here:

Six Concourse Parkway, Suite 1450, Atlanta, GA 30328 | towerpoint.com | Ph: 678.775.0360 | F: 678.775.0361

Exhibit B

Required Due Diligence Items

1. Executed Lease including any and all Amendments thereto (as well as any lease commencement letters, notices, or other correspondence regarding the Lease)

2. Proof of Rent Payments under the Lease (minimum of 3 months received in the last 6 months); e.g.: copies of rent checks/stubs and/or direct deposit statements.

3. Landlord Request for Information (RFI): Completed and executed including social security numbers for individuals with 20% or greater ownership positions in the entity which owns the property.

4. Landlord's comments or Landlord's counsel's comments, if any, to the Easement Agreement ("Easement") to be provided under separate cover (to be finalized in a mutually agreeable Easement) or return the Easement with each page initialed showing approval of the form Easement.

5. If an existing mortgage is in place on the property: A Mortgage Statement and Lender contact information for obtaining a non-disturbance agreement from Lender (required only if the property is encumbered by a Mortgage, Deed of Trust, Line of Credit or similar instrument).

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Within 10 days of signing this Letter Agreement, I agree to provide to TowerPoint the Required Due Diligence Items listed above to facilitate a timely close under the terms of this Letter Agreement.

Initial Here:

From: Bruce Kantor
To: Susan Stec
Cc: Pamela Bratschi
Subject: Fw: Towerpoint Lathrup Village Cell Tower
Date: Wednesday, March 30, 2022 4:22:52 PM
Attachments: CIty Cell Site Staff Report.pdf

Hey Susie,

Please include both the attached document and the email in the packet for April 4th (assuming we are talking about the cell tower on the 4th). Thanks!

Bruce

Bruce Kantor
Mayor Pro Tem
Lathrup Village, Michigan

Phone: 284-557-2600, ext 286

From: AJ Sikes <AJ.Sikes@towerpoint.com>
Sent: Tuesday, March 29, 2022 10:57 PM
To: Bruce Kantor <bkantor@lathrupvillage.org>
Subject: RE: Towerpoint Lathrup Village Cell Tower

Hello Bruce,

Per our conversation, I am attempting to recap some of the information. I can also review some of the payments that you are receiving and help provide some direction as to retrieving those lease copies. I may even be able to help you get them. You will find an attachment that was generated by a municipality who was having similar discussions as yourself. It reminded me a bit of our conversation and they had spent the time and energy to compile information that you may find useful. You actually have a little

-We both acknowledge that the AMT lease that we are discussing is not in "holdover." There is also nothing in this lease preventing you from doing whatever you see fit.

- What you will find is that every cell lease gives the carrier the unilateral option to leave at their discretion, at which point the cash flows turn to zero. Regarding some statements on Net Present Values, that would have to take into consideration some very large assumptions. The tower is set-up so that you receive the benefit of each carrier that has come on, but you also feel the hit of each individual lease when it cancels, or non-renews. You can consider how that would affect projected cash flows. Currently, AMT is requesting that you decrease the rent you receive, decrease the escalation, and add language to completely destroy any remaining value. If you did even consider such a proposition, you also have to consider that there is no guarantee past (1) month worth of checks, and there is nothing stopping future reductions.

-American Tower is simply a middle-man between you and one carrier. They have no say over what carriers stay, or go. They simply pass through a smaller check to the village for however long, or short as they collect it. AMT is always incentivized to reduce the value of your lease.

-Your current options with AMT are A.) Take less rent or deal with whatever implications that exist if you don't. You still hold all the risk if you comply, and you suddenly have lost roughly $500k in value instantly. B.) Do nothing, and the carriers will inevitably form backup plans since there is no assured runway at the site C.) Take a smaller offer from AMT, it takes 6-9 months, you have no opportunity for new income, and you give up control on the property by allowing the tenant to essentially become simultaneous owner, and have them replace the existing lease with a cumbersome document. D.) Towerpoint pays a total of $1.6MM once we confirm Dish is active, you are a partner in any upside we generate, the terms that the tenant must follow per your lease stays intact, and you have Towerpoint helping enforce any of the existing terms of the lease on the tenant. With everything staying in place, the document is also simple (4-pages) and receipt of funds is 30-days.

-For a general comparison of valuation: https://www.loopnet.com/Listing/Lahser-Portfolio/23495423/ This is a nice property listing 15-min from Lathrup generating $649,137 net operating income. The cost is $7.9MM. This values annual net income as 12.2X. If the village were to receive $1,600,000.00 based on $82k annual income, you are receiving a 19.5X valuation. Please note this is also based on the higher rent, rather than the much higher valuation if based on the future lower rent. You may also consider a brick and mortar property as a wiser investment compared to a technology check with unilateral tenant cancellation rights. Towerpoint can pay such numbers because we are the tenants largest lease holder, and we pool risk the widest with this one niche thing.

I hope my attempt at a "summary" provides some additional information, and context. I can be made available most days if you can provide notice. We are in the business of pooling the most valuable leases possible. For that reason, you are free to consult with me in how you may navigate any conversations with AMT. We obviously would rather not buy a less valuable lease, nor pay you less, so whatever you do don't sign amendments of any kind. We are like the home buyer that will pay extra for the house to be a blank canvas, rather than having tiles laid that can never be removed.

(apologies for any typos)

towerpoint

AJ Sikes
Vice President
ph 678-987-1141 | m 619-370-4612 | f 678-987-1141
aj.sikes@towerpoint.com
www.towerpoint.com

Interim City Administrators
City of Lathrup Village
27400 Southfield Road | Lathrup Village, MI 48076
sstec@lathrupvillage.org
Office: 248.557.2600 x 223

COUNCIL COMMUNICATION:

TO: Mayor Garrett and City Council Members
FR: Pam Bratschi, Scott McKee, and Susie Stec, Interim City Administrators
DA: April 1, 2022

RE: Cannabis Ballot Language

City Council has been discussing and considering placing opt-out language on the November 2022 ballot. Attached is a draft resolution which was previously provided to City Council.

CITY OF LATHRUP VILLAGE
OAKLAND COUNTY, MICHIGAN

RESOLUTION ESTABLISHING CHARTER AMENDMENT BALLOT PROPOSAL LANGUAGE

At a Regular meeting of the City Council of the City of Lathrup Village, Oakland County, Michigan, (the "City"), held on the _____ day of ______2022.

PRESENT: ____

____

ABSENT: ____

The following preamble and Resolution were offered by ______________________ and seconded by ______________________.

WHEREAS, the City of Lathrup Village City Council desires to Amend the City Charter by adding Chapter 19 – Cannabis Establishments; and

WHEREAS, MCL 117.21 states "The form in which a proposed charter amendment or question shall appear on the ballot, unless provided for in the initiatory petition, shall be determined by resolution of the legislative body, and if provided for by the initiatory petition, the legislative body may add an explanatory caption."; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. By a 3/5 vote of its members, pursuant to the authority granted by Public Act 279 of 1909, as amended, proposes that Chapter 19 be added to the Charter of the City of Lathrup Village and to read as follows:

CHAPTER 19 – CANNABIS ESTABLISHMENTS

Section 19.1 – Intent

The Michigan Regulation and Taxation of Marihuana Act, Initiated Law 1 of 2018, MCL 333.27951, *et seq.*, and more specifically Section 6(1) thereof, MCL 333.27956(1), authorizes municipalities to prohibit marijuana establishments within their boundaries by adoption of an ordinance.

SECTION 19.2 Prohibition of Marijuana Establishments.

(a) ***Definitions*****. Words used in this section shall have the definitions as provided for in the Michigan Regulation and Taxation of Marihuana Act, Initiated Law 1 of 2018, MCL 333.27951, *et seq.*, as may be amended.**

(b) ***Prohibition*****. Pursuant to the Michigan Regulation and Taxation of Marihuana Act, Initiated Law 1 of 2018, MCL 333.27951, *et seq*., all cannabis establishments are prohibited within the boundaries of the City.**

(c) ***Penalty*****. A person who violates this section shall be responsible for a municipal civil infraction punishable as set forth in Chapter 2, Section 2-201 of this Code. Such sanctions shall be in addition to the rights of the City to proceed at law or equity with other appropriate and proper remedies, including, but not limited to, the right to seek injunctive relief against persons alleged to be in violation of this ordinance, and such other relief as may be provided by law. Additionally, the violator shall pay all costs, including all direct and indirect expenses that the City incurs in connection with the municipal civil infraction. Each day during which any violation continues shall be deemed a separate offense.**

.

2. That the City of Lathrup Village determines the charter amendment question shall appear on the ballot of the next regular election as follows:

<u>CANNABIS ESTABLISHMENTS CHARTER AMENDMENT PROPOSAL 1</u>

Shall the City of Lathrup Village Charter be amended to prohibit all Cannabis Establishments within the boundaries of the City.

[YES] [NO]

3. The city clerk shall transmit a copy of the proposed amendment to the Governor of the State of Michigan for approval and transmit a copy of the foregoing statement of purpose of such proposed amendment to the Attorney General of the State of Michigan for approval, as required by law.

4. The proposed charter amendment shall be submitted to the qualified electors of this city at a regular election to be held in the City of Lathrup Village on

_______________, and the city clerk is directed to give notice of the election and notice of registration in the manner prescribed by law.

5. The City Clerk is directed to give notice of the election and notice of registration in a manner prescribed by law and to do all things and to provide all supplies necessary to submit the Charter amendment to a vote of the electors as required by law.
6. The proposed amendment shall be published in full together with the existing charter provision altered or abrogated by the amendment as part of the notice of election.

YEAS: ____

____

NAYS: ____

ABSENT/
ABSTAIN ____

STATE OF MICHIGAN)
)ss
COUNTY OF OAKLAND

I hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Lathrup Village, Oakland County, Michigan at a special meeting duly called and held on the _________________, the original of which resolution is on file in my office, and that notice of said meeting was given, the meeting was held and the minutes filed in accordance with the Open Meetings Act, Act No. 267, Public Acts of Michigan, 1976, as amended.

City Clerk