

Marihuana Panel Meeting  
Madison Heights, Michigan  
February 6, 2023

A Marihuana Panel Meeting was held on Monday, February 6, 2023, at 5:30 PM in the Council Chambers at the Municipal Building at 300 West Thirteen Mile Road, Madison Heights, Michigan.

**PRESENT**

City Manager Melissa Marsh  
Assistant City Attorney Tim Burns  
Planning Commissioner Eric Graettinger

**OTHERS PRESENT**

Special Counsel Andrea M. Pike  
Deputy City Clerk Phommady A. Boucher

**MP-23-01. Motion to rescind previous scoring and ranking and the previous decision of the marihuana panel regarding the license applications.**

Motion made by Assistant City Attorney Burns, Seconded by Commissioner Graettinger, to rescind previous scoring and ranking and the previous decision of the marihuana panel to award Quality Roots a marihuana license, rescind and void the Marihuana Panel Meeting on August 30, 2022 including discussions, and void the denial letters and award letter sent to the applicants.

Voting Yea: Burns, Graettinger, Marsh  
Motion carried.

**EXPLANATION REGARDING PURPOSE OF MEETING:**

City Manager Marsh explained that the marihuana panel was created pursuant to Ordinance 2159, Section 7-408(b) and Ordinance 2181, Section 7-308(b). The panel consist of herself City Manager Melissa Marsh, Planning Commissioner Eric Graettinger, and Assistant City Attorney Tim Burns. The 3 members of the marihuana panel have reviewed the 8 marihuana license applications received in August 2022 in private. The panel met on August 30, 2022, to assess, evaluate, score, and rank the 8 applications pursuant to the ordinance. Because the August 30, 2022, meeting was not open to the public the panel has voted to rescind the actions taken on the previous meeting and hold a public meeting to assess, evaluate, score, and rank each applicant again openly as a reenactment pursuant to Section 10(5) of the Open Meetings Act OMA MCL 15.270(5). The City Ordinance 2159, Sections 7-408(a), 7-408(b), and Ordinance 2181, Section 7-308(b) further requires the marihuana panel to rank all impacted applications and authorize the City's issuance of all marihuana license to those applications receiving the highest score. Tonight, this panel will authorize the City's issuance of one available license after the scores have been ranked. Ordinance 2159, Sections 7-408(a), 7-408(b), and Ordinance 2181, Section 7-308(b) states the Medical Marihuana Facilities Licensing Act (MMFLA) and the Michigan Regulation and Taxation of Marihuana Act (MRTMA) both limit what a municipality can disclose so we will have discussions

but will avoid reading word for word from the applications and application materials. Although the applications and application materials will be reviewed and discussed generally, the records themselves cannot be shared during the meeting. Section 2054 of the MMFLA states information a municipality obtains from an applicant under this section is exempt from disclosure under the Freedom of Information Act (FOIA) MCL 333.272054. Section 9597 of the MRTMA states information obtained from an applicant related to a licensure under this section is exempt from disclosure under the Freedom of Information Act (FOIA) MCL 333.279597.

## **PUBLIC COMMENT:**

Attorney Alan Shamoun representing Mood Cannabis (Bloom) highlighted items in their application that were not properly reviewed and scored the first time around. His client's families have been in the City of Madison Heights for over 20 years and operated out of their building located near the intersection of 13 Mile Road and Stephenson Highway. Compared to the other applicants his client has the largest building, has allocations of funds to be spent or claimed, has available parking, a redevelopment option of a building, job demands, and is a thoroughfare of 13 Mile Road and Stephenson Highway to help ease the flow of traffic. A couple of items not properly scored is their building is underutilized as of today and received zero points. Also, they are existing operators in the industry of cannabis and experienced not in Madison Heights but not given the proper score. The ten-page limit per section in the ordinance severely limits the ability to properly answer the questions. Section 5 had five questions each and on average given two pages per question is nearly impossible for the length of items to be discussed. It severely limits an applicant's ability to thoroughly provide information to the city for the reviewers to give a proper score and we can't address all the items being requested. Hopefully this process goes into detail of the applications covered and not covered and learn about the scores that we receive.

Attorney Christine Constantine Jr. representing Dispo Cannabis who was the second highest ranked in the application process this previous round being rescinded. She addressed the inconsistency of the scoring done and asked the panel to reconsider. Section 3 states the building must be utilized and funds available to improve private or public roads and the betterment of the property and the city. Dispo Cannabis donated \$25,000 for Dequindre but they did not receive points because under section 3(B) the funds went to a county road not a city road. Although the language on the application states for the betterment of the city. Dequindre is a damaged road and if repaired would benefit the City of Madison Heights, the State of Michigan, Macomb County and Oakland County. The donation was approved prior to the application period, a Macomb County Commissioner and Oakland County Commissioner by their previous attorneys confirmed the funds are earmarked for Dequindre Road. Dispo Cannabis received the same score as Quality Roots for section 5(B) which allocates 2 points for every year with a maximum of 10 points if a property or site has been vacant. Dispo Cannabis received 10 points and Quality Roots received 6 points, but that building has been and remains occupied. Had Dispo Cannabis received 5 points for section 3(B) and Quality Roots deducted 6 points for section 5(B) her client who loss by less than 5 points instead would have ranked first in the license application process. Attorney Constantine Jr. highlighted this in hopes it would alleviate or obviate any future disputes with the municipality.

Attorney Frank Deluca representing JARS Cannabis (Artic Fox) pointed out on his clients application for category 5, a capital investment of \$15.5 million was credited for \$10.6 million therefore they received 10 points instead of 15 points. For category 3 his client received 14 points out of 20 points for physical improvements to the area in their plan to eliminate traffic, noise, and odor effects. Attorney Deluca asked for an explanation to the comment in this section that states adding a large parking lot would reduce environmental advancements. Artic Fox ranked third from the initial marihuana application process and for this current application process their points have been significantly reduced. There is a concern in regards to inconsistent scoring of Quality Roots receiving 8 points for their retail building on 14 Mile Road that is not vacant and remains the same today. Also, Quality Roots received 40 points for category 8 for co-locate of license although they will have a retail facility on 14 Mile Road and a vacant land on Groveland. The ordinance specifically states co-locate at a single location or site within the City but Quality Roots has two physical addresses. If the scoring was done correctly and accurately Artic Fox would have been in the top position.

Attorney Reese Serra representing 305 N. Euclid, LLC and accompanied by owner Brandon Dabish, believes that the scoring for 305 N. Euclid, LLC is improper and should be reversed. He implores the city to abandon this illegal process tonight and thinks it is a gest to avoid the violation of the Open Meetings Act. If the City reaffirms its prior decisions and does not issue additional licenses in excess to what it is contemplating this evening litigation is inevitable. Attorney Serra has participated in litigation in municipalities across the state for Open Meetings Act violations and some cases are still pending in the Court of Appeals in the Michigan Supreme Court. Attorney Serra implores the City to recalculate the initial scores, grant as many additional licenses as the City will reasonably accommodate to avoid litigation which is inevitable.

**MP-23-02. Motion to reenact the panel's deliberations and decisions.**

Motion made by Assistant City Attorney Burns, Seconded by Commissioner Graettinger, for the Marihuana Panel to reenactment pursuant to Section 10(5) of the Open Meetings Act MCL 15.275 to assess, evaluate, score, and rank each applicant and authorize the City's issuance for the marihuana license to those applications receiving the highest score pursuant to the City's Marihuana Establishment Ordinance and its Medical Marihuana Facilities Ordinance as amended.

Roll Call Vote

Voting Yea: Burns, Graettinger, Marsh

Motion carried.

**DELIBERATIONS REGARDING THE APPLICATIONS:**

City Manager Marsh announced the review, assess, and evaluate process will be in alphabetical order starting with BDE Warren. She reviewed each of the ten categories and the maximum available points. The panel provided their awarded points for each applicant and brief explanations per category. The following is the total score received by applicant:

<b>Licensing Applicants</b>	<b>Total Score</b>
BDE Warren: 32600 Stephenson Highway	164.80
Dia Holdings: 436/456 E. 14 Mile Road	175.67
Dispo Cannabis: 32371 Dequindre	188.67
JARS Cannabis (Artic Fox): 1031 12 Mile Road	183.86
Mood Cannabis (Bloom): 31100 Stephenson Highway	160.00
Quality Roots: 350 E. 14 Mile Road/32814 Groveland	193.67
Skye Extraction: 25615 Dequindre	182.33
The Reef: 26029 Dequindre	103.00

**MP-23-03. Motion to adopt scores and authorize the City's issuance of a marihuana license to the highest scoring license application for a license.**

Motion made by Assistant City Attorney Burns, Seconded by Commissioner Graettinger, to adopt these individual scores, the total scores and the ranking contained in the spreadsheet and authorize the City's issuance of a marihuana license to the highest scoring application Quality Roots at 193.67.

Roll Call Vote

Voting Yea: Burns, Graettinger, Marsh

Motion carried.

**ADJOURNMENT:**

Having no further business, the meeting was adjourned at 7:01p.m.

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Melissa R. Marsh  
City Manager

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Phommady A. Boucher  
Deputy City Clerk

	Scoring #1	Scoring #2	Scoring #3	Scoring #4	Scoring #5	Scoring #6	Scoring #7	Scoring #8	Scoring #9	Scoring #10	Total
BDE	9.33	9.33	15.67	15.00	29.13	19.33	7.67	40.00	9.33	10.00	<b>164.80</b>
rater 1	10	10	16	15	32.4	20	8	40.00	8.00	10.00	169.4
rater 2	8	8	14	15	27	18	8	40.00	10.00	10.00	158
rater 3	10	10	17	15	28	20	7	40.00	10.00	10.00	167
Dia Holdings	8.67	8.33	15.67	15.67	39.00	19.00	9.33	40.00	10.00	10.00	<b>175.67</b>
rater1	10	10	16	17	41	19	10	40.00	10.00	10.00	183
rater 2	8	7	16	15	36	18	9	40.00	10.00	10.00	169
rater 3	8	8	15	15	40	20	9	40.00	10.00	10.00	175
Dispo	8.67	9.33	15.67	19.33	47.00	19.33	9.33	40.00	10.00	10.00	<b>188.67</b>
rater 1	10	10	18	20	48	20	10	40.00	10.00	10.00	196
rater 2	8	8	14	18	45	18	9	40.00	10.00	10.00	180
rater 3	8	10	15	20	48	20	9	40.00	10.00	10.00	190
JARS Cannabis Co	10.00	9.33	16.00	20.00	39.87	19.33	9.33	40.00	10.00	10.00	<b>183.87</b>
rater 1	10	10	14	20	40.6	20	10	40.00	10.00	10.00	184.6
rater 2	10	8	17	20	39	18	9	40.00	10.00	10.00	181
rater 3	10	10	17	20	40	20	9	40.00	10.00	10.00	186
Bloom Capital (Mood Cannabis)	9.33	9.33	9.67	17.00	28.67	18.33	7.67	40.00	10.00	10.00	<b>160.00</b>
rater 1	10	10	10	17	34	20	8	40.00	10	10.00	169
rater 2	8	8	10	17	27	15	7	40.00	10.00	10.00	152
rater 3	10	10	9	17	25	20	8	40.00	10.00	10.00	159
Quality Roots	10	9.67	19.33	19.33	46.00	19.33	10.00	40.00	10.00	10.00	<b>193.67</b>
rater 1	10	10	20	20	48	20	10	40.00	10.00	10.00	198
rater 2	10	9	18	18	43	18	10	40.00	10.00	10.00	186
rater 3	10	10	20	20	47	20	10	40.00	10.00	10.00	197
Skye Extraction	7.67	10.00	16.67	19.00	40.00	19.33	9.67	40.00	10.00	10.00	<b>182.33</b>
rater 1	10	10	20	20	40	20	9	40.00	10.00	10.00	189
rater 2	7	10	15	17	40	18	10	40.00	10.00	10.00	177
rater 3	6	10	15	20	40	20	10	40.00	10.00	10.00	181
The Reef	4.67	9.33	8.00	15.67	15.67	14.67	5.00	10.00	10.00	10.00	<b>103.00</b>
rater 1	5	10	10	15	18	20	5	10	10	10	113
rater 2	4	8	7	15	11	14	5	10	10	10	94
rater 3	5	10	7	17	18	10	5	10	10	10	102