

DRAFT MINUTES**Whitewater Township Board
Minutes of Special Meeting held September 22, 2020****Call to Order**

Supervisor Popp called the meeting to order at 7:00 p.m. at the Whitewater Township Hall, 5777 Vinton Road, Williamsburg, Michigan, followed by the Pledge of Allegiance. The meeting was held outdoors due to COVID-19 executive orders.

Roll Call of Board Members

Board Members present in person: Treasurer Benak, Clerk Goss, Trustee Hubbell, Trustee Lawson, Popp

Board Members absent: None

Others present in person: Fire Chief Brandon Flynn and 14 others

Present via Zoom: Zoom Facilitator Lois MacLean, Zoning Administrator Bob Hall, Popp, and 9 others

Set/Adjust Meeting Agenda

Popp requested the addition of a bilateral permit for COLI and stated they need to get under way with construction and their ability to get in the road right of way closes November 1.

Discussion followed.

No adjustments were made.

Declaration of Conflict of Interest

None

Public Comment

Mike Jacobson, 7031 Skegemog Point Road, voiced that we should support the hemp industry and the farmers, detailed some of the items that can be made from hemp, and said he believes strongly it should be a part of what we are doing around here and we should support it as much as we can.

Agenda Items as Listed in Special Meeting Notice**Proposal for Partial Opt-In Ordinance to Permit Limited Adult Use Marijuana Grow and/or Processing Establishments**

Attorney Mike Corcoran, resident of the area since 1988, representing Chris, Brandon, and Janet Hubbell and Northpoint Farms since 2009, explained their proposal for a marijuana grow and processing facility and hemp processing facility in the township by Two Peninsulas, who is recreationally licensed by the state for both grow and processing, and Hemp Heaven of Michigan. The site is 8055 Angell Road, 10+ acres, completely fenced in, landscaped. The building was made for cherry processing and is perfectly suited for the use they are proposing. The cherry industry is not doing well. Hemp and cannabis are emerging industries in Michigan. This facility is the only site in the township in the agricultural district that could be up and running in four months, with the right physical improvements to the site, subject to site plan approval. He described the amenities of the building, what Hemp Heaven does, and said it is an

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investment for farmers to get into it and they have to know they can sell their stuff at the end of the year. He said Michigan is ready to take off in the hemp industry and needs a northern Michigan processing plant. Michigan City, Indiana, is the closest decent sized hemp processing. After talking to the township's zoning administrator about what would be needed, Corcoran drafted two ordinances. They are looking for the board to provide a positive vote. He suggested the board send the proposed ordinances to the township attorney. An amendment to the zoning ordinance would be needed, and he has drafted an overlay ordinance that consists of one property, the Angell Road location. Maybe the board will want to expand where this can happen in the future, but this is the only property that it is ready for now. They cannot sell the building as a fruit processing plant. He is asking for the board to support a general thumbs-up, generally opting in for one grow and one processor, and noted the hemp side of it will have to go through the special use permit process as well.

John Harvey, 9726 Londolyn Bluff, Old Mission, representing Two Peninsulas Holding, said he was born in Saginaw, moved here six years ago. He went to high school in Ohio, went to the University of Maryland. He provided his employment history and information about his partner. He described the growing and processing process they would use, and said the system is very well restricted by the Marijuana Regulatory Agency in Lansing and LARA. They have four Class C licenses, 6,000 plants in total, and one processing license. Every single plant has a metric tag which traces the plant from seed to sale. The state has access to the security system within the site and can turn on their cameras and see everything they are doing.

Corcoran and Harvey answered questions from the audience concerning the Marijuana Regulatory Agency's monitoring of security cameras.

Harvey continued and described that they are growing in soil, all LED, specially designed HVAC system. They are investing additional equipment into odor mitigation. Pictures taken recently at the facility downstate were presented, and he noted the footprint at the Hubbell site is very similar. No product is going to be sold in Whitewater Township. They have partnered with Corcoran and a dispensary group to buy everything they grow, and all those dispensaries are located outside of Whitewater Township. They are going to strictly be grow and process.

Corcoran was questioned about a lawsuit against Traverse City and said they are not involved.

Harvey said they cannot sell anything to a dispensary until it goes to a testing facility. They have partnered with a group that has built a testing facility in Traverse City.

Harvey also spoke on the issue of jobs and revenue. There will be close to 30 good-paying hourly jobs with benefits, with potential for a couple salaried jobs as well. Their preference is hiring within the community, and for repair and maintenance companies as well.

Corcoran described a potential doubling in value of the plant, which would increase the real estate property taxes by \$25,000 per year. There is some level of personal property taxes that will come back to the township. There would also be two fees to the township for the processor and grow, which is another \$10,000 yearly to the township for law enforcement. The licenses with the state, five licenses, the state gets about \$25,000 per license per year. Also, the entity

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would provide some kind of yearly donation to a nonprofit that would directly benefit the township.

Discussion followed which clarified the fees.

In response to a question from Popp, Corcoran clarified that Two Peninsulas would have one permit to grow at the site that would include four licenses with the state, 6,000 plants at the facility, and one processor license.

Harvey said in addition to the nonprofit commitment for Whitewater Township, part of their annual revenue will be contributed to Veterans in Crisis.org. He stated he appreciates the time invested and the special meeting being called. He described that their commitment is real, this is their first choice, they would love to come out here, they think the Hubbell site is the perfect fit for them. If they are not able to go forward with this, they are going to be building another site before the snow flies.

For the proposed jobs, specialized skills will not be needed. They intend to hire locally and provide training.

Dennis Dean, 8778 Carns Road, said he grew up here and is a 4th generation farmer. Last summer was the first year they grew hemp. They had 10,000 plants. They ended up hanging three barns three times with 10,000 plants for two weeks to let them dry. He did a presentation last year for 76 people at the Leelanau horticulture station. He said there is a lot of interest in growing, but no one wants to get in until we have a processor. Hemp Heaven said they would like to grow in this area. He talked about hempcrete, plastics, the CBD oil process, and said that is his interest in the facility.

There was brief discussion about the percentage of hemp testing hot, hemp being covered under the Right to Farm Act, no ordinance needed for Hemp Heaven, special use permit needed to do processing. Hemp Heaven does not want to come in unless they have a partner.

Dean said a lot of small farms could do well in this; you can make money with a couple acres of doing it. It is something a lot of people in the community could actually do, especially if there was a processor so you did not have to worry about hauling it somewhere downstate or out of state. You have to have a drier to dry all of your product immediately.

Harvey pointed out, in terms of the partnership, they want to give the CBD products access to the same dispensary group.

Dean said their hemp did not turn a profit last year, but they have some valuable things that are already in place that are paid for. He said their product tested well last year.

Don Bailey, retired from state police after 37 years, said he was on the Marijuana Facility Licensing Board which licensed medical marijuana facilities. He said he takes exception to the fact that the MRA has a rigorous process, and provided a few examples. He cautioned the board on having faith in what the MRA is doing. He said seed to sale can be defeated and is not

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effective. He said what you have to think about as a community is who is going to police this. He talked about lawsuits that communities are facing.

Corcoran responded to several of Bailey's comments and said it all can be addressed at the next level of this process.

Harvey responded as well to Bailey's comments, detailing what they have invested and the steps they have taken to get to this point.

Bob Ziecina, 6951 Cook Road, said he has lived in the community for 23 years, works in law enforcement, and doesn't know a better expert when it comes to marijuana. He asked Mr. Bailey to come to the meeting. He works out of the Kalkaska County area and has seen all of the problems associated with what is going on in Kalkaska. He said he is completely against it.

Daniel Till, 7746 Hoiles, property owner of Whitewater Township, head of business development for Green Pharm, with dispensaries in Kalkaska and Traverse City, expressed concerns about encouraging farmers to grow hemp when the price of hemp nationwide is dropping. He recommends not limiting to one site; why not open it up to more cultivation licenses and processing licenses. It is easier to make money farming THC, and said the MRA does a good job of regulating the THC market. If you gave farmers the opportunity to cultivate in greenhouses and indoor facilities, you would not have the problem of illicit black market cannabis being cultivated because every square inch of these facilities is under surveillance. More facilities would create more jobs. He commented on the lawsuits in Traverse City.

There was brief general discussion of the lawsuit issue, as well as price variations of hemp.

Zoning Administrator Bob Hall said he is hearing both medical marijuana and adult use marijuana. The medical marijuana would also have to be opted in to because when that legislation was written, if you remained silent, you were automatically out of it. The adult use marijuana must be opted in to as well, and he does not believe the township will be partially opting in. He believes the township has the ability to opt in and then control what types of adult uses you want in Whitewater Township under the legislation. Regarding hemp, he said the Michigan Department of Agriculture and Rural Development does regulate hemp. When it comes to processing, it is a gray area. They do not believe it has Right to Farm Act protection because it is not considered a lawful farm crop that has a set of GAAMPs to regulate it. Lastly, he asked the township board to go back to the basic roots of planning and zoning. Applicants are here this evening requesting you to opt in to something that is ultimately going to require amending the zoning ordinance. He said the zoning ordinance clearly spells out a process in which it is amended, and reminded the township board to remember where that financial burden should lie.

Chris Hubbell said he does not think anybody is trying to lead any farmer down a wild goose chase. Any farmer that is any kind of businessman is not going to plant hemp or do anything without a contract today.

Brief general discussion followed.

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Popp said he believes it is a Pandora's box, and if we limit the licenses and we dictate what address and who can have a license, we are opening ourselves up. He raised other issues of having a lottery or a way to grade applicants, anybody can start a lawsuit against anyone, betting the farm on an emerging market, imports, dollars it will bring into the township through investments, not all tax exempt, where does the township get the money for the legal defenses.

Benak does not think the township is in it to make a profit. She is looking at: Is this a viable crop? Is this a viable business for Whitewater Township that is going to benefit our farmers in this area? Yes, and bring local, good paying jobs to our area. She said she looks at this as an opportunity. They have been out there for a couple years now and have worked out a lot of the kinks. We agreed to opt out because it was so new, the rules were changing every day. They have had a couple years to get the rules down. She is not worried about being sued if we only allow so many. Other townships are doing the same thing and not being sued. As far as dispensaries, we are not talking about having any dispensaries in our township. We are an agricultural community; this is an agricultural crop. Large majority of our business owners are farmers. She wants to be sure that if we vote to opt in, that the companies that are proposing to be here actually make the commitment to actually go forward with the process. She said she does not want to open this up and have a bunch of downstaters come in because these guys back out because our process takes way too long. If we decide to opt in, we should not be dragging our feet on it. We should be moving forward with our attorneys at a steady pace to get this done, if we decide to do this as a board.

Hubbell said it is no secret he is a farmer. He thinks the people who spoke, spoke very eloquently but thinks we ought to leave it up to the farmer if they want to bet their farm. He said he bets his farm every day. This is another commodity that maybe he could grow to help offset some of the others. It may not be the best growing place right here for it, but there are other ways to grow it. He has researched it himself. He said he agrees with Benak's statements that we should support our agricultural community here because, if not, we are going to turn into something like Chums Corners. He said his son is a 4th generation farmer, and he (Hubbell) has made a commitment to keep his farm in farmland the rest of his life. He would like to have an opportunity to see other farmers be able to do this, another way to grow something else instead of just cherries, apples, peaches and plums, because it isn't making it, and neither is corn or soybeans. He said there are some things we need to work on, but he thinks we would be missing the boat if we don't pass this tonight.

Lawson said he thinks it is a good fit for our township. It is an agriculture base. That is what we are; it is the primary function of our township. It is repurposing existing buildings and properties to stay in the agricultural business and not be torn down or sit vacant. He said he thinks the economic start to increase our economic base based on what they are doing is a wonderful thing. It is a starting point. We can do a partial opt in, allow them, and learn as we go. He said he thinks it is a good thing and he is in support of it.

Goss pointed out that Whitewater Township is the biggest township geographically in Grand Traverse County. We have a lot of land in the township, but there is not a lot of business here. There are not a lot of places for people to get jobs. She said she likes the jobs part of it, the fact

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that the building is very remotely located in the township, and would not like to see the proposed building fall into disrepair because no one will invest in it. She likes the hemp part of it because there are a lot of things that can be made from it. We don't know what other kinds of businesses might grow out of the fact that hemp is being processed locally. She said she understands Ziecina's concern about policing it. She likes the fact that none of the THC products are going to be sold in Whitewater Township. She thinks we ought to partially allow it, perhaps also in the industrial. When medical marijuana was going on, we had a gentleman who came to board meetings and he wanted the township to allow the medical marijuana because he has a building in the industrial zone that he wanted to do something in. She also said she does not want to be seen as we did it for Chris Hubbell and just to benefit one person. In her opinion, the township can restrict where it can go, but she does not want to say we can only have one and this is the person that can do it. She noted a lot of things have changed with the cherry industry. This is an agricultural community, and part of the board's mission statement is to maintain the agricultural community. No one can argue with the fact that this is a crop. Unless people want to see the farmers sell all their land and a bunch of subdivisions pop up, they need a crop they can grow and sustain their families' income. She said she is in favor of approaching the township attorney about trying to come up with language that we can partially opt in.

Discussion followed regarding:

- Just because it is not sold here doesn't mean it won't be used here.
- Should the agricultural, industrial, and commercial zones be included.
- The township's medical marijuana survey.
- Popp's suggestion to drop the word "partial."

Motion by Lawson for a partial opt-in ordinance to be developed by the attorney's office so we can continue to move forward with this process; second by Popp.

Discussion followed.

The words "for grow and process licenses" were added to the motion. The word "partial" will remain in the motion.

Popp again seconded the motion.

Roll call vote: Benak, yes; Goss, yes; Hubbell, yes; Lawson, yes; Popp, yes. Motion carried.

Board Comments/Discussion

Hubbell said he concurs that time is of the essence; we need to move this along.

Goss said maybe the attorney can have something by the 10/13 meeting.

Public Comment

Tim Shaffer, 5309 Moore Road, commented on the history of this township of tobacco, alcohol. Now we are working with drugs, marijuana and hemp. Hemp has been something used by people since the time of Jesus and before. He wishes we had some speakers out here so

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everybody could hear better what is being said. We need more community interaction. Knowing the special meeting was coming, he thinks a representative of our attorney should have been here.

Bob Ziecina, 6951 Cook, said he is not opposed to farming at all, has livestock on his property, they love the farmers. In the occupation that he is in, it is what he sees that comes along with a lot of these industries. He moved to this area because he likes that there is not a McDonald's on every corner or fast-food restaurants. Completely opposed to the porn shop going in but apparently missed that meeting. He likes the community the way it is. He is concerned about paying more taxes because the township gets sued. He wants to make sure it is done right and everybody in the community knows. He was opposed to the legalization of marijuana. He wants to make sure it is an informed decision and that everybody knows what they are signing up for.

Dylan Thompson said he was invited by Weston and is one of the owners of the hydroponic store in Acme. If we miss the boat on this, there are a lot of opportunities for our community that we are going to lose out on. He sees a lot of what is going on in Traverse City and Kalkaska and they are moving very fast with this. If we drag our feet, we are going to miss the boat. He feels there are opportunities further than just the hemp and the recreational growing.

Brandon Hubbell, 8365 Park Road, wants to know who is going to work on these draft ordinances with the township attorney and what is going to be done to expedite the process.

Heidi Vollmuth, 8833 Winnie Lane, provided some facts about hemp. She says we change our mind and take the risk, but we still have a few questions about attorneys being present at proper times.

All those present via Zoom declined public comment with the exception of the following:

Popp read a comment from Corrine Prabhaker, who stated the audio has been difficult to follow, and what is the survey from 2009.

There was brief board discussion about whether to respond to questions.

Jacobson (in person) said he would reiterate what everybody said about expediting the process. The idea they are bringing to us is great for our community. We do not want to drag our feet and let this slip through our hands.

Adjournment

Motion by Hubbell to adjourn; second by Lawson. Meeting adjourned at 9:15 p.m.

Respectfully submitted,

Cheryl A. Goss
Whitewater Township Clerk