

NOTICE: IN ORDER TO FACILITATE REMOTE ELECTRONIC PARTICIPATION FOR THE 09/22/2020 TOWNSHIP BOARD SPECIAL MEETING, A ZOOM MEETING HAS BEEN SCHEDULED. **TOWNSHIP RESIDENTS/PROPERTY OWNERS AND OTHER INTERESTED PARTIES ARE INVITED TO ATTEND.** INSTRUCTIONS FOR CONNECTING TO THE MEETING APPEAR BELOW. INSTRUCTIONS FOR PARTICIPATING IN THE MEETING WILL BE ANNOUNED BY THE MEETING MODERATOR.

Topic: Township Board Special Meeting

Time: Sep 22, 2020 07:00 PM Eastern Time (US and Canada)

Join Zoom Meeting

<https://zoom.us/j/93453382954?pwd=V3NmKzZWQXZjVW1leEE2clVnSzNPdz09>

Meeting ID: 934 5338 2954

Passcode: 628476

One tap mobile

+16465588656,,93453382954#,,,,,0#,,628476# US (New York)

+13017158592,,93453382954#,,,,,0#,,628476# US (Germantown)

Dial by your location

+1 646 558 8656 US (New York)

+1 301 715 8592 US (Germantown)

+1 312 626 6799 US (Chicago)

+1 669 900 9128 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

Meeting ID: 934 5338 2954

Passcode: 628476

Find your local number: <https://zoom.us/u/afIGtpyHP>

Contact Information for Board Members:

Supervisor Ron Popp – 231-267-5141 x23 supervisor@whitewatertownship.org

Clerk Cheryl Goss – 231-267-5141 x24 clerk@whitewatertownship.org

Treasurer Ardella Benak – 231-267-5141 x22 treasurer@whitewatertownship.org

Trustee Paul Hubbell – 231-267-5141 trustee02@whitewatertownship.org

Trustee Lloyd Lawson – 231-267-5141 trustee01@whitewatertownship.org

Whitewater Township will provide necessary reasonable auxiliary aids and services to individuals with disabilities upon reasonable advance notice. Contact the township clerk at 231-267-5141 or the TDD at 800-649-3777.

WHITEWATER TOWNSHIP BOARD

Agenda for Special Meeting – September 22, 2020

7:00 p.m. at the Whitewater Township Hall (OUTSIDE AND VIA ZOOM)

5777 Vinton Road, Williamsburg, MI 49690

Please silence your electronic devices.

A. Call to Order

B. Roll Call of Board Members

C. Set/Adjust Meeting Agenda

D. Declaration of Conflict of Interest

E. Public Comment

Any person shall be permitted to address a meeting of the township board. Public comment shall be carried out in accordance with following board rules and procedures:

1. Comments shall be directed to the board, with questions directed to the chair.
2. Any person wishing to address the board shall speak from the lectern and state his or her name and address.
3. Persons may address the board on matters that are relevant to township government issues.
4. No person shall be allowed to speak more than once on the same matter, excluding the time needed to answer board members' questions. The chair shall control the amount of time each person shall be allowed to speak, which shall not exceed five (5) minutes.
5. In order to avoid unscheduled debates, the board generally will not comment or respond to presenters. Silence or non-response from the board should not be interpreted as disinterest or disagreement by the board.

F. Agenda Items as Listed in Special Meeting Notice

1. Proposal for Partial Opt-In Ordinance to Permit Limited Adult Use Marijuana Grow and/or Processing Establishments

G. Board Comments/Discussion

H. Public Comment

I. Adjournment

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9/8/2020

September 8, 2020

Dear Township Board:

Since I addressed the Board last month and following my letter in August, my Client and the representative of the Proposed Grow/Processing Operation had a chance to sit down with your Zoning Administrator, Robert Hall. We appreciated the chance to discuss the project and the procedure that would be required of the Township to approve such a project. Mr. Hall, who is clearly as well versed and experienced in this area as anyone suggested and I agreed with Bob that the Township Board would need to pass an Ordinance partially opting in followed by an Amendment to your Zoning Ordinance if the Opt.-In Ordinance passed. Accordingly, I have simplified the Proposed Partial Opt. as attached hereto.

The Ordinance attached removes the Zoning Aspects of the Ordinance that I had originally included and adds language that Implementation would be conditioned on the passage of an Amendment to the Zoning Ordinance to govern the issue. Set forth below is a brief background along with points favoring the Township Board's decision to pass the partial Opt.-In Ordinance or something similar.

1. Background

My Firm has represented Northpoint Farms located at 8055 Angel Road since the days that it was Cherry Blossom and was processing cherries. As you may recall, the processing of cherries at that facility became very tough due to the inability to dispose of waste as a result of various DEQ contamination issues with the property that did impact neighbors. The environmental issues were resolved over a decade ago with neighbors and the DEQ and Northpoint continues to maintain monitoring wells throughout the property in accordance with the DEQ's Final Order.

In 2009, Cherry Blossom, facing the DEQ issues and significant financial issues related to its financial relationship with Sensient Flavors coupled with the economic downturn was facing bankruptcy. It ceased operations and eventually filed a Chapter 7. Northpoint, an entity owned by Brandon Hubbell was able to repurchase the Plant as part of a cooperative work-out sale and that entity has been simply receiving and pitting, storage in brine pits and selling tart and sweet cherries domestically and internationally ever since. The problem is that the U.S. domestic cherry market is now down to essentially one buyer and the international market only becomes an option when there is a bad crop in Turkey, Chile or some other country that grows cherries. The result is that Northpoint has scaled back its operations and does not need the Plant to continue to pit and sell its own cherries from the 400 to 500 acres under its control. What was once a multi-billion-dollar industry is now down to \$800 Million per year. Meanwhile, cannabis will gross well over a billion dollars this year with significant growth expected. Also, industrial hemp is on the rise as well in the U.S., especially when the FDA allows CBD in food products which is expected soon.

The Plant was previously approved by the Township when it was built in the early 2000s, and the facility received a Special Land Use Permit to Store Boats in the second smaller building on site in 1999. During the last 2 years the Plant has been for sale. Bob Brick is the listing agent. Bob will be at the meeting to tell the Board that the Plant, in his opinion, will never be used for Cherries or Fruit again. Bob assisted in putting the proposed use before this Board and can further speak to the fact that this proposal is the highest and best use of the property.

2. Proposed Cannabis Grow/Processing and Hemp Processing Plant:

Northpoint has a signed Letter of Intent to Lease with an Option to Purchase the former Cherry Processing Building and part of the acreage with Two Peninsulas Holding Company LLC that is Permitted for Adult Use Recreational Marijuana Grow and Processing/Extraction with the State of Michigan Marijuana Regulatory Commission. Two Peninsula's has four Class C 1500 Plant State Recreational Grow Licenses and One Processing License. It is looking for a home in the greater Traverse City Area. When up and running, the grow and processing would employ over 20 full-time, well-paid local workers and several part-time workers depending on demand.

Two Peninsulas owner's resumes and references are available upon request. Both principals have worked exclusively inside of corporate America. Two Peninsulas intends to hire staff locally. Two Peninsulas intends to utilize local vendors and suppliers for all repair and maintenance work at the site. Two Peninsulas intends to sell all product lines to Michigan Licensed Dispensaries outside of Whitewater Township.

b. Hemp Heaven of Michigan LLC:

Two Peninsulas has also executed a LOI to Lease part of the Plant to Hemp Heaven Michigan LLC, which is an entity mostly owned by Hemp Heaven of Wisconsin. Hemp Heaven is an entity that controls over 1000 acres of Hemp Farms, has its own Processing Plant in Milwaukee, and has its own Hemp Heaven Branded products. It is owned by the Bushman family that owns Bushman's Farms, one of the largest potato farmers east of the Mississippi. They also grow the most ginseng in North America.

Hemp Heaven has been looking around NW Michigan for a home for a proposed Processing Plant. The Northpoint facility is perfect except it is much larger than what is needed for the extraction of hemp to crude. Mr. Derrick Bushman loves the potential for Hemp Farming in this region due to climate and due to the fact that the Cherry Farmers and Dairy Farms are in need of another cash crop that will allow them to stay in farming.

In terms of the processed hemp, 100% will be used by Hemp Heaven of Wisconsin which will own part of Hemp Heaven of Michigan LLC. Farmers in the State of Michigan currently have limited Hemp Processing options which has been a huge detriment for farmers in this area to commit to converting part of their land to Hemp. Having a company investing \$3 to \$4 million to have the necessary extraction equipment will end up providing a major benefit to Farmers in and around the Township. A farmer can expect to receive a net of \$15,000 or more per acre of Hemp which is considerably more than most make currently on cherries or corn or soybeans as an example.

c. Employment, Tax Base, Local Fees and Donations to local township directed charity.

The two entities, when up and fully functional are expected to employ more than 30 well-paid full-time employees plus seasonal part as well as full-time employees. The Biomass and Crude produced by the Marijuana Grow and Processor will be 100% sold out of the township to my Client Fresh Coast Provisioning LLC, a locally owned entity that will have five plus dispensaries in NW Lower Michigan and the UP in the next six months.

The two proposed uses for the Property are both necessary to make the proposed Lease/Option and Sub-Lease to move forward. Approving such an Ordinance or one similar will provide significant financial benefit to the Township in the form of increased real and personal property taxes to the

Township. Both operations intend to put \$3-\$4 million dollars of personal property improvements to the property. The Structure itself will likely get a new roof and other minor improvements. At present, the value of the property should be decreasing every year due to the fact that there are no other uses that appear to be plausible at this point. In fact, Northpoint itself will be moving its pitting and receiving to other property since it only handles a fraction of what it used to handle. Without that use, the property becomes equal to park land in terms of value.

Finally, the State Law would allow \$6,000 per permit allowed (2 in this case) per year to the Township to aid in enforcement etc. In addition, the law allows a municipality to set other requirements such as a donation to local charity directed by the township. In this case, the Grow/Processing entity suggests a \$10,000 yearly donation to a charity to be set up for the Township's Parks or some other-directed charity.

1. Grand Traverse Band will be Opening Grow and Dispensary in Whitewater:

Another factor that this Board should be aware of is that the Tribe is going to open a dispensary with a large retail operator and potentially its own grow location in your Township. As you may know, many tribes in the state have already started down this path and a local municipality has nothing it can do to stop it. More importantly is that the Township does not receive any financial boost from the Tribe for this. In other words, cannabis is going to happen in the Township and the Board should not miss the potential financial benefits while it has time to control the way it is to be conducted. In terms of this proposal, the parties do not have time to wait until February for the Township to take the question up again. By that time, Two Peninsulas will move on to another project in another municipality that is willing to work with it to benefit all parties.

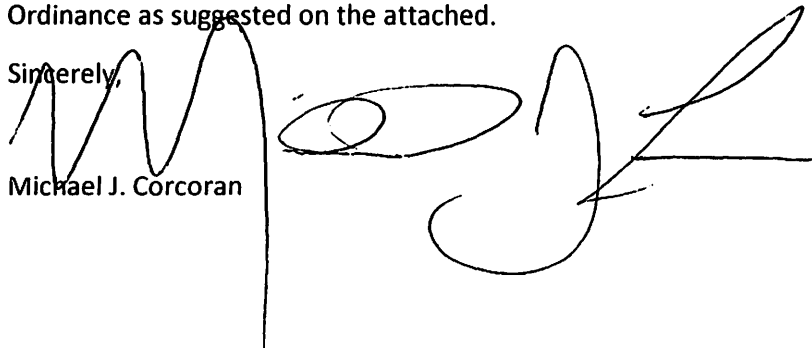
2. Conclusion

Based on the above, there are overwhelming reasons to support the Board to pass a resolution partially opting in so that this project could proceed, subject to a zoning amendment as discussed. Two Peninsula's LLC is already State Licensed, is locally owned and controlled and has a LOI for a Supply Agreement to sell 100% of its products to a locally owned retailer Fresh Coast. It will invest millions in equipment and improvements to the property. Hemp Heaven will likewise invest millions and more importantly, will give local farms another highly lucrative crop to grow now that a processor will be close by their crop. Both entities will employ over 30 well-paid workers and several seasonal workers. Finally, the Township will receive \$12,000 per year for enforcement, \$10,000 per year to a township directed charity (e.g., Whitewater Parks LLC). Finally, given the fact that the Tribe will be conducting these activities in the Township, good government would dictate that the Township not lose out on the financial benefits that a limited opt. in would bring in this case.

The purpose of this Letter is to request that the board take the step of passing a partial Opt.-In Ordinance as suggested on the attached.

Sincerely,

Michael J. Corcoran

A large, stylized handwritten signature in black ink, appearing to read 'Michael J. Corcoran', is written over the typed name and extends across the page.

WHITEWATER TOWNSHIP, COUNTY OF GRAND TRAVERSE, STATE OF MICHIGAN

ORDINANCE NO.

ADOPTED: _____

EFFECTIVE: _____

**ORDINANCE TO PARTIALLY REPEAL AND AMEND WHITEWATER TOWNSHIP ORDINANCE ADOPTED
DATE: _____ EFFECTIVE DATE: _____ TO PERMIT LIMITED ADULT USE MARIJUANA
GROW AND /OR PROCESSING ESTABLISHMENTS**

An ordinance to provide a title for the ordinance; to define words; to authorize the operation of and provide regulations for limited allowance of recreational (adult use) grow and processing establishments in the Whitewater Township pursuant to Michigan Regulation and Taxation of Marihuana Act, Initiated Law 1 of 2018, MCL 333.27951, as may be amended; to provide annual fee; to provide penalties for violation of this ordinance; to provide for severability; to limited repeal all ordinances or parts of ordinances in conflict therewith and to provide an effective date.

**WHITEWATER TOWNSHIP, COUNTY OF GRAND TRAVERSE, STATE OF MICHIGAN ORDAINS:
SECTION I TITLE**

This ordinance shall be known as and may be cited as the Whitewater Township's limited Recreational (Adult Use) Marihuana Establishment Ordinance.

SECTION II PURPOSE

The purpose of the ordinance is to regulate and limit recreational (adult use) marihuana establishments in the Township in order to protect the public health, safety and general welfare of the Township's residents, to provide reasonable regulations regarding Township licensing of recreational (adult use) marihuana establishments, to provide a method to defray administrative costs of such establishments and to coordinate Township regulations and license approval with laws and regulations enacted by the State of Michigan. It is not the intent of this Ordinance to restrict or abrogate the protections for recreational (adult use) marihuana found in the Michigan Regulation and Taxation of Marihuana Act, Initiated Law 1 of 2018, MCL 333.27951, et seq., as may be amended.

SECTION III DEFINITIONS

Words used herein shall have the definitions as provided for in Initiated Law 1 of 2018, MCL 333.27951, et seq., as may be amended.

SECTION IV RECREATIONAL (ADULT USE) MARIHUANA ESTABLISHMENTS

The following recreational (adult use) marihuana establishments may be authorized to operate within the Township by the holder of a state operating license, and the Township may issue a Township license for the same, subject to compliance with Initiated Law 1 of 2018, as may be amended, the Rules promulgated thereunder and this ordinance:

1. Not more than three (3) growers shall be authorized in the Township, which number may include Class A, B or C growers, in any combination. Grower licensees will be allowed to operate within

Industrial or Agricultural sections of the Township only and shall be subject to Special Land Use Approval or Amendment of an Existing Land Use Permit by the Township Board.

2. Not more than two (2) processors shall be authorized in the Township. Processor licensees will be allowed to operate within Industrial or Agricultural sections of the township subject to Special Land Use Approval or Amendment to an existing Land use Permit.

NO other Recreational (Adult Use) Marihuana Establishments shall be permitted in the Township as is set forth in the **WHITEWATER TOWNSHIP ORDINANCE _____ ADOPTED DATE: _____ EFFECTIVE DATE: _____**, which except for the provisions of this Ordinance, remains in full force and affect. Further, implementation of this Ordinance shall be subject to the Township's passage of an Amended to its' Zoning Ordinance to govern the application procedure, specifics of land-use conditions for permits, fees and penalties for violations of the Ordinance.

SECTION XI PARTIAL REPEAL

THIS ORDINANCE PARTIALLY REPEALS AND AMENDS WHITEWATER TOWNSHIP ORDINANCE NO. _____ ADOPTED DATE: _____ EFFECTIVE DATE: 02-02-2019 TO PERMIT LIMITED ADULT USE MARIJUANA GROW AND /OR PROCESSING ESTABLISHMENTS

SECTION XII EFFECTIVE DATE

This ordinance shall take effect on _____ 2020.

9/8/2020



TWO PENINSULAS
HOLDING COMPANY, LLC

Whitewater Township Revenue/Charitable Contributions:

\$25,000.00 Per Year in Annual License Fees.

A municipality may charge an annual fee of up to \$5,000 per licensee. A facility and all articles of property in that facility are subject to examination at any time by local and state police departments.

\$10,000.00 Annual Contribution.

Toward a Whitewater Township 501C3 Organization.

Employment Numbers (Full Capacity)

10 Positions - Cloning/Transplant/Thinning

Rate of \$15.00 – \$20.00 hr.

10 Positions - Bucking/Hanging/Drying/Trimming

Rate of \$15.00 - \$20.00 hr.

3 Positions - Packaging

Rate of \$15.00 hr.

3 Positions - Processing

1 Lead Processor (Annual Salary \$100,000.00)

2 Assistant Processors \$15.00 - \$20.00 hr.

2 Positions - Janitorial Staff

Rate of \$12.00 hr.

We will utilize local vendors and suppliers for our maintenance and repair needs.

John H. Harvey, COO

C 989.293.3563

jhh@twopensllc.com