

LOWELL CITY COUNCIL
MEMORANDUM



DATE: January 14, 2022

TO: Mayor DeVore and the City Council

FROM: Michael T. Burns, City Manager MD

RE: Friday Memo

Attached to the Friday memo are the following:

- Agenda for the Tuesday January 18, 2022 Planning Commission meeting
- January 11, 2022 Bridge Michigan article on Michigan \$1 Billion economic development fund
- January 11, 2022 WXYZ TV article on Lume Cannabis grow facility in Evart
- January 12, 2022 Detroit News article on MSU study finding racial disparities in Michigan State Police traffic stops

This week I have been dealing with our share of COVID-19 issues. Our staff has been dealing with this personally. It hasn't reached the pinnacle of drastically impacting service. However, I spent a lot of time with employee issues pertaining to this. This week, I partnered with the Fire Department and Light and Power to purchase a case of rapid tests for all staff. So in the event there is an issue, an employee can at least take a rapid test to help determine if there may be an issue.

I have also had a few meetings this week regarding moving employees to a self-funded health insurance option. Charlie and I met with one entity about this option. This really is making a lot of sense for the City to consider and move ahead on. Also, I may have the option of moving the retirees into another plan that could be of benefit to the City. Next week, we are meeting with the West Michigan Health Insurance Pool. This happens to be the plan my family is enrolled in. I am in the process of obtaining quotes from a few different options regarding this. Once I have more information, I will bring this to the employees and to Council to be more informed with it.

Wednesday, I met with Travis Alden, the Community Development Director for the Right Place. I gave him an update on some of the things we have going on in Lowell. He asked if there were any properties that may be available and I obviously informed him of the Rollaway Bldg.

Additionally this week, I had Peter Haefner review our financial information to make sure the revenue loss formulas are correct for the funds we received from the American Recovery Plan. He made some modifications for us but it doesn't appear that there will be issues to using the funds in the matter I have recommended.

I mentioned last week regarding an update on the trail to be presented at the City Council meeting on Tuesday. This will be moved to the first meeting in February. I am also looking at presenting the Fairground future use study at the second meeting in February.

Today, I will be having lunch with City Attorney Emeritus Dick Wendt. I am sure our discussion will probably revolve around the Packers.

This is all I have. Have a good weekend and I will see you on **Tuesday evening**.

An inside look at Lume Cannabis Co., the top marijuana producer in Michigan and the country

Adult-use marijuana has become a big business in the State of Michigan. And December proved to be a record month -- with sales topping \$135 million.

By: [Dave LewAllen](#)

Posted at 6:24 PM, Jan 11, 2022

and last updated 6:24 PM, Jan 11, 2022

EVART, Mich. (WXYZ) — Adult-use marijuana has become a big business in the State of Michigan. And December proved to be a record month -- with sales topping \$135 million.

We have an exclusive look inside Lume cannabis, the fast-growing company that is the largest single-state operator in the country.

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On a snowy December day, we made the trip to the small town of Evart, in central Michigan, to visit the cultivation center for [Lume cannabis](#).

The company's rapid growth is demonstrated through its expansion in this industrial park. A state-of-the-art facility now connects to Lume's original building – increasing the grow operation to 250,000 square feet.

“All the employees here get medical-grade scrubs,” said Kevin Kuethe.

Kevin Kuethe is Lume's Chief Cultivation Officer and our guide through the facility.

Strict safety measures are in place for all employees and visitors.

An air shower is mandatory before entering the grow hallways to remove any potentially harmful particles from clothing. Hairnets and face masks are also required in the grow hallways.

"We want everyone to go through that same protocol of cleanliness really to protect the bio-security to increase our chances of having more passed tests and a higher quality product," Kuethe.

As we quickly discovered, the science of growing and cultivating cannabis is incredibly involved and strictly controlled. Plant growth here starts hydroponically. As plants grow, they move from room to room.

"All of these rooms down our corridor are flower rooms, so as the plant moves sequentially through its life, it will change the photoperiod, as it gets older," Kuethe.

Initially, that means the LED lights in these rooms are on for 18 hours and off for six as the plants begin to grow.

"Constant vegetative growth in here. And all of these mother plants came from our tissue culture stock," said Kuethe.

Cloning and planting is next. That takes about five weeks – then the plants go into what is called flower -- with a 9-week cycle of growth.

"This is a big room," said LewAllen.

“It’s a big room, they’re all the same size, over a thousand plants in here,” said Kuethe.

Kuethe tells me they harvest approximately 2000 plants every week.

“With 20 grow rooms, and what your harvest here, on these cycles, what you presently have, is still not enough for demand?” asked LewAllen.

“Not even close,” said Kuethe.

That’s why a third expansion of this facility is already in the works. Kuethe also has plans to increase Lume’s outdoor grow farm in 2022.

The product demand is fueled by the company’s extensive retail operation. 30 stores – across the state are open for business now – with more to come.

“Lume’s goal is to be at 100 retail stores by the end of 2024, right, and to be able to have our own support and infrastructure to cultivate flower ourselves to feed all those stores is a tall task,” said Kuethe.

At the end of flower cycle, plants are cut and hung to dry, for 7 to 10 days. Buds are then cut from the stalks and they cure in in barrels before being trimmed – tested by the state for quality – and packaged and shipped for the retail market.

The private investors behind Lume have already put \$70 million into this facility. More millions are being spent to build out the retail side of the operation.

This newly legalized and regulated industry is generating significant tax revenue for the state – and in the case of Lume – also bringing jobs to small-town Evert.

“We’re close to 400 employees just here at our indoor facility and we’re looking at adding another 150 or so,” said Kuethe. “So it’s a big increase for a town with a population well under 2,000 people, it’s a significant piece.”

Legalized marijuana is also generating a huge windfall for the state. For 2021 -- the state collected nearly a quarter-billion dollars in tax revenue from marijuana sales.

More than half of that total is then split up between local governments, schools, and roads.



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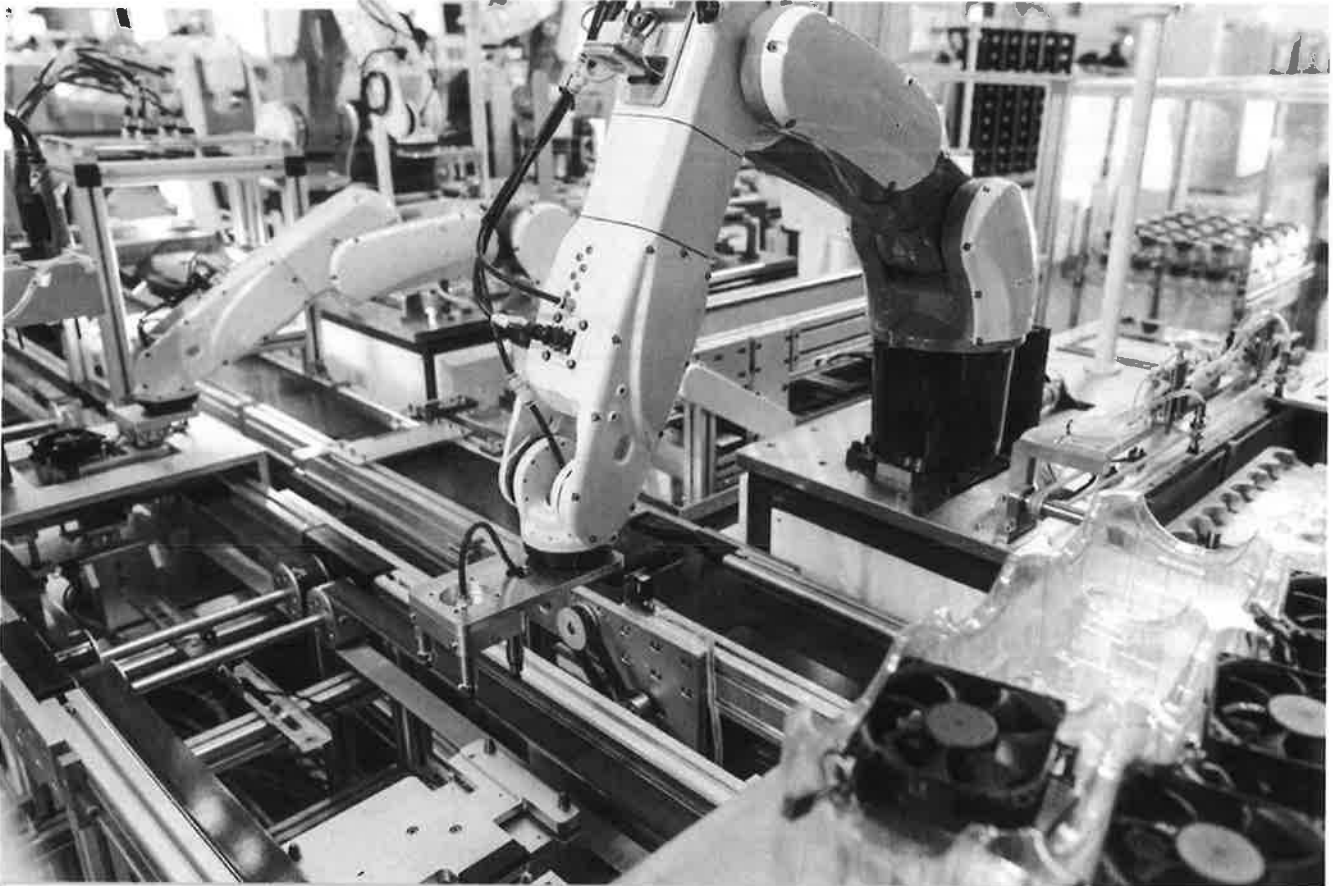


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Business Watch

Michigan awaits 'new era' of economic development as \$1B fund takes shape



Both advanced manufacturing and logistics firms are finding a shortage of available industrial space — and new incentives from Michigan may help speed development time. (Shutterstock photo)

 **January 11, 2022**

 **Paula Gardner**

 **Business Watch**

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Business Watch

Michigan awaits 'new era' of economic development as \$1B fund takes shape



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Michigan officials are putting the finishing touches on a new \$1 billion pool of funding they hope will bring new business investment and “transformational projects” to the

state.

One effort, the Critical Industry Program, will allow the state to provide grants, loans or other incentives to target major projects that spur significant job growth and spin-off investment.

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The other, the Strategic Site Readiness Program, will pay to clear property for construction of manufacturing facilities. Sites can either be public or private, and can include “mega” sites of hundreds of acres.

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- **Another real estate shortage: Grand Rapids running out of industrial space**
- **'This is it': Michigan nears giant tax incentive to lure GM, manufacturers**

“This is a new era for how we approach economic development,” said Maureen Krauss, CEO of the Detroit Regional Partnership, which represents 11 counties in southeast Michigan.

Tuesday's unanimous vote came from the Michigan Strategic Fund board, which makes many of the funding decisions for the state's economic development programs.

The incentives were created after state officials — smarting from Ford Motor Co. choosing Tennessee and Kentucky for a combined \$11 billion advanced manufacturing investment — learned that General Motors was considering property just west of Lansing for its third electric vehicle battery production site.

GM has yet to make an announcement on whether it will build the factory in Delta Township, but in the meantime state officials are moving fast to line up the processes they say they need to streamline business recruitment.

The Legislature approved the bipartisan Strategic Outreach and Attraction Reserve (SOAR) legislation that created the \$1 billion fund in mid-December. Gov. Gretchen Whitmer approved it shortly thereafter.

Besides the \$1 billion funding for the incentives, the Michigan Public Service Commission in December gave approval to the state's largest utilities to pursue

industrial development rates to large-scale users in an effort to entice battery plants.

Tuesday's approval "will support our ability to attract highly competitive projects," said Quentin Messer Jr., CEO of the Michigan Economic Development Corp., the public-private partnership focused on job creation in the state.

The benefit to residents, he said, is new and retained jobs that pay above-average wages. The programs also should result in "billions of dollars in investment in communities throughout the state."

The state will consider a host of factors for companies applying for the assistance, including whether it receives tax credits and the size, scope, feasibility and sustainability of the project. There is no dollar limit for what a single project can be awarded, the MEDC told Bridge Michigan.

Krauss said the industrial market is under pressure, as many older buildings are obsolete for newer projects that require high amounts of electricity to run high-tech equipment and "clean-room" features.

"There is really a shortage of buildings in certain areas," she said. "We don't have a lot of good, usable industrial buildings just sitting around."

A survey from Colliers International at the end of the third quarter of 2021 showed that businesses were moving into existing buildings in metro Detroit at a near-record pace, filling at least 8.3 million square feet.

Another 8.6 million square feet of space was under construction, Colliers reported, with developers scrambling to finish it. Yet the overall vacancy rate on the overall market of about 650 million square feet was 4.4 percent.

The situation in west Michigan is similar, according to brokers at Advantage Commercial Real Estate, with little to no available space for industrial expansion.

Krauss said her 11-county group has seen the need to streamline building efforts for industrial space — which can include factories, logistics centers and other non-office or retail business uses — over the past few years, as the glut that accumulated during the Great Recession was filled and new construction didn't catch up.

Among the hurdles are the costs of site preparation, including road construction and grading and environmental assessment, that can make construction too expensive and give companies second thoughts, Krauss said.

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Krauss said the Detroit Regional Partnership this spring will launch the Verified Industrial Program to allow developers and prospective businesses to shop from a bank of shovel-ready listings. Costs of those assessments could be future uses for the \$1 billion SOAR fund.

So-called "speed to market" is critical right now, she added, among the companies shopping for space.

Joshua Hundt, chief business development officer and executive vice president at the MEDC, told the strategic fund before their vote that the next step is for the agency to finalize applications.

Once an application is made for either type of funding, staffers will review it and weigh measures like impact to a community and the applicant's financial need.

Each application will be voted on by the strategic fund board, then will head to the Legislature so that it can approve a transfer of funds.

Related Articles:**Michigan unemployment fraud now at \$8.5B. Legislators have more questions.**

January 13, 2022 | [Paula Gardner](#) in [Business Watch](#)

The Detroit News

MICHIGAN

MSU study finds racial disparities in state police traffic stops



George Hunter

The Detroit News

Published 5:50 p.m. ET Jan. 12, 2022 | Updated 8:17 p.m. ET Jan. 12, 2022

The Michigan State Police director said he will outfit 1,600 troopers with body-worn cameras as part of a five-point plan to address racial disparities in traffic stops identified in a year-long study released Wednesday.

The study, "Michigan State Police Traffic Stop External Benchmarking," was conducted by Michigan State University and commissioned by state police Col. Joseph Gasper in September 2020 after internal MSP data showed a potential disparity in the ethnicity of citizens who were stopped for traffic violations.

The study, which was released three months after being completed in October 2021, showed "racial and ethnic disparities in the frequency and outcomes of traffic stops by MSP troopers," Gasper said during a virtual press conference.

Researchers scrutinized traffic stops in 2020 and found that when compared to population data, African Americans were more likely to be stopped by state troopers, while Hispanic and Asian drivers were less likely to be pulled over.

Blacks make up 13.6% of Michigan's population, but constituted 22.1% of traffic stops in 2020, the report found. Hispanics, 5.1% of the state population, represented 2.3% of stops, while Asians, 3.1% of the population, were stopped 0.7% of the time.

The study also looked at traffic stops at night using the "available darkness method, which assumes it's more difficult for a police officer to determine the race of a driver when it's dark," said Michigan State University criminal justice Professor Scott Wolfe, who authored the study.

"Stops conducted during daylight were significantly more likely to involve African-American drivers than those that occurred during darkness," a summary of the study said. "However,

after accounting for potential seasonal variation in the nature of traffic stops or the makeup of drivers on the road, daylight no longer predicted whether a driver involved in a traffic stop was African American."

Although Gasper said it's not clear what's causing the disparity, he said he's launching a plan to address it. The plan includes hiring an independent expert to review MSP policies; establishing a statewide "listening and engagement effort ... in communities of color;" making traffic stop data available to troopers via an internal dashboard; and creating a Professional Development Bureau for further implicit bias and other training.

Gasper said the fifth component will be to equip all troopers who may come in contact with the public with body-worn cameras. He said about 250 troopers currently have the cameras, and he said hopes to deploy another 1,600 by the end of the year. Gasper was asked during the press briefing about the cost of the cameras but did not reply.

The study also found that "African-American drivers were significantly more likely than White drivers to be searched or arrested after traffic stops. There was mixed evidence regarding whether they were less likely to receive a citation than White drivers," the summary said.

"Hispanic drivers were significantly more likely than White drivers to be searched or arrested after traffic stops, (while) Asian drivers were significantly less likely to be searched or arrested compared to White drivers," the summary said. "However, they were significantly more likely to receive a citation than White drivers (and less likely to receive a warning)."

The Rev. Wendell Anthony, director of the Detroit Branch NAACP, wasn't involved in the press conference but monitored it online and praised Gasper for voluntarily commissioning the study — but he said troopers must also be held accountable.

"Having responsibility with no accountability is an exercise in futility," Anthony said. "There must be accountability for those officers who abuse our trust and violate their oath."

The study examined separately traffic stops made in the 11 cities that make up the Secure Cities Partnership, a program in which state police provide additional patrol support to local police, because those communities have larger percentages of non-White residents.

The cities involved in the program include Benton Harbor, Detroit, Flint, Hamtramck, Harper Woods, Highland Park, Inkster, Lansing, Muskegon Heights, Pontiac, and Saginaw, although a majority of SCP stops occurred in Flint (38.8% of stops) and Saginaw (23.1%).

Nearly 77% of all traffic stops that occurred in those cities by troopers involved a Black driver, compared to 22.1% statewide. The study's authors said African-American drivers were significantly more likely to be stopped in eight of the 11 communities than would have been expected based on the racial makeup of the community. In three communities – Harper Woods, Highland Park and Pontiac – traffic stops were on par with the racial representation of those cities' populations, but the authors noted there were relatively few traffic stops related to the program in those cities.

Wolfe pointed out during the press conference, "It's imperative to understand the difference between disparity and discrimination. Disparity is an observed difference; discrimination involves a police officer intentionally targeting someone based on their skin color. Observed disparity cannot observe intent."

Gaspar said he will next try to determine why the racial disparities exist.

"We have additional steps we intend to take to better understand the cause of the disparity," he said. "Although we don't know the cause of the disparity, we're still taking action, making sure we're engaged and having conversations with people of color."

Omar Cuevas of the Grand Rapids Chamber of Commerce, who is part of MSP's Bridges to BLUE Citizen Advisory Council, said the study's findings are "sobering, yet they should serve as a baseline as we evaluate the effectiveness of the MSP five-point plan, and work toward our common goal."

Following Wednesday's press conference, Michigan Attorney General Dana Nessel said in a statement: "Col. Gaspar's commitment to addressing these findings is also a commitment to leading by example. All law enforcement agencies should be willing to examine their practices in an effort to improve their relationship with the people they serve."

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