



# LOWELL CITY COUNCIL MEMORANDUM

**DATE:** February 10, 2022

**TO:** Mayor DeVore and the City Council

**FROM:** Michael T. Burns, City Manager *MB*

**RE:** Weekly Memo

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Attached to the Friday memo are the following:

- Monday February 14, 2022 Planning Commission Meeting agenda
- Tuesday February 15, 2022 Parks and Recreation Commission Meeting agenda
- February 9, 2022 Manistee News Advocate article on concerns with Manistee "Smoke on the Water" marijuana festival
- February 9, 2022 M-Live article on Otsego special assessment for Police and Fire services
- February 10, 2022 Inside 208 Blog regarding Governor Whitmer's budget proposal

I believe the issue with odor at River City Cannabis is resolved for the time being. This week they made changes to the odor mitigation at the site. Detective Lauren and I went there yesterday afternoon and we did not detect odor in the neighboring businesses.

I spoke with the owner of Red Creek Waste Removal regarding his request on Monday evening. He was disappointed about the request being denied. He informed me that he intends to speak in public comment at the next City Council meeting to better explain his position.

Tuesday, I attended the Chamber of Commerce board meeting. I also met with Craig Fonger later in the afternoon to discuss how Light and Power and the City can work together and we discussed his ideas on becoming more energy efficient.

Today, I attended the Downtown Development Authority meeting. We approved funding for the Summer Concert Series. Costs to provide quality musicians have gone up due to many factors. So we increased our allocation by \$10,000 for this. We also approved the engineering proposal to repair Valley Vista Drive from Bowes Road to Main Street. Furthermore, we discussed allocating funds in next year's budget to reimburse businesses up to \$10,000 for handicapped ramps to their properties in the DDA District. This is an allowable expense for the DDA to make.

This is all I have. Have a good weekend.



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Lowell, Michigan 49331  
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PLANNING COMMISSION-CITIZEN ADVISORY COMMITTEE  
CITY OF LOWELL, MICHIGAN  
AGENDA  
FOR THE REGULAR MEETING OF  
MONDAY, FEBRUARY 14, 2022 AT 7:00 P.M.

1. CALL TO ORDER: PLEDGE OF ALLEGIANCE, ROLL CALL
2. APPROVAL OF AGENDA
3. APPROVAL OF THE MINUTES OF PREVIOUS MEETINGS
  - a. January 10, 2022 – Regular Meeting
4. PUBLIC COMMENTS AND COMMUNICATIONS CONCERNING ITEMS NOT ON THE AGENDA
5. OLD BUSINESS
  - a. Proposed Adult Use Marihuana Zoning Amendment
6. NEW BUSINESS
  - a. Public Hearing – Proposed Rezoning of 115 Riverside Drive from PF Public Facilities to C-2 Central Business.
7. STAFF REPORT
8. COMMISSIONERS REMARKS
9. ADJOURNMENT



**CITY OF LOWELL  
PARKS AND RECREATION COMMISSION  
TUESDAY, FEBRUARY 15, 2022 AT 6:00 P.M.  
LOWELL CITY HALL**

1. CALL TO ORDER; ROLL CALL
2. APPROVAL OF THE AGENDA
3. APPROVAL OF MINUTES OF PREVIOUS MEETING(S)
  - a. December 14, 2021
4. REVIEW FINANCIAL REPORTS
5. CITIZEN COMMENTS FOR ITEMS NOT ON THE AGENDA
6. NEW BUSINESS
  - a. None
7. OLD BUSINESS
  - a. Update on Recreation Plan Update
  - b. Update on Skate Park Improvement Project
8. PARK UPDATES
  - a. Recreation Park
  - b. Stoney Lakeside Park/Dog Park/Skateboard Park
  - c. Creekside Park
  - d. Richards Park
  - e. Scout Park
  - f. Riverwalk Park/Showboat
  - g. Miscellaneous Park Properties (Upper Bridge/McMahan/Moose/Rogers)
  - h. LARA Trails
9. COMMISSIONER COMMENTS
10. ADJOURNMENT

Note: The next scheduled meeting March 15, 2022 at City Hall.

**Most Popular**

1. Several entities come together to help a Manistee Twp. man
2. Once popular bar set to reopen in Bear Lake
3. Concerns about marijuana use dominate discussion of proposed
4. See inside Frostic art available

**LOCAL NEWS**

# Concerns about marijuana use dominate discussion of proposed Manistee event

Salt City Rock and Blues group requesting permission for Forest Festival concert



**Jeff Zide, Staff Writer**

Updated: Feb. 9, 2022 4:20 p.m.



**1 of 3**

Manistee City Manager William Gambill (left) and city clerk Heather Pefley take down notes regarding city council members' concerns about the Salt City Rock and Blues' proposal for the Smoke on the Water event.

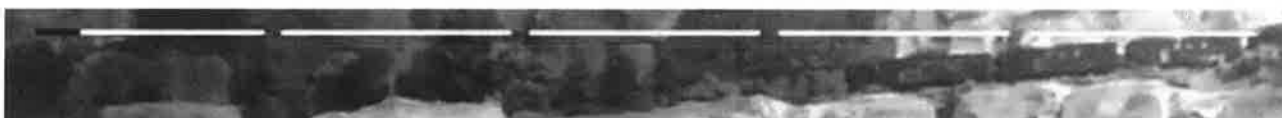
Jeff Zide/News Advocate

MANISTEE — Concerns about open-air marijuana use dominated discussion on the Smoke on the Water event proposed by Salt City Rock and Blues during Tuesday's Manistee City Council study session.

Salt City Rock and Blues laid out its plans for the Smoke on the Water event in a letter to the city council.

"Salt City Rock and Blues proposes to hold a music event in conjunction with the five marijuana dispensaries located in Manistee. The event will take place during the (Manistee National) Forest Festival and will be held on Saturday, July 2 in the evening," the letter reads in part.

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"A Deep Purple tribute band has been secured and will headline the event. Several local bands will also appear that evening. The theme for the event is 'Smoke on the Water', Deep Purple's signature song. Flower and edibles will be available within a cordoned-off and well-defined area. Alcoholic beverages will be available for purchase as well."

The letter also explains how the event would be paid for and the benefits to the city.

"The permit fee of \$6,000 would be paid for by the dispensaries. Salt City Rock and Blues would sponsor the event and would profit from the sale of tickets to concert-goers. Proceeds would be used to continue our efforts to build a state-of-the-art amphitheater at First Street Beach."

Letter to Manistee City Council from Salt City Rock and Blues by Jeffrey Harold Zide on Scribd

Millions of books, audiobooks, magazines, documents, sheet music, and more for free.

Salt City Rock and Blues, Inc.  
PO Box 114 Manistee, MI 49660

November 8, 2021

City Council Members,

Salt City Rock and Blues proposes to hold a music event in conjunction with the five marijuana dispensaries located in Manistee. The event will take place during the Forest Festival and will be held on Saturday, July 2<sup>nd</sup> in the evening. A **Deep Purple** tribute band has been secured and will headline the event. Several local bands will also appear that evening. The theme for the event is "Smoke on the Water, **Deep Purple's** signature song. Flower and edibles will be available within a cordoned off and well-defined area. Alcoholic beverages will be available for purchase as well. The permit fee of \$6000 would be paid for by the dispensaries. Salt City Rock and Blues would sponsor the event and would profit from the sale of tickets to concert goers. Proceeds would be used to continue our efforts to build a state-of-the-art amphitheater at First Street Beach.

The voters of Michigan-Manistee included- overwhelmingly (56%) voted to legalize marijuana in 2018. Since that time, Manistee has established itself as one of the state's leaders for the marijuana industry, currently ranking third in the state in overall retail sales. The Manistee marijuana industry has proven themselves to be excellent civic partners, providing support for various causes -Salt City Rock and Blues' LaborFest among them. The industry is highly regulated, yet it still provides many benefits. Tax revenue, both state and local, is significant. Additionally, the Manistee marijuana industry provides employment for scores of people. Our local industry has been a booming success and should be fully supported. To reap the benefits from our local marijuana industry and not fully support it via this inaugural event would be inconsistent policy at best. The Manistee City Council has shown itself to be forward thinking by establishing a "green zone" within the city limits for the purpose of establishing a local marijuana industry. Please continue to support the very industry that YOU established by

1 of 1



Several council members were concerned about safety, enforcement and potential liability that the city may face if someone is injured during the event.

Among the council members who were most concerned were Mayor Lynda Beaton, sixth district council member James Grabowski, and first district council member and former Manistee Police Chief Dave Bachman.

Beaton was most concerned with liabilities.

**Manistee City Council Meeting 2022-02-08**

"I'm always thinking about the potential liabilities that this could create for us. So I'm curious if you're seeing at other events like this, in the state of Michigan, especially a town of our size," Beaton said.

She noted that Salt City Rock and Blues is hiring its own law enforcement for the Smoke on the Water event, but that didn't necessarily satisfy her.



"My understanding is that they are hiring their own law enforcement. I guess when I think of consumption I think a person can go into a bar and have a couple of drinks and sometimes they overindulge but there's some liability on the server and the bar itself," Beaton stated. "To me ... the primary purpose of smoking pot is to get high. ... I just need a little bit more education as to how you control a bunch of people who are you know, had a good time. They smoke and they want to get in their cars and they want to go home. That part of that is keeping me up at night."

Council member Mick Szymanski countered what Beaton said.

"I did talk to (Manistee Police) Chief Glass about this a while back -- and I'm paraphrasing but he said -- he's never had to wrestle a marijuana smoker to the ground. But he's done it several times with alcohol," Szymanski said.

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He said he feels the city is "in for a penny, in for a pound."

"These are legitimate businesses. They're good community sponsors. They do a lot. They've been forthright, forthcoming, and as far as I understand there has not been any increase in any crime or issues involved with the sale since we've started (allowing marijuana sales)," said Szymanski.

Council member James Grabowski said he had to wrestle people high on marijuana in his time as a police officer. He also noted that even with Salt City Rock and Blues hiring its own law enforcement, the city can still be sued and held liable for any injury or incident that could happen at the event.

However, council member Cindy Lundberg questioned the difference between alcohol and marijuana in terms of liability.

"Well, how is it really any different than the beer tent's shenanigans that go on on a regular basis? I'm just curious. I mean, we let that happen," she said. "People drink there and get drunk and crazy and do whatever. Are we not liable then (for) the same thing. Right?"

Grabowski acknowledged that the city is liable during those events. City Manager William Gambill said that Glass did have concerns about people smoking outside of the cordoned-off area. Gambill noted that Glass was not in attendance at the meeting.

No decisions can be made during a work session, however, council members requested representatives from Salt City Rock and Blues answer questions from the council in order to assuage some of the concerns.

"I would like them to come in and ... talk to us," Mayor Pro-Tem Jermaine Sullivan said. "I think that they do a very good job of ... stepping up with stuff for the city. (They) pay for a lot of things and sponsor a lot of things and there's no reason why they can't come in and explain to us what they want to do. I mean, people are walking around smoking marijuana all the time, anyway, so we're not policing that."

The letter that was sent to the council about the event noted the important role that the Marijuana industry plays in Manistee.

"Our local industry has been a booming success and should be fully supported. To reap the benefits from our local marijuana industry and not fully support it via this inaugural event would be inconsistent policy at best. The Manistee City Council has shown itself to be forward-thinking by establishing a 'green zone' within the city limits for the purpose of establishing a local marijuana industry. Please continue to support the very industry that you established by allowing the Smoke on the Water event to move forward," the last paragraph of the letter reads.



Written By  
**Jeff Zide**

Jeff Zide is a University of Missouri and California State University, Northridge graduate with both a B.A. and M.A. in Journalism. He is originally from Los Angeles but has roots in Michigan on his father's side from the Detroit area. He previously worked as a general assignment reporter, photographer and photo editor for the Columbia Missourian, and as a digital producer for WILX-TV in Lansing.

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## Otsego discusses 4-mill assessment on properties to fund police, fire services

Updated: Feb. 09, 2022, 1:05 p.m. | Published: Feb. 09, 2022, 1:05 p.m.



A sign welcoming people to the city of Otsego. (File | MLive.com)



By Marie Weidmayer | [mweidmay@mlive.com](mailto:mweidmay@mlive.com)

OTSEGO, MI – A special assessment to fund public safety has been proposed in the city of Otsego.

The special assessment of 4 mills on Otsego properties is being considered by the Otsego City Commission. If approved, the funds collected would help fund the city's police and fire departments, currently supported by the city's general fund.

The departments have a budget of \$1.4 million for 2021-2022, with \$1 million currently coming from Otsego's general fund, the [city said in a letter to city property owners](#).

The public safety budget has significantly increased while Otsego's general fund reserves are dwindling, the letter said. The general fund is used to fund all other departments in the city.

If the funding issue cannot be solved, potential cuts include ending 24/7 police coverage, removing the detective position or for the fire department to no longer be dispatched on medical calls, the letter said.

The proposed 4-mill special assessment would bring in projected annual revenue of \$400,000, the letter said. From that, city leaders say 50% will be used to fund police and fire services while 50% will be used to fund the replacement of fire trucks.

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Three of the fire trucks will need to be replaced in the next five years, which will cost over \$3 million, the release said.

Property valued at \$100,000 would be assessed \$400 a year, if the special assessment is approved.

The city commission has spent more than a year deliberating about the special assessment and has had multiple public discussions, the letter said.

Another public hearing on the matter is scheduled for 7 p.m. on Feb. 21 at Otsego City Hall, 117 E. Orleans St., regarding the creation of a citywide special assessment district. If the process moves forward, the letter said, an additional public hearing would be held before the special assessment is approved.

### **More from MLive:**

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# The Detroit News

## OAKLAND COUNTY

# Pot business plans in Royal Oak spurs pushback from neighbors, school leader



**Mike Martindale**

The Detroit News

Published 8:58 p.m. ET Feb. 6, 2022

*Royal Oak* – The City Planning Commission on Tuesday is expected to take up a set of votes that could pave the way for the city's first recreational marijuana facilities.

The commission's anticipated vote on two special land use permits is the culmination of nearly two years of planning and discussion, but some critics say officials are moving too fast.

Proponents of plans recently unveiled in public documents believe that the sites — Gatsby Cannabis Co. on Meijer Drive near a vocational school and Royal Treatment in a residential area on Harrison — would fit safely and seamlessly with existing commerce and neighborhoods. They argue the businesses would also provide jobs and tax benefits for the city and its residents.

But those opposed, including the county's intermediate school district, are raising questions over whether decisions made without public input could pose a nuisance and disruption to schools and neighbors.

Michael Thompson is president of the Lawson Park Homeowners Association in the south end of Royal Oak, north of the Interstate 696 service drive near Royal Treatment's

proposed site. The one-acre parcel, he noted, is in a mixed-use industrial area consisting largely of single-family residential homes.

“It is our position that as a flourishing residential neighborhood near downtown that this proposed project is not harmonious with the existing or intended character of the general vicinity and will adversely affect the residential character of the area,” Thompson told The Detroit News. “That, in my opinion, is enough reason for the city to reject it.”

Thompson said in the 35 years that he has lived in the neighborhood it has gentrified with apartments and condominiums.

“I just look at the amount of traffic we already have going through our neighborhood and anticipate it will even make it worse, some estimate hundreds of vehicles daily,” said Thompson, an architect, who plans on attending Tuesday’s meeting to object and has encouraged some of association’s 100 members to do the same.

Mitch Bode, one of 10 owners of the Parent Avenue condominiums, also plans to speak out against the plans.

“You can walk to a local store or park or restaurant. It’s got everything,” said Bode. “But there is already enough traffic cutting through these neighborhoods. I don’t see how putting more there is good for anyone. It’s dangerous.”

James Rasor, an attorney for Royal Treatment, told The News Friday that he intends to engage with E. Harrison area neighbors to address concerns over the proposed marijuana facility ahead of Tuesday’s meeting.

“We want to hear everyone’s concerns and let them know we plan on addressing them,” said Rasor, who also is a former Royal Oak planning commissioner. “Concerns about traffic in an area zoned industrial is something that perhaps cannot be met with everyone’s satisfaction.”

Rasor added the operators are considering a left turn only road out of the site "to direct traffic out to Main Street, not the neighborhood."

The project, he said, calls for the adaptive reuse of an existing 3,000-square-foot building that would be remodeled with green technology and it's expected to create 50 jobs.

Thompson noted the area recently qualified for \$1.2 million in federal block grant money for Lawson Park and nearby Franklin Park. He said the tax money can help increase property values and quality of life.

"Aren't there other locations in the city that would be more appropriate for this?" he asked.

Rasor said the development plan calls for green space and a pocket park as well as art installations "provide a great view for everyone near it."

## **'Call to action'**

Marijuana is a flashpoint for Oakland Schools Superintendent Dr. Wanda Cook-Robinson.

She was upset about learning Gatsby Cannabis Co. wants to establish a marijuana business in a 15,000-square foot former vehicle facility near the school's Technical Campus-Southeast and sent out a "Call To Action" email to the parents of more than 600 students.

A representative for Gatsby couldn't be reached Friday for comment. But in a Jan. 18 letter to the Planning Commission, Plunkett Cooney attorney Dennis Cowan, a former Royal Oak mayor and city commissioner who is representing the operation, said "it is Gatsby's mission to establish first-class, state of the art cannabis facilities in Royal Oak, providing customers with educational information on cannabis and access to safe cannabis."

The industrial-zoned property, it notes, aims to co-locate operations with retail, grow and processing "under the same roof," but separated in accordance with Michigan Marijuana Regulatory Agency rules.

"Gatsby's goal is to set a new standard for marihuana retailers, processors and growers across the State of Michigan and deliver their customers the best products in the industry," Cowan's letter reads.

In a copy of her "Urgent Note" email, Cook-Robinson said the retail-processor-grow operation would operate "just feet" from the school campus, while state law prohibits a marijuana establishment from operating within 1,000 feet of a pre-existing public or private school providing education in kindergarten or any grade 1-12 unless a municipality adopts an ordinance that reduces the distance requirement.

While Royal Oak has a similar ordinance, it has taken the position that the 1,000-foot buffer zone does not apply to the vocational school "because it does not have a curriculum equivalent to kindergarten through 12th grade," Cook-Robinson wrote.

"This matter is deeply troubling," wrote Cook-Robinson, describing it as a "marginalization" of the school's students.

The city's planning division said in a Jan. 26 document posted to the city's website that the division and city attorney's office "determined that the 1,000-foot buffer would not apply to the technical center."

Further, schools with a kindergarten through 12th grade curriculum are not an allowed land use in the "General Industrial" zoning district," it reads.

## **An 'open process'**

Royal Oak City Manager Paul Brake notes that 69% of Royal Oak voters approved recreational marijuana sales in a statewide ballot proposal in 2018.

The city passed ordinances in August 2020, prompting applications for consideration, usually for special land use at addresses in or near residential areas or mixed-use.

Normally routine city meetings, if held at all, have been virtual and online. Planning involving marijuana applications has been divided over several city departments and findings supervised by a staff committee consisting Brake, who became Royal Oak's city manager in 2020; a deputy city manager; police chief; community development director; and in some sessions, the city treasurer and city clerk, Brake said.

The committee has met a dozen times in the past year, Brake said, reviewing paperwork on 37 applications.

"Eleven (applicants) received denials for a variety of reasons (like) the proposed site did not have sufficient parking, incomplete information on the application form," Brake said. "Twenty applications were placed on a stand-by list and finally four were selected as Municipal License Permits."

The city's deliberations over marijuana applications have led to at least one lawsuit.

Aric Klar, a self-described cannabis "entrepreneur" sued the city Thursday under his Birmingham-based Quality Roots business, which has marijuana operations in Battle Creek, Hamtramck and Monroe.

The Oakland County Circuit Court suit alleges Royal Oak set up a "secret" selection committee of city officials to review competing applicants seeking a special land use permit from the city, disregarding the state's Open Meetings Act.

The complaint alleges Quality Roots was notified in January 2021 it was not one of the finalists for two municipal license slots. It had proposed facilities on Woodward Avenue and 13 Mile, according to the complaint.

Asked Friday if selected applicants received an unfair advantage over others due to their legal representation, Brake argued that "no one received any special consideration and no elected official ever sought or suggested one candidate over another."

If approved Tuesday, applications for Gatsby and Royal Treatment will be forwarded to the City Commission for its Feb. 28 or March 14 meeting agenda. If the commission signs off, the applications would then advance to the Building Department for permit applications to construct, renovate or modify the identified locations.

“I would assume the businesses would open late in the year or by early 2023,” Brake said.

The other two applications are to be included for a March 8 planning commission meeting and will be made public on Feb. 25, he said.

Brake described his review and role as "advisory" with the City Commission having final authority on granting or rejecting the permits.

“It has been an open process — there have been 19 public meetings regarding recreational marijuana — and continues to be one that requires approval by the city planning commission and the city commission,” added Brake.

Interest in the selection process has accelerated in recent weeks as public notices were sent out to neighbors within 300 feet of the two proposed sites. The city has also put numerous documents on its website, Brake said.

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# Governor's Budget Proposal Includes Major Investments in Local Government

Posted on February 10, 2022 by Chris Hackbarth

The Whitmer Administration unveiled its proposed Executive Budget Recommendation on Wednesday for the upcoming 2022-23 Fiscal Year that starts October 1<sup>st</sup>.

The budget recommendation totals \$74.1 billion, including a historic \$14.3 billion in General Fund dollars, compared to the current year's \$11.7 billion...the highest GF budget proposal in recent history. Over 40% of the budget proposal consists of federal funds from the state's American Rescue Plan Act funding and expected Infrastructure Investment and Jobs Act revenues. The proposal still leaves over \$2 billion of General Fund balance available for additional spending discussions, along with a still to be determined amount of unallocated ARPA and IIJA funds that will be the subject of ongoing supplemental appropriation negotiations outside of this budget process.

The budget presentation made before a joint session of the House and Senate Appropriations committees provided specifics on the Governor's previously announced spending priorities, with spending focused on education, public sector employment recruitment, retention and HERO pay, elimination of the state income tax on retirement income (\$107 million cost in 2023 and \$495 million per year by 2025), and increasing the state's Earned Income Tax Credit from 6% of the federal credit up to 20% (costing \$262 million in FY23). Briefing papers on many of the Administration's key initiatives can be viewed [here](#).

Major spending proposals that support local governments were prevalent throughout the budget proposal, with the centerpiece being a **10% increase in statutory revenue sharing**. This **\$26.6 million increase** would be the largest single-year increase in recent history and would result in the highest funding amount since 2011, but still not fully recovered from the \$100 million Executive Order cuts enacted that year. The recommended increase would be split 5% into the ongoing base and 5% would be labeled as "one-time". In addition to the revenue sharing increase, the Governor responded to the League's request for assistance in holding communities harmless from any clawback in the Constitutional, per capita revenue sharing payments due to the delay in receiving their 2020 census population numbers. The Governor has proposed spending **\$50 million** to ensure that no city, village, or township with a declining population will see additional reductions from a clawback of overpayments because of the delay in the release of census numbers and Treasury paying communities for the past 14 months based upon their 2010 population numbers. The budget proposal recommends this \$50 million be appropriated in the current budget year to avoid any per capita payment adjustments scheduled to occur in April of this year. The Treasury budget recommendation also includes a few other spending items that support local governments:



- **\$40 million for Local Community Transition Support** (general fund) to provide aid to communities that have experienced significant economic impacts from the departure or disinvestment of large-scale employers and their workforces from their communities. Funding will support various economic or community development activities, including rehabilitation, demolition, or adaptive re-use of vacant buildings, various support and recruitment and retention activities for new or existing small businesses, local community business incubator programs, and outdoor space enhancement projects.
- **\$50 million for First Responder Retention Payments** (general fund and ARP – state fiscal recovery funds) to state and local law enforcement and public safety personnel who have performed hazardous work related to the COVID-19 pandemic. Funding is recommended in a fiscal year 2022 supplemental and includes \$30 million general fund and \$20 million federal American Rescue Plan resources announced as part of the Governor's proposed MI Safe Communities framework.
- **\$20.6 million Increase for Existing Recreational Marihuana Grants** (restricted funds) to counties and municipalities in which a marihuana store or microbusiness is located. These payments are required under the Michigan Regulation and Taxation of Marihuana Act, Initiated Law 1 of 2018, and are based on the most recent recreational marihuana revenue projections and total \$50.6 million for fiscal year 2023.

Significant, community-focused investment programs can be found throughout the remainder of the proposed budget, many of which match up with Municipal League funding priorities and specific funding requests, including major investments in infrastructure. The League issued this media statement on Wednesday's presentation, recognizing the numerous areas of the budget that focus on investing in our communities.

The following spending proposals will be of particular interest to municipalities and were been pulled from the FY23 Executive Budget Book that was released Wednesday:

#### *Environment, Great Lakes, & Energy –*

- **\$251.7 million for Water Infrastructure Projects** (\$36.4 million general fund) to provide loans, grants, and direct funding to local communities for water infrastructure. These projects are supported through the federal Infrastructure Investment and Jobs Act (IIJA) and include service line replacements, water treatment facility upgrades, and stormwater management systems.
- **\$69.3 million for Contaminated Site Clean-up** (\$20.2 million general fund) to provide resources for revitalizing and redeveloping sites of historic and industrial contamination in the state. This investment will also support a rapid response fund to deploy resources for sites outside the scope of normal contamination clean-up efforts.
- **\$48 million for Community Support for Lead Line Replacement and Water Treatment System Upgrades** (general fund). This program will provide grants for technical, managerial, and financial assistance to communities throughout the state to ensure that projects are implemented effectively and efficiently. Grants will prioritize disadvantaged communities.
- **\$34.3 million for Highwater Infrastructure Grants** (general fund) to provide local communities with grants for high water level and resiliency planning and infrastructure needs. This program continues past efforts to ensure that communities are provided the resources needed to address

issues like coastal erosion, flooding, transportation networks, urban heat, and storm water management.

- **\$23 million for Energy Efficiency Grants** (federal fund) to provide grants and financial support to local communities and businesses for the implementation of energy efficiency infrastructure and policies. This program is supported with federal IIJA funds and will provide community support through grants, state-backed loans, and direct project implementation.

#### *Labor & Economic Opportunity –*

- **\$200 million for the Michigan Regional Empowerment Program** (general fund) to support the growth, development, diversification, and resiliency of regional economies through a competitive grant program. Grants will support projects that leverage partnerships and make investments that provide long-term sustainable economic benefit to the local region and the state as a whole. Grants may be used to support a wide range of transformational projects including those focused on affordable housing, broadband, manufacturing, education and workforce development, and other areas specific to local regional needs.
- **\$11 million for the Attainable Homeownership and Apprenticeship Program** (general fund) to support the acquisition, renovation, and resale of properties in both urban and rural land bank inventories, increasing access to attainable housing while expanding apprenticeship training opportunities by requiring paid apprentices on each home renovation site.
- **\$10 million for the MI Local Heroes Marketing Campaign** (general fund) to conduct a comprehensive statewide marketing campaign that highlights the benefits of public sector employment and attracts more individuals to critical jobs like nurses, teachers, police and firefighters.
- **\$750,000 for the Resilient Lakeshore Heritage Grants Program** (federal funds) for a grant program that will support the rehabilitation of qualifying properties in rural communities along the Great Lakes.

#### *Transportation –*

- In total, the Governor's fiscal year 2023 recommended budget reflects a \$1.1 billion increase for transportation over the current fiscal year. This includes \$578 million of projected new funding under the federal Infrastructure Investment and Jobs Act (IIJA), as well as \$481 million of state restricted and general fund support for transportation. An accompanying fiscal year 2022 supplemental request also includes \$475.7 million of new federal IIJA authorization. Over the next five years, Michigan is projected to receive more than \$2.6 billion in new federal IIJA transportation funding, as compared to the prior federal authorization act.
- An **additional \$488.6 million for Road and Bridge Construction** to support state and local roads, highways, and bridges, **over \$94 million** will go towards an estimated increase for local roads and bridges. The total increase reflects an additional \$377.8 million of federal IIJA funding, with the remaining \$110.8 million attributable to net increases in baseline state restricted revenues.
- **\$150 million for Road Improvement Projects** that are economically critical, carry high traffic volumes, increase the useful life of key local roads, or will be completed in conjunction with important bridge replacement projects to minimize the impact to motorists and businesses.

- **\$66 million** to make State Transportation Infrastructure more resilient to future flooding events by **adding reliable generator backup power to all 164 state-owned pumping stations**. This investment is intended to address the significant freeway flooding events that have impacted southeast Michigan communities and disrupted important economic corridors in that region during recent storm events.
- **\$60 million to support Rail Grade Separation Projects** at key congested local rail crossings that impede efficient movement of commercial and passenger vehicles and jeopardize timely public safety response in an emergency.
- The Governor's recommendation includes **\$100.8 million of new support for local and intercity transit** and \$31.5 million for passenger and freight rail improvements. An accompanying fiscal year 2022 supplemental request also adds \$10 million in federal grant funding to support construction of a new Detroit passenger rail and intercity bus terminal.

While seeing these items identified by the Governor is encouraging, this is just the first step in the state budget process. Now that the budget has been presented, the Legislature will begin their deliberation of the proposals and will craft their individual versions of a Fiscal Year 2023 budget. Details of the Legislature's view on these recommendations will become evident over the course of the coming weeks, with initial drafts from each chamber expected around the Spring Break/Easter timeline, followed by refinements that will take place after the May Consensus Revenue Estimating Conference, with a target to finish negotiations by the end of June.

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