

Marijuana Regulation in Commerce City

Issues for City Council
discussion and feedback

Overview and Purpose

To obtain direction from Council on a number of issues that will impact the substance of the regulatory scheme staff is developing for Council consideration.

Background – Medical Marijuana

- In 2000, Colorado voters passed Amendment 20 which created an affirmative defense to the criminal charge of marijuana possession/use for medical marijuana patients and primary caregivers.
- In 2010, the Colorado Legislature adopted the Colorado Medical Marijuana Code which:
 - Restricted the number of patients a primary caregiver could serve
 - Created a licensing scheme for medical marijuana businesses
 - Permitted local jurisdictions to prohibit medical marijuana businesses within their jurisdictions

Background – Medical Marijuana

- The Land Development Code was amended to specify where medical marijuana businesses and primary caregivers could locate within the City.
- The Revised Municipal Code was amended to implement a local licensing program for medical marijuana businesses.

Background – Medical Marijuana

- Commerce City's allows all 3 medical marijuana businesses:
 - Medical Marijuana Center (where patients buy medical marijuana)
 - Optional Premises Cultivation (where medical marijuana may be grown)
 - Medical Marijuana-Infused Products Manufacturing (where medical marijuana edibles are made)

Background – Medical Marijuana

- The operation of a MMJ business or operation as a primary caregiver require a conditional use permit.
- No MMJ business or primary caregiver can locate within 1000 feet of the following:
 - Residential zone district (or a lot where a dwelling is located)
 - Churches, schools, child care facilities
 - Rehab facilities, group homes, halfway houses
 - Fire stations, community or recreation centers, and parks
 - Any other MMJ business

Background – Retail (Recreational) Marijuana

- In 2012, Colorado voters approve Amendment 64, which:
 - Legalized personal use/possession of up to an ounce of marijuana for anyone 21+ years.
 - Created four new marijuana businesses:
 - Retail Marijuana Store (sells retail marijuana to consumers)
 - Marijuana Cultivation Facility (grows retail marijuana)
 - Marijuana Products Manufacturing Facility (makes RMJ edibles)
 - Marijuana testing facilities
 - Permitted local jurisdictions to opt out of the licensing scheme.

Background – Retail Marijuana

- In 2013, the Colorado Legislature adopts the Retail Marijuana Code, which establishes the State Licensing Authority, sets state fees, and outlines the state licensing procedures for RMJ businesses.
- In 2013, City Council enacts a moratorium on RMJ businesses.
- In 2014, City Council extends moratorium and directs staff to explore possibility of licensing RMJ businesses in the future.

Questions for Council

- What types of businesses should we license?
- Where should the businesses be located?
- What is the appropriate approval model?
- Do we want to limit the number of businesses?
- Should we allow dual licensing?
- What should the hours of operation be?
- Should we prohibit marijuana clubs?

Exploring RMJ Licensing

Question 1 – What RMJ businesses should the City license?

- Retail Marijuana Store (sells retail marijuana to consumers)
- Marijuana Cultivation Facility (grows retail marijuana which can be sold to Retail Marijuana Stores or Marijuana Products Manufacturing Facilities)
- Marijuana Products Manufacturing Facility (makes RMJ edibles to sell to Retail Marijuana Stores)
- Marijuana testing facilities

Exploring RMJ Licensing

Question 2 – Where in the City should RMJ businesses be located?

- Adopt the same locational restrictions as MMJ?
 - If so, there would be few, if any, available locations.
- If we do not adopt the current MMJ restrictions, what should we change?
 - Loosen the distance requirements?
 - Allow businesses (all or some) to locate in zone districts other than industrial?
 - Both?
 - Do we change the MMJ restrictions to match?

Exploring RMJ Regulation

Question 3 – What approval model should we use?

- MMJ Model – Robust land use process (which includes a number of locational restrictions as well as the requirement of obtaining a CUP through a public hearing process) with a more administrative licensing process.
- Reversed MMJ Model – More administrative land use process (a use-by-right in certain areas if various criteria are met) with a robust licensing program (with public hearings based upon the needs and desires of the neighbors)

Exploring RMJ Licensing

Question 4 – Should we limit the number of RMJ businesses in the City? If so, how?

- Limit where business might be located (like we do for medical marijuana) which may naturally result in fewer businesses being licensed.
- Place a limit on the number of licenses sold (the Aurora model).

Exploring RMJ Licensing

Question 5 – Should the City permit dual licensing?

- Dual licensing allows for retail marijuana and medical marijuana to be grown, sold, or manufactured at the same location.

Exploring RMJ Licensing

Question 6 – Should the City limit the hours of operation?

State law allows businesses to operate between 8 am and 12 am. Local jurisdictions can impose stricter standards.

Exploring RMJ Regulation

Question 7 – Should we prohibit the operation of marijuana clubs?

- These are private clubs, usually in commercial districts, where people congregate to consume marijuana together.

Summary and Next Steps

Presentation of draft regulations scheduled for February 23.