



Potential Retail Marijuana Updates

City Council Study Session April 2017

Summary

- As the two year mark passes for recreational marijuana uses in the city, staff has gained an understanding of the community response, land use impacts, and process of administering marijuana land use regulations in the city.
- At the request of City Council, staff has conducted research and is asking for feedback regarding the following potential updates to city code:
 1. Establish a separation requirement between retail marijuana stores.
 2.
 - A) Establish a cap on the total number of retail marijuana stores in the city.
 - B) Establishing a total cap per ward (or other geographic boundary)
 3. Establish a combination of both a cap and separation requirements for retail stores.
 4. No modification to the existing ordinance.



Current Regulatory Conditions

- Current land use regulations:
 - No marijuana retail store within 1,000 feet of:
 - Any public or private educational institution or school, excluding post-secondary institutions
 - Any state licensed child care facility
 - Any alcohol or drug rehabilitation facility
 - Any group home
 - Any halfway house or correctional facility
 - Any city-owned public park or city-owned recreation center, although the term park shall exclude any trail
 - Retail stores and medical marijuana centers cannot be located within 500 feet of any property zoned with residential entitlement.



Current Conditions - Licenses

- **4 total retail applications processed**
 - 1 operational: Aroma Dispensary (53rd + Quebec)
 - 3 pending:
 - Starbuds (58th + Dahlia)
 - C3D - San Soucie Enterprises (58th + Dahlia)
 - The Green Science Dispensary (53rd + Quebec)

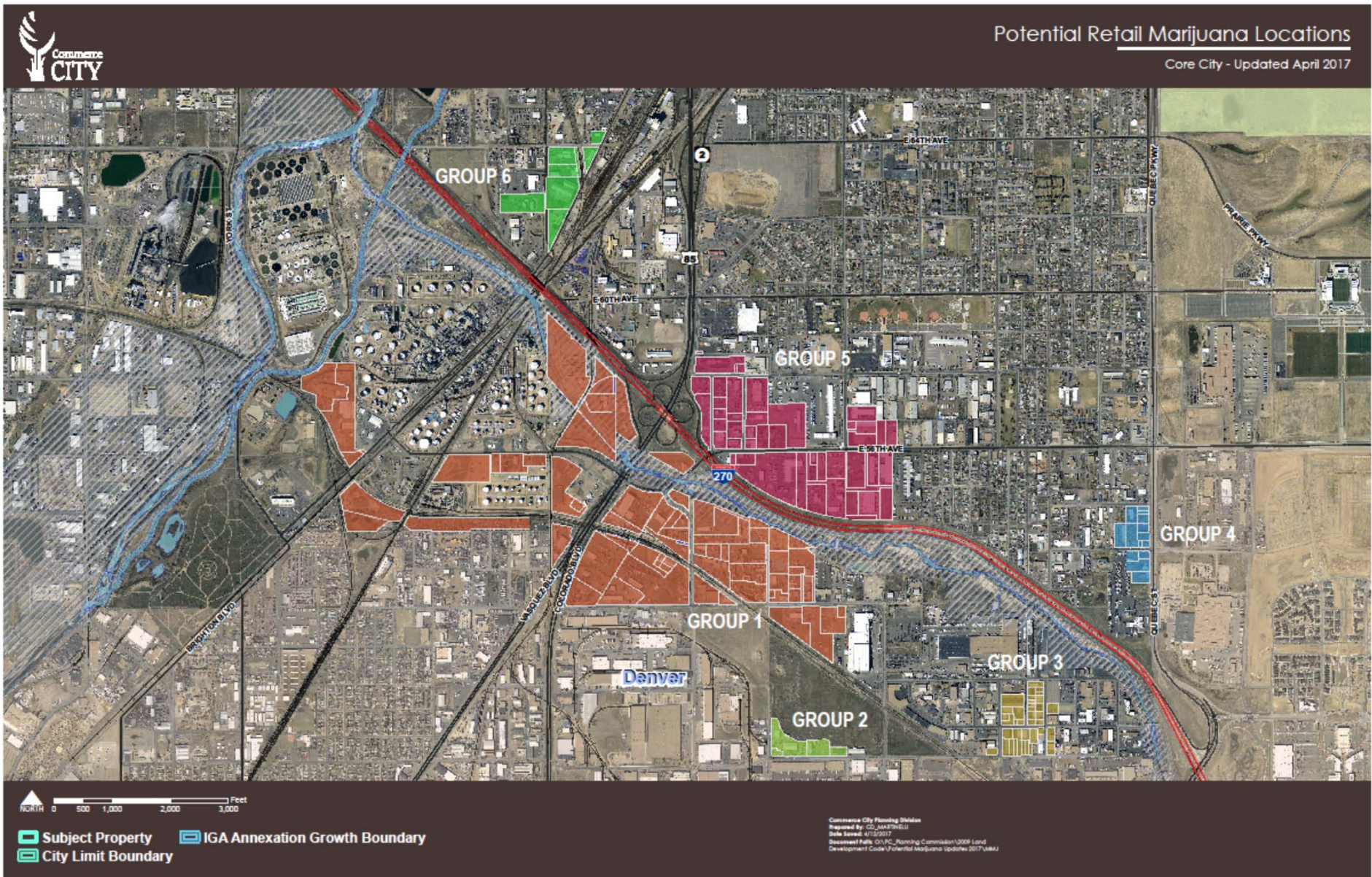


Map Consideration

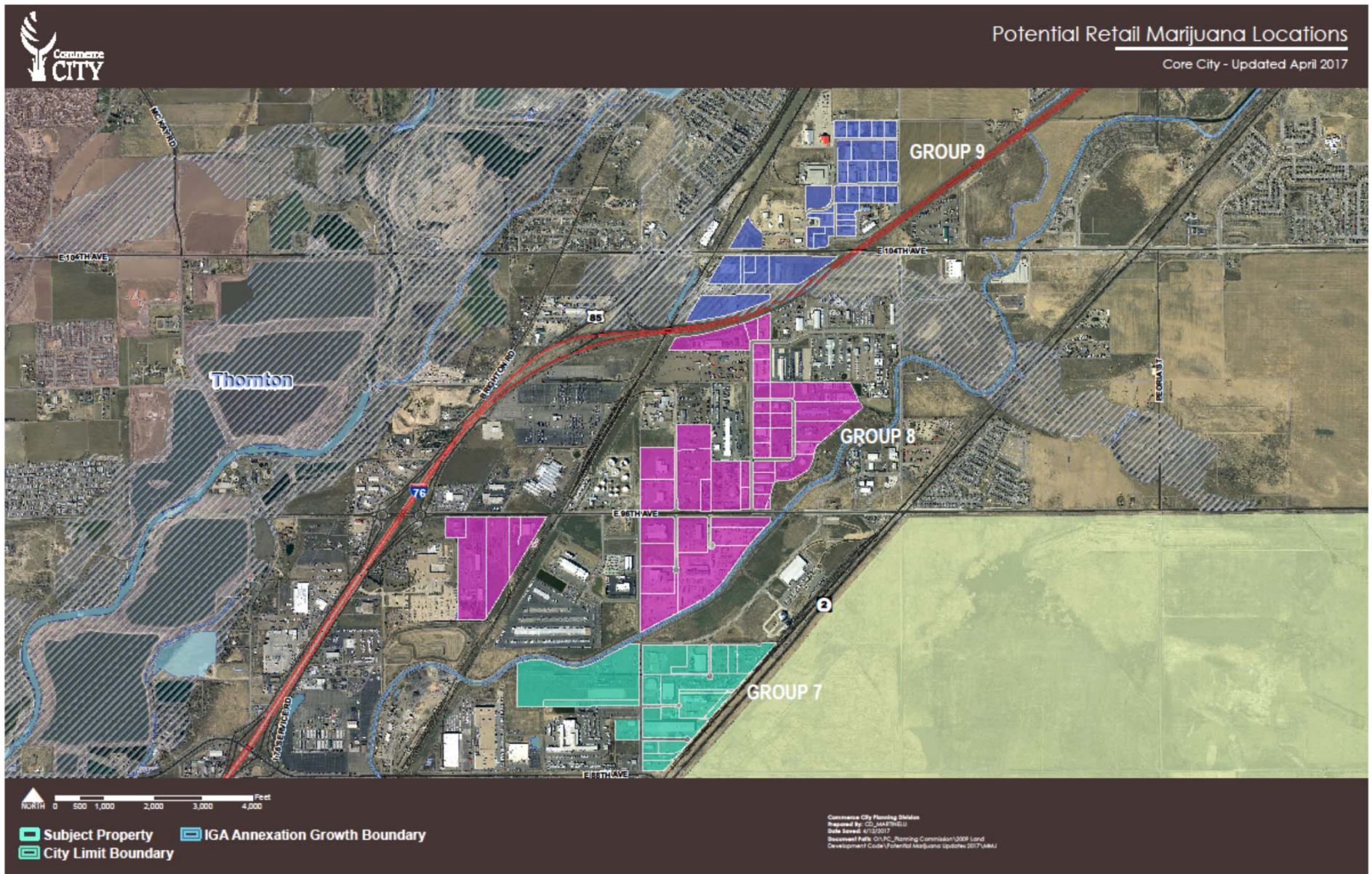
- While the maps show the potential locations of any retail facilities, the city *currently* has a very low vacancy rate, which limits the amount of properties that are available for sale for marijuana use.
- Any additional regulations may constrain the availability of eligible properties further. Meaning many of these properties offer little to no chance of becoming a marijuana business (Suncor for example).
- The maps can change daily, depending on users, new businesses, land use changes, subdivisions, etc.



Potential Locations – Core City



Potential Locations – North of 88th



Comparative City Review- Numerical Caps

Jurisdiction	Has Cap?	Cap Amount	Population (2015 ACS 5 Year Estimate)	Retail Cap Per 100,000 People	Geographic Caps
City of Aurora	Y	Cap of 24, 4 currently being reviewed, 20 issued	345,867	6.94	4 per ward, 6 wards
Edgewater	Y	5 (total)	5,237	95.47	City Wide
Fort Collins	Y	1 per 500 registered patients - roughly 10 facilities	153,292	6.52	City-Wide
Louisville	Y	4 (Total)	19,548	20.46	City-Wide
Pueblo	Y	4 per each retail marijuana district (2 districts, total of 8)	108,073	7.40	North v South
Wheat Ridge	Y	5 (total)	30,863	16.20	City-Wide
Non-Colorado:					
Everett, WA	Y	5 (Total) - Will be revisited June 1, 2018	105,685	4.73	City-Wide
Tacoma, WA	Y	16 (Total)	203,481	7.86	City-Wide
Vancouver, WA	Y	12 (Total)	168,050	7.14	City-Wide
Beaverton, OR	N	N/A	93,919	N/A	N/A
Roseburg, OR	N	N/A	21,937	N/A	N/A
Tigard, OR	N	N/A	50,276	N/A	Only allowed on properties abutting SR 99W

Numerical Cap Simulation

Within the conducted survey:

- Average Retail Cap Per 100,000 people:
 - 9.6 stores
- Median Retail Cap Per 100,000 people:
 - 7.4 stores
- For Commerce City:
 - At 7.4/100,000: **Cap of 4 stores**
 - At 9.6/100,000: **Cap of 5 stores**
 - At 16/100,000: **Cap of 8 stores**



Comparative City Review-Separation

Jurisdiction	Separation Between Stores?	Amount?
City of Aurora	No	N/A
Edgewater	No	N/A
Fort Collins	No	N/A
Louisville	No	N/A
Pueblo	No	N/A
Wheat Ridge	Yes	3,960'
Non-Colorado:		
Everett, WA	Yes	2,500'
Tacoma, WA	No	N/A
Vancouver, WA	Yes	300'
Beaverton, OR	Yes	1,000'
Roseburg, OR	Yes	1,000'
Tigard, OR	Yes	1,000'

Separation Analysis

- Staff can approximate (but not definitively) estimate how many properties would be allowed with certain separation requirements using GIS analysis
- At a 500' separation requirement, approximately 32 stores could locate in the city.
- At a 1000' separation, approximately 18 could locate.
- **Note: Depending on where future businesses locate, this may shift the existing buffers and reduce or increase numbers further than stated above. Subdivision of property changes the aforementioned amounts.**



Comparison - City of Aurora

- City of Aurora implements a cap based on wards – 4 licenses per ward, 6 wards.
- As a result of this configuration, stores have been relatively dispersed throughout the city
- Some clusters occurred, due to retail stores locating in older retail spaces.
- Newer retail development less likely to lease to tenants
- With a cap, they have seen many applications for individual sites
 - Applicants invest money in the state process, and find out they did not receive the lottery for the specific location.
- Currently at the last 4 licenses, & many applicants for few spots.

Signage

- In the previous study session, questions regarding the regulation of signage arose.
- Signage for marijuana businesses is primarily regulated through Series 1100 of the Colorado Retail Marijuana Code.
- In addition, the LDC has additional requirements and standards related to marijuana:
 - Color restrictions
 - Colors for signage must offer low reflectance
 - Have subtle, neutral or natural tones
 - No high intensity colors.
- The City is not legally able to regulate content of signage as it relates to commercial speech (including green crosses and marijuana leaves, etc.)



Pros and Cons - Caps

- Pros:
 - Implementing a cap will permit exactly the amount of retail stores that council wants to allow (predictability).
- Con:
 - A cap can implement a maximum control for the city, but is not geographic specific: Needs other land use regulations in place to be effective.
 - Licenses become very competitive once the cap is close to being reached – many applicants invest time & fees with no end benefit.
 - Retail stores can generate large sales tax for city.



Pros and Cons - Separation

- Pros:
 - Ensures that retail stores are not “clustered” in certain areas – less dense, but more spread throughout the city.
- Cons:
 - Separation may achieve dispersion, but simulating the specific number and final locations of stores is harder to estimate.
 - Is not context sensitive – may be more efficient to locate businesses in a specific region of the city, instead of having them disperse into unintended areas as a result of the buffer.
 - Retail stores can generate large sales tax for city.



Policy Questions to Consider

1. Is there support for any of the following 4 options:
 - a) Cap (fixed or geographic)
 - b) Separation
 - c) Cap and Separation combination
 - d) No Change
2. Does it make sense to restrict retail marijuana to just C-3 and I-1, instead of I-2 and I-3 (preserve heavy industrial land for true industrial activity)?
3. City is getting interest for marijuana campuses along E-470. How does Council feel about this?



Questions and Discussion

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