



# Marijuana Code Updates & Moratorium Discussion

11/25/2024

# Agenda

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- Security Standards Update
- Potential Retail Store Caps
- Moratorium Expiration

# Background

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December 5, 2022

- City Council requests study session on marijuana licensing and a potential moratorium

April 14, 2023

- City Council directs staff to draft an ordinance on new recreational and medical stores in Wards I and II

July 10, 2023

- City Council passes Ordinance 2527 enacting 12-month moratorium on new recreational and medical stores
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# Background

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August-September, 2023

- City Council adopts new marijuana regulations which includes new license and permit types such as:
    - Medical transporter and delivery
    - Off-site storage
    - Testing
    - Research and development
  - New and increased setbacks in Land Development Code
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# Background

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May 13, 2024

- City Council receives study session presentation on whether or not to extend moratorium
  - Discussion included (but not limited to) security and design standards, cap on # of stores, expanding moratorium to all Wards, lifting the moratorium entirely, etc.

July 15, 2024

- City Council passes Ordinance 2567 extending moratorium by 6-months
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# Security Standards

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New licenses must specify topics covered in security plan:

- floor plans
  - ingress/egress
  - location of security equipment
  - employee training and procedure documentation
  - incident logs
  - restricted access plans
  - theft/robbery prevention measures
  - delivery/transfer procedures
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# Security Standards

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Requires all new licensees to install a professionally monitored alarm system that includes:

- Manually triggered silent holdup or duress alarm
- Failure mitigation and battery backup of 4 hours
- 24-hour monitoring company with company contact info
- 1-year incident log
- Audio/video notification system for entry access

# Storage Standards

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New licensee storage requirements include:

- Safe or vault that is integrated into the premises design
  - Cabinets and cages may be used for storage with approval by the marijuana license authority
  - All inventory must be placed in safe or vault when business is closed to the public
  - Climate-controlled product can be stored in fridge or freezer as long as those are incorporated or secured to the building structure
  - All stores must have concrete bollards in front of all areas that are vulnerable to vehicle impact
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# Design Standards

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All new recreational and medical stores must have concrete bollards, guard posts, or other physical barriers in front of all areas that are vulnerable to vehicle impact

# Limit on Stores

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- Limit of 8 retail or medical stores for area north of 96th & east of Havana
  - Limit of 8 retail or medical stores for area south of 96<sup>th</sup> and west of Havana
  - Co-located licenses count as 1 store
  - No new license can be issued until the area has fewer than 8 stores
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# Limit on Stores

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- Currently 1 pending store north of 96<sup>th</sup> and east of Havana
  - 7 licenses available north of 96<sup>th</sup> and east of Havana
  - Currently 13 stores south of 96<sup>th</sup> and west of Havana
  - 6 licenses would have to surrender/revoke before new license could be issued south of 96<sup>th</sup> and west of Havana
  - Geographic vs Ward due to future growth and redistricting
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# Limit on Stores

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Local comparisons:

- Denver only accepting social equity applicants until July 2027
  - Thornton limit 4 total retail stores, 1 store per “quadrant”
  - Aurora limit 24 total retail stores, 4 per Ward
  - Brighton limit 4 total retail stores
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# Moratorium

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- Council revisits moratorium ~3 months in advance of expiration to determine whether to extend or let lapse
  - Ordinance at December and January meetings to either repeal or extend moratorium before January 31 expiration
  - Moratorium considerations:
    - Purpose
    - Duration
    - Type of licenses impacted
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# Decision Point #1

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- Does Council agree with staffs recommended security, storage, and design updates?
- If yes, ordinances will be scheduled for December 16
- If no, what else does Council wish to reasonably add?

# Decision Point #2

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- Does Council agree with staffs recommended store limit amount and geographic areas?
- If yes, ordinances will be scheduled for December 16
- If no, does Council not wish to limit the number of stores at all or wishes to change the limit number or geographic area(s)?

# Decision Point #3

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- Does Council have any other basis for extending the moratorium for a second time?
  - If no, ordinances will be scheduled for December 16 to let the moratorium expire
  - If yes, what else does Council wish to reasonably explore with regards to marijuana regulation to continue the moratorium?
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# Discussion



# Supplemental Information

# Licensing Procedures

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- Dual License
  - State license AND local license
- Steps
  - Letter of intent and pre-application meeting
    - Zoning Verification
  - Application submission
  - Neighborhood needs and desires survey
  - Public Hearing
  - Inspection
  - License Issuance

# Licensing Procedures

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- Letter of Intent
  - Applicant information
  - Type of business
  - Size of operation
  - Scope of operation
- Pre-Application Meeting
  - City Clerk, Code Enforcement, PD, Building & Zoning
  - Fire
  - Water

# Licensing Procedures

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- Application Submission
  - State and Local Fees
  - Affirmation and Consent of Applicant
  - Authorization of marijuana use from Landlord
  - Operating Plan
  - Zoning Report
  - Floor plan & security diagram
  - Background application
  - State application form

# Licensing Procedures

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- Neighborhood Needs and Desires Survey
  - Neighborhood is ½ mile radius (or greater)
  - Petition company circulates to ask for signatures
  - Both Support, Opposition, and Neutral are included
  - Petitioner testifies at hearing
  - Applicant mails postcards to property owners in boundary for notice of hearing date and location
  - Public hearing notices on Legistar and in Sentinel Express

# Licensing Procedures

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- Public Hearing
  - Marijuana Licensing Authority of Commerce City
  - Hearing Officer appointed by Council
  - Entering of appearance for attorneys representing City and Applicant
  - Accepting file of application into the record
  - Testimony of applicant
  - Questions from City
  - Public Testimony
  - Examination of good moral character, qualifications
  - Continuation, (conditional) approval, or denial

# Licensing Procedures

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- Hearing Office
  - Appointed by City Council
  - Create procedural rules
- Makes decisions on applications and licenses based on:
  - Application compliance with State statutes, regulations, rules, municipal code & land development code
  - Neighborhood survey results for needs & desires
  - Public testimony
  - City questions and arguments
  - Qualifications & Good moral character of applicant



# Licensing Procedures

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- Inspection
  - Building inspection for Certificate of Occupancy
    - Odor control system must be approved by Building Official
    - Sec. 8-2311 prohibits odor from being detectable from the exterior of the business or within adjoining properties
  - Code Enforcement for floor plan and licensing posting
  - Police inspection for premise security and cameras
  - Fire inspection
  - Water inspection

# Land Development Code

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- 1000 feet from educational institution or school
  - 1000 feet from any alcohol or drug rehabilitation facility
  - 1000 feet from any group home
  - 1000 feet from any halfway house or correctional facility
  - 1000 feet from any city-owned public park or rec center
  - 1000 feet from any other marijuana business (any)
  - 2000 feet of any property zoned residential, agricultural, or mixed-use with residential or agricultural entitlement
  - 2000 feet of any store from any other store
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# Marijuana Tax Collected

Year	Calendar Year Total	Total to Date
2023	\$2,095,194	10,226,716
2022	\$2,202,167	\$8,131,522
2021	\$1,768,919	\$5,929,355
2020	\$1,699,629	\$4,160,436
2019	\$1,120,925	\$2,460,807
2018	\$827,245	\$1,339,882
2017	\$419,370	\$512,637
2016	\$93,267	\$93,267



# Land Development Code

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- Current Licenses
  - 37 Active or Conditionally Approved Licenses (-2)
    - 11 Retail Products Manufacturer (no change)
    - 5 Retail Cultivation (-1)
    - 13 Recreational Retail Stores (-1)
    - 5 Medical Products Manufacturer (+1)
    - 1 Medical Stores (no change)
    - 2 Medical Premise Cultivation(-1)
  - 32 in Ward I, 2 in Ward II, 3 in Ward III
  - 1 pending recreational store application in Ward IV

# Land Development Code

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- Statistics (for every 10,000 residents within a city)
  - Pueblo has 3.3 Retail stores
  - Denver has 2.7 Retail stores
  - Boulder has 2.6 Retail stores
  - Commerce City has 2.2 Retail stores
  - Thornton has 0.9 Retail stores
  - Fort Collins has 0.7 Retail stores
  - Aurora has 0.6 Retail stores
  - Lakewood has 0.6 Retail stores