



Marijuana Code Updates & Moratorium Discussion

11/25/2024

Agenda

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

Background

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

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

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

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

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

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

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

- 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 96th 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

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

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

- 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

- 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

- 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

- 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

- 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

- 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

- 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

- 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

- 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

- 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

- 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

- 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

- 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

- 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