

## GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY

June 7, 2021

**Meeting Convened:** 5:30 p.m. Meeting held in person at 250 North 5<sup>th</sup> Street, live streamed, and broadcast on cable channel 191.

**Meeting Adjourned:** 7:54 p.m.

**City Councilmembers present:** Councilmembers Abe Herman, Phil Pe'a, Dennis Simpson, Anna Stout, Rick Taggart, and Mayor Chuck McDaniel.

**City Councilmembers absent:** Councilmember Randall Reitz.

**Staff present:** City Manager Greg Caton, City Attorney John Shaver, Community Development Director Tamra Allen, Finance Director Jodi Welch, Sr. Assistant to the City Manager Greg LeBlanc, Police Chief Doug Shoemaker, Fire Chief Ken Watkins, Planning Technician Isabella Vaz, Management Analyst Johnny McFarland, City Clerk Wanda Winkelmann, and Deputy City Clerk Janet Harrell.

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Mayor McDaniel called the meeting to order.

### **Agenda Topic 1. Discussion Topics**

#### **a. Marijuana Regulation Listening Session, Discussion and Direction**

April 2021 ballot measures 2A and 2B allow the City Council to tax and regulate marijuana businesses. Following the election, at their May 3, 2021 workshop, Council directed staff to solicit public input via various outreach activities on marijuana business regulations. A survey prepared by staff and distributed through many channels in both English and Spanish received over 600 responses, and more than 150 people attended the seven listening sessions hosted by staff, though many attendees attended multiple sessions. Input and dialogue were wide-ranging and has helped telegraph the range of positions held throughout the community.

Ms. Allen noted that with the June 7 workshop, the City Council invited the public to speak about marijuana regulation in a "listening session" format. An overview was provided of the content presented at the prior seven listening sessions, including state regulations, marijuana stores (dispensaries), products manufacturing and cultivation, tax structure, and the proposed timeline. At tonight's workshop, staff is seeking input from City Council on the number of stores, locations (zoning, districts, buffers), priorities in selecting operators, tax rate, and other comments.

Mayor McDaniel invited participants to provide comments.

Lauren Maytin attended virtually and stated that there could be a natural limitation on the number of stores through the use of zoning and buffering. She stated she is not a fan of a selection process and the City could consider allowing pre-existing businesses and caregivers to apply first.

Locksley Bryan attended virtually and recommends a hybrid approach to select operators that would meet minimum standards and have business experience. Potential operators should have access to a location and outline their plans for security, waste, etc. City staff should be able to handle the selection process rather than outsourcing. Once the list is narrowed, all potential operators would then be placed in a lottery (again, each applicant having possession of one unique parcel).

Dan Sullivan stated he owns marijuana businesses in Glenwood Springs and served on the working group last fall. He recommends a taxation rate of 5-10%, explaining that most businesses are taxed 5%. He believes an application process should focus on zoning. Hours of operation could be shortened than what the State allows and a maximum number of stores of 6-10 seems reasonable for the first few years (who should be awarded on a merit-based system).

Paul Benton, a potential applicant, suggested that new operators should have points awarded rather than deference given to operators outside the area and zoning should be extended to light industrial/commercial. He also suggested that grow operations could be allowed with dispensaries.

Mike Cardelli requested the opportunity for previous operators the chance to reopen.

Oliver Speez, a potential applicant, appreciates Council's efforts to hear community feedback. He recommends a merit-based selection for operators (who should be local) and they should be required to have a location secured upon application. Buffering and zoning should be used to prescribe the number of stores and the tax revenue used for parks programs and a recreation center.

Rob Holmes, a potential operator, owns six stores across the Western Slope and recommends initially allowing 9-12 stores. He stressed the importance of selecting experienced operators to protect the safety of public. Mr. Holmes stated that the allowable zone districts should be established, a merit-based selection process conducted, then the awardees can secure the property for their establishment.

Jerry Derby believes a comparison with other communities would be helpful and stated that a free enterprise system should be used.

Dan Ramsey advocates for a merit-based system with preference given to those living in Mesa County and experience in the marijuana industry.

Johnny Durange owns four stores on the Western Slope and believes the selection process should be opened up to any operator who can pass through the Marijuana Enforcement Division (MED) standards. Zoning can be used as a starting place to understand how many applications could be received and he does not agree with caps.

Jeremy Byne has been in the marijuana business for eight years and noted that a tax rate of 5% is best; a higher tax rate means customers will travel to other communities to save money on their purchase. He supports a free enterprise approach and zoning will limit the number of allowable stores. Mr. Byne asked that people be given a chance to make a living.

Mark Sills owns a dispensary in Parachute and would like to see 20 stores available in Grand Junction.

Ms. Allen reviewed the results of the online survey. There were 663 respondents and participants provided the following information: where respondents lived/worked; 47 plan to apply for a license; what factors should be prioritized in determining how many stores should be permitted; maximum number of stores; areas of the community where stores should be located; types of land-uses that should be separated from stores; the minimum distance between stores; qualifications of business operators; and a suggested tax rate. Additional comments received covered the topics of tourism, impacts to youth, tax rate and use of revenues, local ownership, numerical limit, signage, odor and light, crime, and the process to select operators.

Renee Grossman participated virtually and stated that potential operators should be required to have a property secured prior to applying as it will keep the process moving along rather than delaying the opening of stores. She supports a merit-based selection process to maintain oversight of operators.

Ms. Allen reviewed the staff recommendation of 6-10 stores, utilizing a hybrid approach to select operators, a tax rate of 5%, stores allowed to operate in commercial uses excluding Main Street between 1<sup>st</sup> and 8<sup>th</sup>, and stores should be buffered from K-12 schools, rehabilitation centers, Colorado Mesa University (CMU) Main campus, and parks.

Discussion ensued regarding the number of stores, sales tax rate, who will serve on the selection board, starting at the zoning level for selection of operators, Roberts Rules and its application to workshops, rehabilitation centers should include halfway housing and services to those who struggle with addiction, clustering of stores, suggestion of one store per zone, Dr. Pramenko's suggestion of a fund for non-profits, selection process that includes supporting the community, location/allowance of stores in downtown, the letter from the Horizon Drive Business Improvement District with their recommendations regarding marijuana businesses in their district and the need to request a similar letter from the Downtown Development Authority (DDA).

Ms. Allen was asked to summarize the support expressed by City Council. Zoning, buffering, and overlays should be explored as a way to manage the number of eligible stores, there is no longer the need for a selection process for operators, a 5% taxation rate is supported (with staff asked to review Palisade's taxation model), stores can be located in commercial zones (excluding Main Street between 1<sup>st</sup> and 8<sup>th</sup>), and a request for a recommendation from the DDA regarding the number of allowable stores in downtown. It was also suggested that a recommendation be requested from CMU regarding buffering to the Western Colorado Community College (WCCC) main campus.

Mayor McDaniel called for a break 7:19 p.m. The workshop resumed at 7:30 p.m.

### **Agenda Topic 2. City Council Communication**

Mayor McDaniel discussed a possible letter complimenting the school district (D51) for their work through the pandemic and their ability to keep schools open. Because of the lack of unanimous support for this effort, City Council agreed that individual Councilmembers can send their own letter and indicate the letter is coming from them personally, not as a representative of the entire City Council.

Mayor McDaniel has received a request from the Grand Junction Housing Authority to provide a letter of support addressed to Senator Hickenlooper to earmark funds of \$8 million to buy land for future construction of affordable housing. Support was expressed for this letter.

Councilmember Stout suggested a future proclamation honoring Mesa County Public Health Director Dr. Jeff Kuhr for his work during the pandemic.

Councilmember Herman inquired into the status of the strategic planning process. Mr. Caton stated a discussion with the finalist will occur next week and City Council will receive an email to start identifying dates for the session.

**Agenda Topic 3. Next Workshop Topics**

Mayor McDaniel reported that City Council received a copy of the workshop schedule today via email.

Mr. Caton noted that the June 14 workshop will be held at the Fire Department training room and will be streamed and recorded via GoToWebinar (participants can watch virtually, attend in person, or watch the recorded workshop after it is posted online). The topic of “Mobility Hub” will be discussed at that workshop.

**Agenda Topic 4. Other Business**

There was no other business.

**Adjournment**

The workshop adjourned at 7:54 p.m.