

## **GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY** **February 13, 2023**

**Meeting Convened:** 5:30 p.m. The meeting was held in person at the Fire Department Training Room, 625 Ute Avenue, and live streamed via GoToWebinar.

**City Councilmembers Present:** Councilmembers Chuck McDaniel, Phil Pe'a, Randall Reitz, Dennis Simpson, Mayor Pro Tem Abe Herman, and Mayor Anna Stout

**Staff present:** City Manager Greg Caton, City Attorney John Shaver, Assistant to the City Manager Johnny McFarland, Director of Community Development Tamra Allen, Housing Manager Ashley Chambers, Finance Director Jodi Welch, Cannabis Code Enforcement Officer Travis Wright, Fire Marshall Steven Kollar, City Clerk Amy Phillips, and Deputy Clerk Janet Harrell

### **1. Discussion Topics**

#### **a. ARPA**

The American Rescue Plan Fund (Fund 114) accounts for the direct distribution of ARPA federal funds to the City of Grand Junction. A total of \$10.4 million was received by the City and in 2022, City Council authorized the distribution of \$1.4 million to Visit Grand Junction, Air Alliance, and Sports Commission for lodging revenue loss, leaving \$9 million available for further distribution. The City Council appointed an Advisory Committee (Committee) to make recommendations about funding.

City Manager Greg Caton reported that the purpose of this item was to continue Council consideration of the ARPA Committee's recommendations.

At the December 20, 2022, workshop, Council heard from six applicants, one of whom has since withdrawn their application. Of the remaining five applicants, Council requested additional information from three, which was subsequently received by staff and provided to Council in a memorandum.

The three applicants that were asked to provide additional documents were Altitude Pediatrics, Housing Resources, and the Counseling and Education Center.

**Housing Resources** was asked for additional financials and an explanation of how expenses will be handled regarding their proposed revolving loan fund. Council appreciated the additional information. Housing Resources of Western Colorado was recommended for \$1,000,000 in funding.

**The Counseling and Education Center (CEC)** was asked for various items pertaining to their behavioral health services expansion project including a balance sheet, fundraising plan, breakdown of grant funders, and budget. After receiving the additional information, and further discussion regarding the proposed fundraising goals, pending March 1<sup>st</sup> decision on an additional grant application, and written

commitment from their bank for financing, Council deferred their final decision until after March 1, 2023. CEC will provide more information regarding a possible fundraising study to help support their goals, letter from bank, and decision on the additional grant application.

**Altitude Pediatrics** was asked for budget vs actuals in 2022, revised budget projections with an explanation of the assumptions made and year-end financials and balance sheet. The information Council received from Altitude Pediatrics was inconsistent and after discussion they will resubmit explanation of the assumptions, possible grant measurables, 2022 year-end financials and balance sheets.

**Grand Valley Catholic Outreach** was recommended for \$1,000,000 in funding. There was discussion regarding additional funding to Grand Valley Catholic Outreach. Council will review additional funding after receipt of additional information is received from the applicants above.

Concluding discussion, City Council directed staff to add consideration of a resolution to the February 15, 2023, City Council agenda approving grant awards to Grand Valley Catholic Outreach for \$1,000,000 and Housing Resources of Western Colorado for \$1,000,000.

The Mayor called for a ten-minute break at 6:50 p.m.

### **b. Discussion on Regulations for Cannabis Product Manufacturers**

Community Development Director Tamra Allen presented this topic. She noted that the City has engaged in the topic of regulating retail cannabis businesses since September 2020. City Council approved regulations for ten retail cannabis businesses, including zoning, licensing, and taxation in April and May 2022. A randomized selection process to award the 10 retail cannabis licenses is currently underway.

Council is now considering Cannabis Product Manufacturer licenses. These businesses manufacture cannabis products intended for consumption in concentrated form for smoking, or for consumption other than by smoking, such as edible products, ointments, and tinctures and will be required to have both a state and local license to be a "Product Manufacturer". Businesses may vary in terms of their products and processes and may include hazardous uses which in Grand Junction currently requires a Conditional Use Permit. Medical product manufacturers may transact only with medical cannabis cultivation and sales licenses, and likewise for retail. There is no sales or excise tax on manufactured products.

### **Regulation Examples**

In evaluating reasonable guidelines for the operation of businesses which extract, process, and infuse cannabis products, the first step was to review approaches taken by other jurisdictions.

### Palisade

- “Retail Marijuana Free Zone” – no establishments permitted in this area, which is the core downtown.
- Distance requirement (1,000 feet from school or preschool).
- Hours of Operation – shipping and receiving of products and supplies must take place between 4 a.m. and 10 p.m.

### Mesa County

- Cannot locate in a building with a residential occupancy (all or in-part).
- Distance requirement (1,000 feet from schools serving 6<sup>th</sup> grade level and up).

### Carbondale

- Distance requirements (500 feet for school or daycare; 500 feet for alcohol/treatment facility).
- Zone Districts – Commercial/Retail/Wholesale or General Industrial.
- Local residency – agent who is a point of contact with primary home in the town.

### Denver

- No medical or retail marijuana products manufacturer license shall be issued within any zone district where, at the time of application, "food preparation and sales, commercial," "manufacturing, fabrication, and assembly, general," or "manufacturing, fabrication and assembly, heavy" is not permitted.

### Boulder

- May only locate where “manufacturing ≤ 15,000 square feet” is a permitted use. Use is limited to 15,000 square feet.
- Does not allow in a building with residential units or in residential zones.
- Does not allow retail sales in the same building.
- Distance requirement (1,000 feet from any public or private elementary, vocational, or secondary school, or a college, university, or a state licensed day care center, or an addiction recovery facility).
- Separation requirement (500 feet from 3 other cannabis businesses).
- No use of pesticides.
- Ventilation required.
- Required to offset 100% of energy consumption through renewable energy.
- Cultivation and manufacturing not permitted on the same premises, except for cold-water extraction facilities.
- Minimum of one-hour fire wall separation between any other business.

### **Land Use**

As a component of licensure, as well as a process pertinent to any business operation in the City, land use and its related impacts (e.g. noise, odor, traffic, etc.) is a primary consideration related to cannabis Product Manufacturer businesses. Unlike retail cannabis businesses, cannabis Product Manufacturers are primarily industrial in function.

Within the broad Product Manufacturer category, there are two distinct types of operation – those who extract and process raw material and those who produce a cannabis-infused product. The extraction and processing of raw material presents greater risk factors due largely to the use of volatile materials as well as nuisance issues such as odor. Because of the difference in potential risk and impact, staff recommended that Product Manufacturers be split into two uses as follows:

*Cannabis product manufacturing facility* shall mean a business licensed as a Product Manufacturer to purchase cannabis; manufacture, prepare and package cannabis products; and wholesale cannabis and cannabis products to other licensed cannabis businesses for wholesale.

*Cannabis-infused product manufacturer* means a business licensed as a Product Manufacturer that utilizes cannabis previously extracted and/or manufactured off-site to infuse into products, prepare and package products intended for wholesale.

The Cannabis-infused product manufacturer, as defined above, does not have the same concerns regarding hazardous materials. As such, staff recommends defining a separate Use Category for businesses that exclusively infuse instead of extract.

### **Operational Requirements**

In addition to land use regulations, it was noted that aspects of the operation of cannabis product manufacturers should be managed to mitigate potential impacts and ensure quality operators. The following are components of operations frequently regulated in other jurisdictions and are recommended by staff:

- Retail sales are not permitted from a cannabis product manufacturer unless the premises is already licensed as a regulated cannabis store. Only the 10 licensees under GJMC Chapter 5.13 may be permitted to co-locate with a cannabis product manufacturer.
- Cannabis Product Manufacturer Facilities must be in standalone buildings. While the risks of many extraction methods can be mitigated through building design and requirements of the fire code in multi-tenant buildings, a standalone building requirement will further reduce risks to nearby businesses and buildings. Additionally, standalone facilities will help reduce the potential nuisance of odors coming from the use that may negatively impact neighboring tenants/owners. This would not apply to Cannabis-Infused Product Manufacturers.
- A Compliance Report detailing all means to be used for extraction, heating, washing, or otherwise changing the form of the marijuana plant, or testing any marijuana, accompanied by a third-party report, prepared by a Certified Industrial Hygienist, certifying that the plan adequately protects the business and adjacent properties and persons and comply with all applicable laws must be provided for each business location.
- Odor management controls, like retail cannabis stores, will be required to ensure that compatibility with neighbors is kept high.

- There are several local amendments to the International Fire Code (IFC) that are being contemplated by the Fire Department. These amendments are intended to clarify regulations, including but not limited to how equipment used in extraction and processing of cannabis can be modified and what inspections may be required.
- Subject to annual, and as needed, inspections.

### **Licensing Process**

The licensing process will be like that of liquor licensing, with no cap proposed for cannabis product manufacturers, so the licensing process and application review would occur on an as needed basis once an application is submitted to the City Clerk's office. A brief outline of the proposed licensing process is as follows:

1. Zoning Verification completed by Community Development
2. Application submitted to State Marijuana Enforcement Division
3. Pre-Application meeting with City Clerk's office: Hand-deliver and review State application and additional local licensing requirements, such as fingerprints, an operation plan, and a compliance report prepared by an industrial hygienist.
4. Application submitted and distributed to City departments for review of local requirements.
5. Recommendation, based on review provided to Cannabis Licensing Authority
6. Public hearing scheduled with 14-day notice and held with the Cannabis Licensing Authority

Discussion resulted in Council direction to continue exploring regulations for Cannabis Product Manufacturer Licenses by adding the topic to the March 15, April 5 and April 19 agendas for consideration and public comment. Cultivation Licenses would be discussed at a later time.

### **2. City Council Communication**

Council discussed that Councilmember Simpson would serve on the interview committee for the Grand Junction Regional Airport Authority, scheduling of the first of two randomized selection events for the issuance of two cannabis licenses in the Horizon Drive Association Business Improvement District and agreed to issue a Letter of Support for Homeward Bound's grant application to the Colorado Department of Local Affairs (DOLA).

### **3. Next Workshop Topics**

City Manager Caton reported the Workshop items for February 27<sup>th</sup> will be:

- Draft Pedestrian and Bicycle Plan and Draft TEDS Manual
- Council Policies
- Zoning and Development Code Update
- Housing Land Acquisition

### **Adjournment**

There being no further business, the Workshop adjourned at 8:09 p.m.