

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY **April 3, 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 (virtual), Phil Pe'a, Randall Reitz, Dennis Simpson, 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, Principal Planner Nicole Galehouse, Mobility Planner Henry Brown, Senior Planner Daniella Acosta, Finance Director Jodi Welch, Public Works Director Trent Prall, Fire Chief Ken Watkins, Fire Marshal Steve Kollar, Cannabis Compliance Officer Travis Wright, City Clerk Amy Phillips, and Deputy Clerk Janet Harrell.

1. Discussion Topics

a. Pedestrian and Bicycle Plan

David Thornton, Principal Planner, and Consultant Patrick Picard introduced the item. The City hired Fehr and Peers to work on developing the first Pedestrian and Bicycle Plan (Plan) for the Grand Junction community. This effort works towards three primary goals:

- Establish a vision for the future pedestrian and bicycle network.
- Identify prioritized investments that the City will implement over time.
- Create a more comfortable and welcoming place for people of all ages and abilities to walk, roll, and bicycle.

The project team presented recommendations in the consolidated draft for discussion.

This effort addresses the City's active transportation (multi-modal) programs, policies, and infrastructure that are in alignment with the City's 2020 Comprehensive Plan, Plan Principle 6; Efficient and Connected Transportation and the City Council's Strategic Priority Mobility and Infrastructure. Additionally, the focus of the Plan is to identify strategies, policies, and performance measures to guide the planning, funding, and implementation of future active transportation projects, and to encourage increased non-motorized trips across all ages and abilities.

The City launched the development of the Pedestrian and Bicycle Plan in August 2022 with the formation of a 17-member steering committee. Staff solicited a pool of applicants that were geographically diverse and inclusive of different age groups and professions and were part of a target demographic or who may, through their employment, represent vulnerable or underrepresented users, such as individuals with disabilities, youth, low-income populations, and service industry workers.

Following the formation of the steering committee, staff conducted extensive community outreach consisting of twelve intercept events throughout the community, a walk and bike audit with members of the steering committee, nine focus groups, an online survey and an interactive mapping exercise, and an open house to collect input on existing conditions and community needs. Approximately eighty community members attended the open house. Through the engagement process, staff made three hundred individual points of contact with community members at the intercept events, solicited input from sixty-five focus group participants, and received 669 comments through the online survey and 1098 comments on the interactive online map.

In December 2022, the City released an Existing Conditions and Needs Assessment Report that synthesized all public input and findings during the first phase of the project. Staff workshopped the Existing Conditions and Needs Assessment Report with the City Council on December 19, 2022, and with the Planning Commission on January 5, 2023.

The City released the first draft of the Plan on February 2. The draft plan presents the identified level of traffic stress (LTS) for corridors in the City ranked for both pedestrians and bikes and recommended treatments. The consultants also prepared a prioritized projects list for infrastructure improvements.

The City conducted a second round of public outreach to gather input on the elements of the draft plan. Staff conducted nine additional intercept events to encourage the public to read and provide comments on the draft plan:

- Mesa County Public Library, Feb 2, and Feb 16
- KAFM Radio Show, Mobile Mesa County, Feb 8
- Downtown Development Authority Board Meeting, Feb 9
- Winter Bike to Work Day, Feb 10
- Colorado E-Bikes, Feb 11
- Horizon Drive BID Board Meeting, Feb 15
- Colorado Mesa University Natural Resources Job Fair, Feb 15
- Virtual Open House, Feb 21.

Discussion ensued regarding zoning and development updates, next steps, logistics as it relates to a pedestrian and bicycle plan, and the topic that the Planning Commission recommended to continue the item at their last meeting.

Further discussion ensued as to the possibility of reconvening both the Planning Commission and the Code Committee over the next few months to talk through the remaining issues and additional costs to do so to pay consultants for continued work. The hope is that the Planning Commission will be able to work through concerns and recommend adoption to the council on April 19th.

b. Urban Forestry Management Plan

The Urban Forestry Management Plan (UFMP) has been crafted using data and public process. Staff of the Forestry Division and Community Development Department have assembled canopy coverage and diversity data, interviewed forestry managers from

other mid-size Rocky Mountain municipalities and interfaced with dozens of City staff and community stakeholders. The City also circulated a survey on forestry-related topics in January, receiving 529 responses. Although not statistically valid, the responses informed the planning process and helped in setting priorities and objectives. City staff hosted public workshops on February 23 (in-person) and February 27 (virtual), presenting details of the plan and soliciting feedback. The Parks and Recreation Advisory Board (PRAB) and the Forestry Board have both been involved in this planning process as well. The Forestry Board recommended adoption of the UFMP at their March 2 meeting and PRAB will consider recommending adoption at PRAB's April 6 meeting.

The UFMP provides educational resources on the value and services of the urban forest. The plan revealed that 75 percent of trees in the community exist on private property, that canopy growth since 2011 has generated more than \$6 million in property value, and that plantings can save households up to \$250 in annual energy bills. Some goals and strategies address total canopy cover. This includes setting a target of 18 percent coverage citywide (compared to 13 percent at present). Other strategies address equity in coverage, reacting to survey responses calling for increased canopy in most neighborhoods, as well as disparities in census block level coverage. The coverage level is available for each different census block. Across the City, coverage ranges from 2 percent, in places such as industrial areas like north of Las Colonias and north of Riverside Parkway, to 40 percent in areas including along the Colorado River.

Responding to public concerns, the plan addresses threats from drought, pests, and disease. Mismanagement of the forest during an extreme drought could result in more than \$200 million of lost value in green infrastructure. The plan thus recommends strategies for maximizing returns on water resources such as tree retention, given that each gallon of water invested in a mature tree yields ten times as much shade as the same gallon invested in a young tree. The UFMP also addresses management options for the Forestry Division as the City grows, taking on about 150 new public trees annually due to urban growth.

Council discussion concerned various aspects of the plan. The plan involves breaking down the goals by land use and identifying the potential role of a third tree care crew. The forestry division will focus on pruning cycle lengths, contract services, and identifying places where the council may consider adopting slight revisions to the Municipal Code regarding trees. The plan proposes to track the effects of the new landscaping regulation and continue to revisit and understand how it is impacting planting. Additional discussion centered on water management, and the impact of drought in some areas, water under the canopy of trees, especially in areas where there is not much ground to absorb water. They also discussed the impact of trees on water usage and the role of shade in reducing the amount of water needed. The conversation touched on the work being done to address the emerald ash and Japanese beetle infestations, including collaboration with the county, and sending out postcards to affected areas. Discussion concluded noting the need for education and outreach to inform residents about the services available to them.

c. Discussion on Regulations for Cannabis Product Manufacturers

Principal Planner Nicole Galehouse reported that Referred Measures 2A and 2B were passed on April 6, 2021, in the municipal election, providing the Council with an opportunity to consider establishing tax rates and regulations for cannabis businesses. Since that time, City Council and staff have focused on regulation and licensing of retail and co-located retail and medical cannabis businesses. As that process moves forward with ten licensed and operational stores within the City, Council is now interested in evaluating the regulation of extraction and processing of cannabis.

A public listening session was held at the City Council meeting on March 15, 2023. Two public comments were heard, which brought up questions and concerns regarding the cost and implementation of inspections, whether the cannabis-infused product manufacturer should be a use by-right, and the order of application process as it relates to state versus local.

Cannabis Product Manufacturers – 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 are required to have both a state license and a local license to be a “Product Manufacturer”. These businesses may vary widely 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. These businesses may generate jobs for their processing and packaging activities, depending on the type of product manufactured, scale of operation, and the degree of automation. There is no sales or excise tax on manufactured products (excise tax is to be collected on the first sale or transfer of unprocessed retail marijuana by a retail cultivation facility within the City).

Regulation Examples

In evaluating reasonable guidelines for the operation of businesses which extract, process, and infuse cannabis products, staff reviewed approaches taken by other jurisdictions (Palisade, Mesa County, Carbondale, Denver, and Boulder).

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. Planning Commission recommendations for regulating this land use reflect that businesses be limited to areas where general manufacturing and food product manufacturing are allowed, depending on the nature of the specific business, to include I-O (Industrial – Office), I-1 (Light Industrial), I-2 (General Industrial), and C-2 (General Commercial) zone districts. Though the current code requires hazardous uses (H Occupancy) per Fire Code to seek a Conditional Use Permit (CUP) to operate in I-O, I-1, and I-2 zone districts, this requirement has been removed in the current draft of the

Zoning and Development Code.

After further consideration and research, staff recommends further refinement to the areas in which cannabis Product Manufacturers are allowed. 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 recommends 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 zone districts originally recommended by Planning Commission remain consistent with zone districts contemplated to allow Products Manufacturing Facilities; however, staff recommends that certain areas of the City that have these zone districts are removed from allowing this use due to potential safety and nuisance issues. The general areas proposed to be removed include the Greater Downtown area (Rail District), areas in the vicinity of the Dos Rios and Las Colonias Improvement Districts, and specific areas that are nearby or adjacent to residential development and/or residential land use areas., which are proposed by staff to be excluded as allowable parts of the City for the Cannabis Product Manufacturing Facility uses. This will be accomplished with a zoning overlay; the proposed zoning overlay boundaries were shown in Exhibit A. in the agenda documentation.

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. The use is proposed to be allowed in all zone districts previously recommended by the Planning Commission and include the C-1 (Light Commercial), B-1 (Neighborhood Business), B-2 (Downtown Business), M-U (Mixed-Use), and BP (Business Park Mixed Use) zone districts.

Operational Requirements

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

- Retail sales are not permitted by a cannabis product manufacturer unless the premises is already licensed as a regulated cannabis store. Only the ten 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

It is anticipated that the licensing process will be like that of liquor licensing. There is 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, for licensing (not licensing) provided to Cannabis Licensing Authority
6. Public hearing scheduled with 14-day notice and held with the Cannabis Licensing Authority

Next Steps

Following direction from City Council, this item will be brought forward as three separate ordinances:

1. Ordinance Amending Title 5, Section 5.15.010 et. seq. pertaining to: Allowed Cannabis Uses
2. Amending Title 5, creating Chapter 10 pertaining to: Cannabis Product Manufacturing Facilities & Cannabis-Infused Product Manufacturer Business Licensing & Regulations
3. Amending Title 21, Chapters 4 and 10 pertaining to: Zoning, Use Standards, Buffering, and Definition

These ordinances are tentatively scheduled for first reading on April 5, 2023, and second reading on April 19, 2023.

2. City Council Communication

Council spoke to the Cannabis randomized selection event and was pleased with the process and outcome.

3. Next Workshop Topics

City Manager Caton reported that the April 17 Workshop has been cancelled, and Council will hold a Special Workshop on April 10th to discuss ARPA funding.

Workshop items for May 1st will be:

- Board and Commission Assignments for City Council
- Nuisance Update
- Pedestrian and Bicycle Plan

Adjournment

There being no further business, the Workshop adjourned at 6:39 p.m.