

# Marijuana Hospitality Regulation Amendments (PLN2020-00005)

Community and Economic Development Department

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July 28, 2020



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# Request

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## Text Amendments to the County's Development Standards and Regulations:

- Chapter 3: Zone District Regulations
- Chapter 4: Design Requirements and Performance Standards
- Chapter 11: Definitions

## Text Amendments to the Marijuana Licensing Regulations

Purpose: These text amendments are to allow for the licensing of Marijuana Hospitality Businesses.

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# Background

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- May 29, 2019 HB19-1230 Marijuana Hospitality Establishments signed into law
  - Marijuana Hospitality Establishments
    - An entity licensed to permit the use or consumption of marijuana with a Consumption Area
  - Retail Marijuana Hospitality and Sales Establishments
    - An entity licensed to (1) purchase Retail Marijuana from Retail Marijuana Business, (2) Transfer Retail Marijuana to consumers, and (3) permit the use or consumption of Retail Marijuana transferred to a consumer within the Restricted Access Area.

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# Background

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- Study Sessions with Board of County Commissioners
  - July 23, 2019 & November 12, 2019
    - Present general information
    - Direction given to research possible licensing options
  - January 21, 2020 & April 28, 2020
    - Present MED Rulemaking
    - Direction given to move ahead with regulation amendments and licensing structure

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# Background

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- Public Hearings with Board of County Commissioners
  - March 10, 2020 & May 12, 2020
    - Regulations amendments
    - Direction given to move forward with regulation amendments and licensing structure
- Planning Commission
  - Study Sessions
    - February 13, 2020
    - May 28, 2020

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# Ordinance 15

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- HB19-1230 Marijuana Hospitality Establishments states an Ordinance must be passed by a local jurisdiction to authorize the operation of Marijuana Hospitality Businesses
- June 16<sup>th</sup> Ordinance 1<sup>st</sup> Reading
- June 30<sup>th</sup> Ordinance 2<sup>nd</sup> Reading
- July 9<sup>th</sup> Publication of Ordinance
- August 8<sup>th</sup> Ordinance goes into effect

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# Development Standards and Regulations

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- Section 2-02-15 details the procedures for amendments to the text of the Development Standards and Regulations.
- Only the BoCC may, after a recommendation from the Planning Commission, adopt a resolution amending the text of the Development Standards and Regulations.

# Criteria for Approval

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1. The text amendment is consistent with the Adams County Comprehensive Plan.
2. The text amendment is consistent with the purposes of these Standards and Regulations.
3. The text amendment will not be detrimental to the majority of person or property in the surrounding areas nor to the community in general.



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# Summary of Text Amendments

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## Development Standards and Regulations

- Chapter 3      Zone District Regulations
- Chapter 4      Design Requirements and Performance Standards
- Chapter 11     Definitions

## Marijuana Licensing Regulations

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# Chapter 3 – Zone District Regulations

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## New Uses Defined

- Marijuana Hospitality Business
- Retail Marijuana Hospitality and Sales Business

Proposed to be permitted in the following zone districts:

Commercial	Industrial
C – 3	I – 1
C – 4	I – 2
C – 5	I – 3

# Chapter 4 – Design Requirements and Performance Standards

Facility Type	Zone District	School/ Daycare	Community Facilities	Residential Uses
<b>Retail Store</b>	C-3, C-4, C-5 I-1, I-2, I-3	1,000 ft	100 ft	50 ft
<b>Hospitality</b>	<b>C-3, C-4, C-5</b> <b>I-1, I-2, I-3</b>	<b>1,000 ft</b>	<b>100 ft</b>	<b>50 ft</b>
<b>Manufacturing</b>	I-1, I-3, I-3	1,000 ft	100 ft	50 ft
<b>Cultivation</b>	A-3 C-3, C-4, C-5 I-1, I-2, I-3	1,000 ft	100 ft	50 ft

- 750 ft minimum separation between stores
- **5-mile minimum separation between hospitality businesses**
- **500 ft minimum setback from residential if outdoor consumption is allowed**

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# Chapter 4 – Design Requirements and Performance Standards

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4-03-04-01 General Accessory Uses Permitted  
(Commercial)

4-03-05-01 General Accessory Uses Permitted  
(Industrial)

- Amended to include Marijuana Hospitality Business
- Allow for an existing permitted use such as a restaurant or spa to obtain a Marijuana Hospitality Business license and add this use to the existing business.

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# Chapter 4 – Design Requirements and Performance Standards

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4-18-08 Marijuana Hospitality Businesses

4-18-09 Retail Marijuana Hospitality and Sales Business

- Mobile premises
  - Maintain fixed place of business in unincorporated Adams County
- Accessory use to existing commercial/industrial uses
- Outdoor consumption
  - 500ft setback from residentially zoned/used property
  - Screened from view by 8ft solid screen fence or other effective screening material
  - No greater than 50% than indoor consumption area

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# Chapter 11 – Definitions

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Definitions added for the following:

Terms	
Colorado Marijuana Code	Marijuana Hospitality Business
Consumption Area	Marijuana Hospitality Mobile License
Hospitality Business	Mobile Premises
License	Outdoor Consumption Area
Licensed Hospitality Business	Premises
Licensed Premises	Restricted Access Area
Limited Access Area	Retail Marijuana Hospitality and Sales Business
Marijuana Business	

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# Marijuana Licensing Regulations

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## Section 03.01 Licenses

- Add Marijuana Hospitality Business, mobile premises, and Retail Marijuana Hospitality and Sales Business license types.

## Section 04.01.04 Application

- Address of licensed premises
- All applicant/manager/entity information
- Statement regarding denial of any previous license or felony convictions

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# Marijuana Licensing Regulations

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## Section 04.01.04 Application

### 4. Operating Plan

- Location of proposed hospitality area on Floor Plan
- Proof of possession or permission to use property for the consumption of marijuana
- Employee Training Manual or Policy
  - Prevent underage entrance/consumption
  - Training of products, potency, effects
  - Training to educate customers
- Proposed hours of operation
- Health & Sanitation Plan for rental equipment



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# Marijuana Licensing Regulations

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## Section 04.01.04 Application

### 5. Community Engagement Plan

- Information of person responsible for community engagement
- Outreach Plan to engage residents/businesses in local neighborhood
- Plan to create positive impacts in the local neighborhood
- Policy/Procedure to address concerns or complaints from local neighborhood
- Policy/Procedure to promote participation in regulated marijuana industry from those who have been harmed by its prohibition and enforcement to positively impact the community

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# Marijuana Licensing Regulations

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## Section 04.01.04 Application

### 6. Mobile Premises

- Separate license for each vehicle
- Mobile Premises information
  - Proof vehicle is owned/leased by the business
  - Vehicle make, model, year
  - Proof vehicle is equipped with GPS
  - Proof vehicle is equipped with video surveillance
  - Proof vehicle is equipped with proper screening

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# Marijuana Licensing Regulations

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## Section 05.02 Operation Standards

- Marijuana Hospitality Business shall be equipped with the proper odor absorbing ventilation and exhaust system to prevent odor from being detected outside the Business
- Encourage appropriate patron conduct
  - Announcement at closing and post signs requesting patrons to respect residents of adjacent neighborhoods
  - Cut off service to impaired patrons and provide car service information

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# Marijuana Licensing Regulations

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## Section 05.02 Operation Standards

- Posts signs on exterior of business with information of community relations employee to contact if there are issues/concerns with the business
- Mobile Premises shall designate and maintain a fixed place of business within unincorporated Adams County separate from the Mobile Premises

# Marijuana Licensing Regulations

## Section 10.01.01 Operating and Renewal Fees

Operating and Renewal Fees	
Retail Marijuana Hospitality & Sales Business	\$15,000*
Marijuana Hospitality Business	\$15,000
Mobile Premises	\$1,000
Administrative Fee	
Change of Ownership	\$5,000

\* Updated proposed fee

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# Throughout

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Text Amendments made throughout:

- Updated existing business types, terms, and processes to align with those currently used by the Marijuana Enforcement Division
- Updated references to new sections of the Colorado Constitution
- Updated references to new sections of the Colorado Marijuana Code

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# Lottery System

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- All Marijuana Hospitality Licenses will be administered via the Lottery System
- Complete the Lottery Application and submit to the Licensing Administrator
- Applicant will receive an email confirming receipt of their application along with their lottery number
- Lottery Registration July 29 – Aug 7
- Lottery will be held August 12<sup>th</sup>, streamed on YouTube
- 10 additional numbers will be drawn for a wait list

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# Stakeholder & Public Outreach

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- Public Meetings:
  - Tuesday, May 19<sup>th</sup> 5:30 P.M.  
Virtually - Zoom
  - Thursday, June 18<sup>th</sup> 5:30 P.M.  
Virtually – Zoom
- Stakeholder Meeting:
  - Thursday, May 14<sup>th</sup> 10:00 A.M.  
Virtually – Zoom
  - Current Marijuana Licensees, Marijuana Interest groups



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# Public Comments

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- 6 Comments for Ordinance 15
- 6 Comments for text amendments
- Industry Comments
  - 5 miles distance between hospitality businesses too great
  - Fees are too high
  - Hospitality licenses should be administered via a merit-based system, not the lottery system
  - A lesser setback requirement for outdoor consumption was requested for hospitality businesses that would only allow for consumption of edibles
  - Social equity should be considered when administering licenses

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# Public Comments

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- Public Comments
  - Implementation of strict setback requirements from schools, childcare centers, recreation and residential areas
  - Implementation of strict setback requirements between hospitality businesses to prevent concentration in neighborhoods already combatting other risk factors
  - Vetting of businesses; require they demonstrate a plan to diminish risks they pose to minors
  - Add a provision to allow school districts to consult with the county prior to granting a hospitality license
  - Public health impacts

# Referral Comments

- Referral request sent to 250+ agencies:
- Responding with Concerns:
  - Mapleton Public Schools
  - Westminster Public Schools
  - Tri-County Health Department
- Responding without Concerns:

Agency	Agency
Adams County Fire Rescue	Arapahoe County Planning
Arapahoe County Public Works	CDPHE
Colorado Division of Water Resources	Denver Water
Strasburg Fire Protection District	Southwest Adams County Water and Sanitation District
Thornton Fire Department	United Power
Xcel Energy	

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# Planning Commission Update

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- Hearing: July 9, 2020
- Public Comment:
  - Mapleton Public Schools
- Recommended APPROVAL (7-0)

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# Planning Commission Recommendation

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Approval of the text amendments (PLN2020-00005) with 3 findings-of-fact and 3 conditions.

## Conditions

- Prohibit mobile licensing
- Prohibit outdoor consumption
- Allow staff to change any typographical errors for a period of 30 days following the hearing.

# Licensing Technician FTE

- Licensing program has grown
- Additional program requirements with the licensing of hospitality
- Implement a robust inspection program for all licensing
- Add the FTE with a future budget amendment

Cost/Revenue Analysis	
Revenue	\$229,600
Current Costs	\$80,300
Additional Costs	\$75,700
Remaining	\$73,600

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# Findings-of-Fact

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3. The text amendment will not be detrimental to the majority of persons or property in the surrounding areas nor the community in general.