

Denver City Council
Special Issues: MJ Committee
January 28, 2019



### **CO State Cannabis Bills 2019**

#### **PROPOSED STATE BILLS**

• HB 19-1028: Adds autism spectrum disorders to qualifying medical conditions list

• HB 19-1031: Allows each parental guardian to serve as a minor MMJ patient's primary caregiver

HB 19-1076: Colorado Clean Indoor Air Act amendments

Adds vaping of any substance

Removes prior exceptions

• <u>HB 19-1090</u>: Allows greater investment flexibility for marijuana businesses (publicly-traded companies)

• <u>SB 19-013</u>: Adds any condition for which a physician could prescribe an opiate to the qualifying medical conditions list

#### **EXPECTED STATE BILLS**

- Cannabis Hospitality bill Creates 2 new business licenses
  - Limited sales at dispensary tasting rooms & approved social-use businesses
  - Social consumption at existing businesses (e.g. hotels, restaurants) no sales
- MMJ and/or RMJ delivery
- Code cleanup: RMJ & MMJ codes sunset in September





Legal cannabis may be in store for some changes after the Colorado General Assembly convenes January 4.

### Expect These Marijuana Bills in the 2019 Legislative Session



## 100<sup>th</sup> Anniversary of the 18<sup>th</sup> Amendment

Remembered widely as one of the greatest policy mistakes of the 20th century, Prohibition led to serious economic and social

ramifications, including:

- Government revenue losses
- Snowball job losses
- Increased death toll due to black market alcohol
- Rise in police corruption
- Drastic rise in crime
- Introduction of organized crime



mage: pbs.org/kenburns/prohibition/unintended-consequences/



Image: heartlandbrewery.com/inside-the-speakeasies-of-the-1920s

"The business of manufacturing alcohol, liquor and beer will go out of the hands of law-abiding members of the community, and will be transferred to the quasi criminal class."

- William Howard Taft, 27th President of the United States, 10th Chief Justice of the United States, Yale Law School Professor

"When the Mayor of Berlin, Gustav Boess, visited New York City in the fall of 1929, one of the questions he had for his host, Mayor James J. Walker, was when Prohibition was to go into effect. *The problem was that Prohibition has already been the law of the United States for nearly a decade.* That Boess had to ask tells you plenty about how well it was working."

- Lerner, Michael. Prohibition: Unintended Consequences. Public Broadcasting Service (2011).



## **Initiative 300 – Sunset Language**

A sunset review is an evaluation of the need for the continued existence of a program or an agency. It allows for an assessment of the effectiveness and performance of the program or agency. The review yields a recommendation to either (1) retain the program or agency as is; (2) modify the program or agency; or (3) allow the program or agency to terminate, including the repeal of the relevant statutes.<sup>1</sup>

#### **SOCIAL USE - SUNSET LANGUAGE (2016):**

#### Sec. 6-319. Sunset.

This article shall be effectively repealed December 31, 2020 or when the city passes comprehensive regulations governing cannabis consumption that further the intent of this article, whichever first occurs.

NEIGHBORHOOD SUPPORTED SOCIAL USE

Denwer 2016

A sunset review should "allow a new program or an agency to operate long enough to generate actual outcomes." Washington State recommends seven years as a minimum.<sup>2</sup>



## Repeal, Extend, or Wait?

### Arguments for the repeal of the sunset clause:

- With less than 2 years until the sunset,
  - Leasing and building out a space is not economically feasible for a prospective business.
  - The application process itself can take more than 6 months.
  - It is unlikely that anyone would invest in a SCA business.
- Projects business fairness by treating social consumption business licenses like other, non-cannabis business licenses.
- Protects consumption businesses that currently hold licenses from forced-closure in 2020.
- Only 2 consumption licenses have been granted, well under the number that would equal market saturation.
- If public opinion changes on the topic or community issues related to SCAs arise, legislators can amend or repeal the ordinance.
- If state legislation re: SCAs passes, CO & Denver would still need to conduct rule making processes and community outreach.

#### Arguments against the repeal of the sunset clause:

- State legislators will revisit social consumption in the 2019 legislative session, so wait for the state to pass legislation.
- Cannabis still illegal at federal level.
- Public cannabis consumption illegal at state level.
- As an alternative, extend the sunset instead of a full repeal.





#### **A BILL**

For an ordinance repealing the sunset date of the cannabis consumption pilot program.

#### BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF DENVER:

**Section 1.** That section 6-319, D.R.M.C., is repealed in its entirety by deleting the language stricken to read as follows:

#### Sec. 6-319. - Sunset.

This article shall be effectively repealed December 31, 2020 or when the city passes comprehensive regulations governing cannabis consumption that further the intent of this article, whichever first occurs.



## **Distance Requirements Discussion**

#### DISTANCE REQUIREMENTS - AND, WHO THEY ARE PROTECTING (REVIEW PUBLIC PROTECTIONS SPREADSHEET)

**Initiative** 

**EXL Rules** 

1000 ft. from schools

1000 ft. from daycare center

(consensus to keep this in place)

1000 ft. from city-owned recreation centers or outdoor pools

1000 ft. from drug and alcohol addiction treatment centers

#### TASK FORCE RECOMMENDATIONS

- REC 1: Maintain all the current 1000-foot setbacks, but allow applicants to seek an exception to a distance requirement by showing support from the subject of the setback. For example, if an applicant meets all requirements, but falls short of the 1000-foot setback from a daycare, the applicant can seek a letter of support or non-opposition from the daycare thereby granting an exception. The letter would remain on file with Excise & Licenses and would not need to be resubmitted on an annual basis.
- REC 2: Honor the will of the voters by adhering to the distance requirements that were set forth in the ballot language (1000 feet from schools) and removing the additional distance requirements added by Excise & Licenses (1000 feet from day cares, treatment centers and pools/recreation centers.)



## **Distance Requirements Discussion**

#### **REVIEW MAPS (static & interactive)**

- 1. Current distance requirements map (All distance requirements included in initiative and EXL Rules)
- 2. Initiative requirements vs. EXL Rules requirements
- 3. Reduce all distance requirements to 500 ft. EXCEPT schools (similar to liquor consumption licenses)
- 4. Liquor consumption establishments vs. cannabis consumption establishments
- 5. Cannabis stores & centers vs. cannabis consumption establishments



The following disclaimers apply to all images presented in the next part of this presentation.

#### **Disclaimers:**

The following images show data related to eligible areas for cannabis consumption licenses based on the restrictions that were in the ordinance language as well as those stated in the Rules and Regulations. Please keep in mind these points:

- All data numbers are estimates.
- These maps and images are a snapshot in time and they are based on information that changes often (for example, a new daycare could open up tomorrow and that would change the results). Information will have changed since these images were created.
- Due to the above point, these models and maps are not meant to fully evaluate specific sites. It is not a map that will show a specific zone lot or location qualifies or meets criteria for a permit. This would be determined on a case-by-case review of the permit application.
- These images do not show some of the smaller areas of detail. For example, you have to zoom in pretty close to see all of the "I-300 eligible" areas along East Colfax. Likewise, point data can cluster and cover up important underlying data.
- Further, our general map and data disclaimer states: "The City and County of Denver shall not be liable for damages of any kind arising out of the use of this information. THE INFORMATION IS PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE FITNESS FOR A PARTICULAR USE. NOT FOR ENIGNEERING PURPOSES."
- If you use assistive technology and are unable to access the content in these images, please contact Grant Garstka.
- Work should be attributed to City and County of Denver, Technology Services.
- Contact: Grant Garstka, Senior GIS Analyst, grant.garstka@denvergov.org



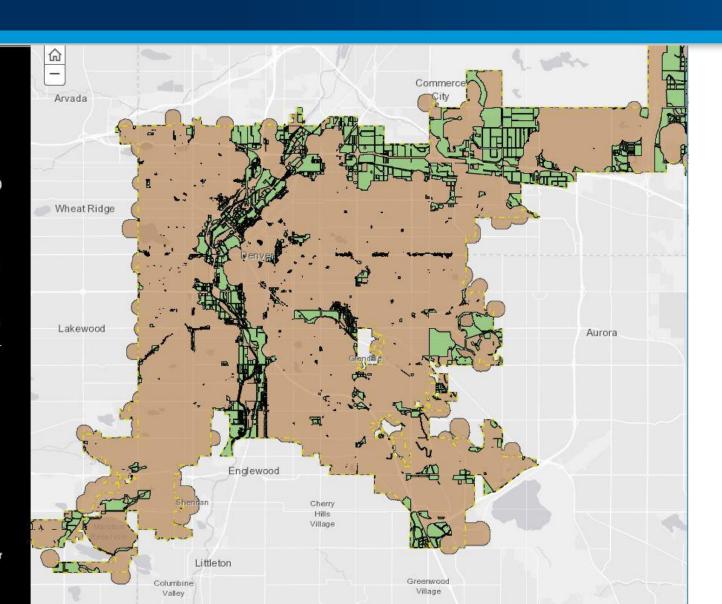
This Map shows the current I-300 Regulations.

The Ineligible areas shown in **Brown** and contain the following factors:

- 1,000 ft from any school\*
- 1,000 ft from any child care license\*
- 1,000 ft from City-owned Rec Center or Pool\*
- Residential Zoning District
- City and County of Denver Public Property
- Right-of-Way
- Water

Green areas are Eligible for SCA.

\*computed by direct measurement in a straight line from the nearest property line to the nearest portion of the building





#### Not Likely To Be Eligible

3.18 Sq Miles - Councilwoman Black and Staff Identified as "Not Likely to be Eligible" (Shown in Teal)

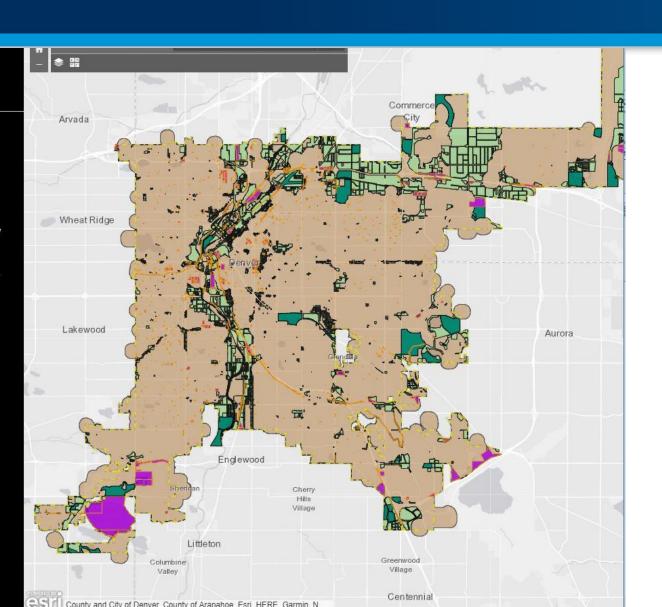
### 3.73 Sq Miles - Additional Public Property (shown in Purple)

- Additional Public Property Owners:
- Board of Water Commissioners City and County of Denver (Denver Water)
- · Denver Houisng Authority
- Colorado Deptartment of Transportation
- Regional Transportation District
- State of Colorado
- United States of America

#### Ordinance VS Rules and Regulations

The Ordinance, as voted in, would allow for 31.43 Sq Miles of Eligible Area in the City and County of Denver.

Additional Rules and Regulations allow 20.27 Sq Miles of Eligible land.





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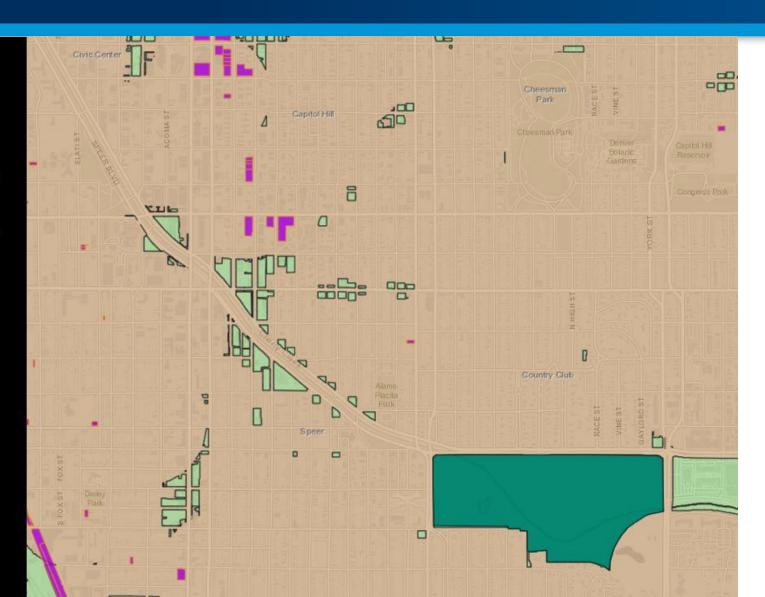
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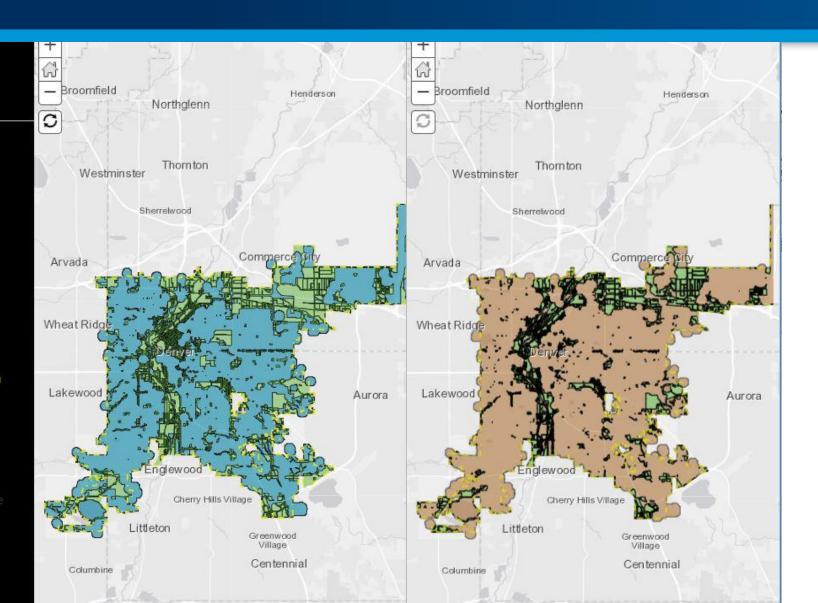
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Eligible Area shown in Green Ordinance Ineligible area shown in Blue Ineligible Rules and Regs shown in Brown

#### Scenario Comparison

This map compares the current 1,000 ft regulation with a scenario where all of the distance regulations are reduced to 500 ft.

Brown = 1,000 ft Ineligible Area Purple = 500 Ft Ineligible Area





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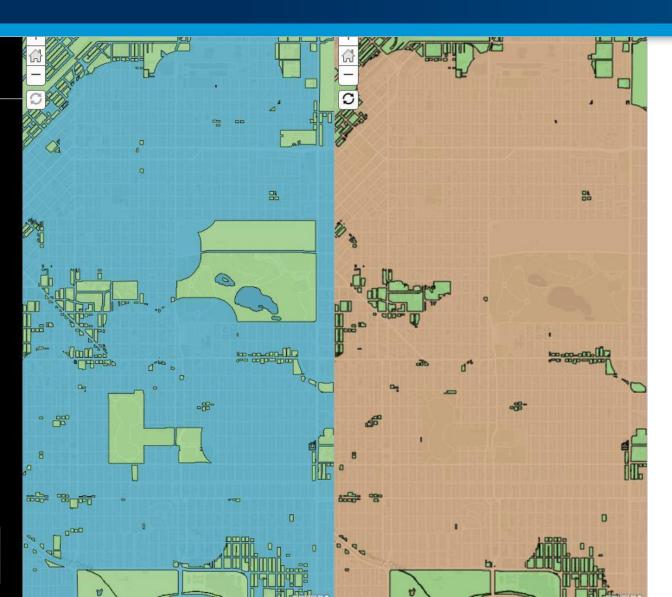
Eligible Area shown in Green
Ordinance Ineligible area shown in Blue
Ineligible Rules and Regs shown in Brown

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	1,000 Ft Scenario	Difference
Denver Total (5g Miles)	154.73	





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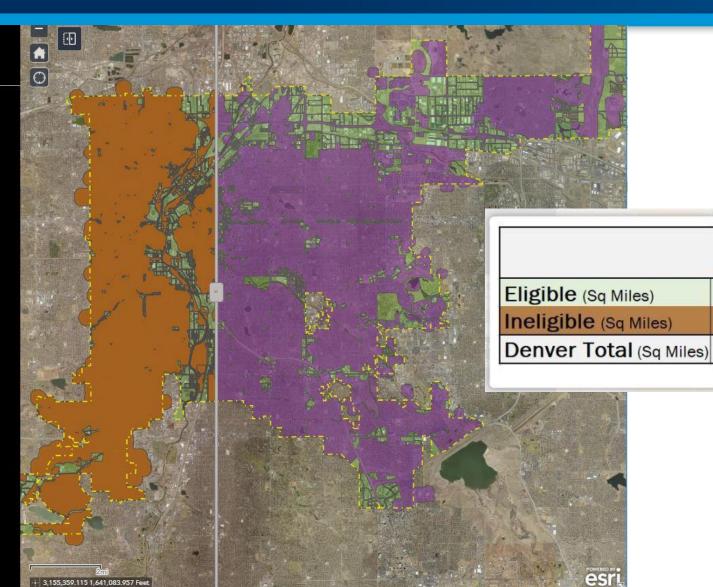
	1,000 Ft Scenario		Difference
Eligible (Sq Miles)	20.27	25.48	5.21
Ineligible (Sq Miles)	134.46	129.25	5.21
Denver Total (Sq Miles)	154.73	154.73	

Changing the distance regulation to 500 ft would provide an estimated <u>5.21 square</u> miles of additional eligible area.

In many cases, rolling back the distance requirement exposes land zoned as Residential. Since Social Consumption Areas (SCA) are not allowed in Residential Zones, there is little increase to SCA eligible area.

Scenario Comparison II: Side-by-Side

This slide offers a Side-by-Side comparisor



Difference

5.21

5.21

1,000 Ft

20.27

134.46

154.73

Scenario Scenario

500 Ft

25.48

129.25

154.73



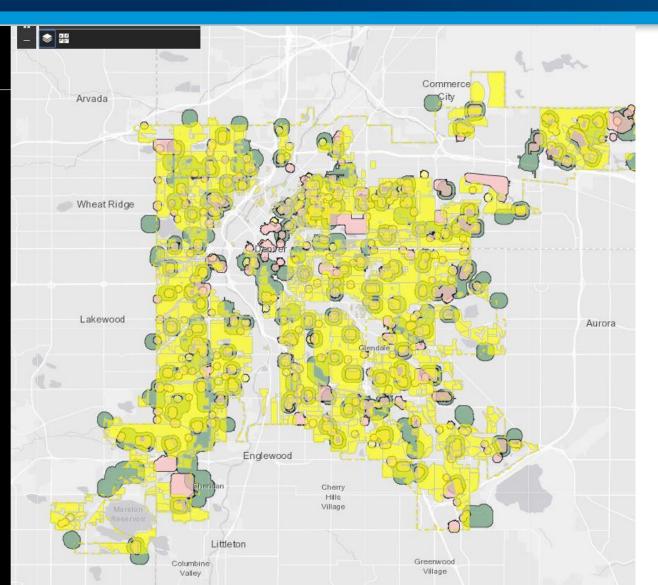




Under 500 Ft Regulations, 14% of current Marijuana Stores and Centers would be in areas that are ineligible for Marijuana Consumption Areas.

#### I-300 Policy Development Tool

Use this map to explore the data used in this presentation to develop customized policy scenarios for I-300.

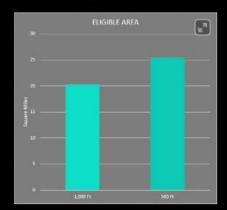


- 1000 feet from schools
- 500 feet from daycares
- 500 feet from city-owned recreation centers & outdoor pools

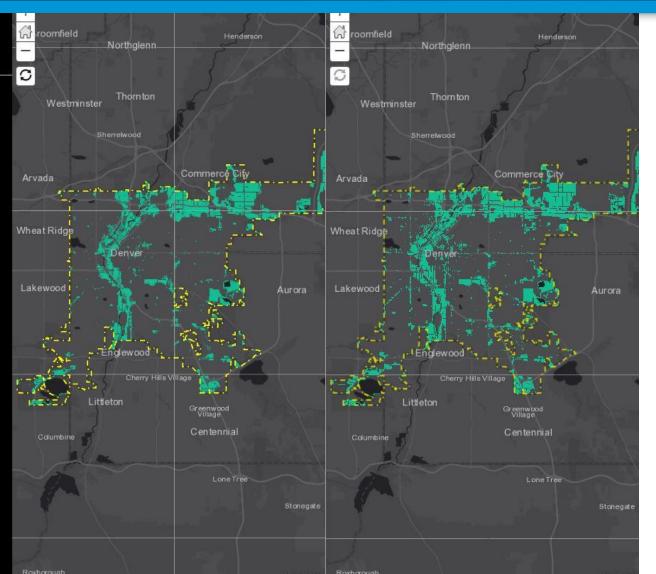


#### Scenario Comparison II: Side-by-Side

This slide offers a Side-by-Side comparison of the eligible areas for the current 1,000 ft distance regulations shown on the left map and the 500 ft distance scenario shown on the right map.



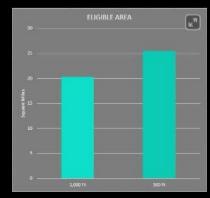
Variable Scenario Planning





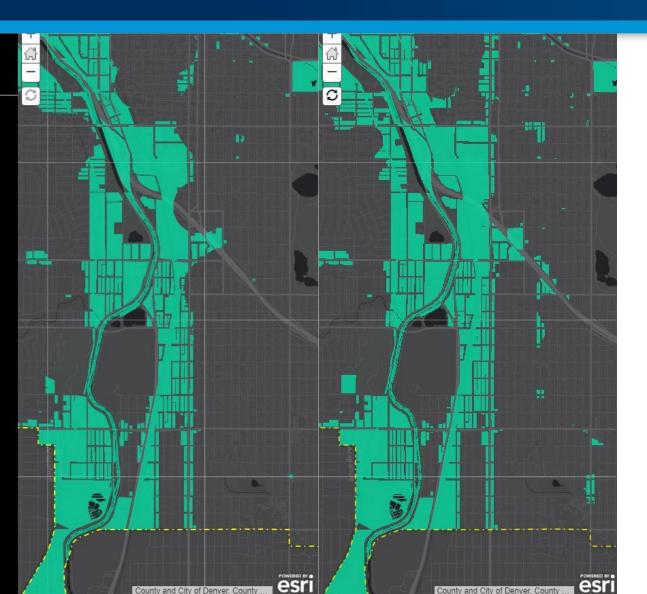
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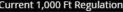
500/1,000 Ft from any child care license





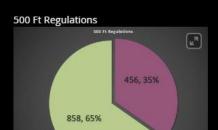
#### Liquor Social Consumption

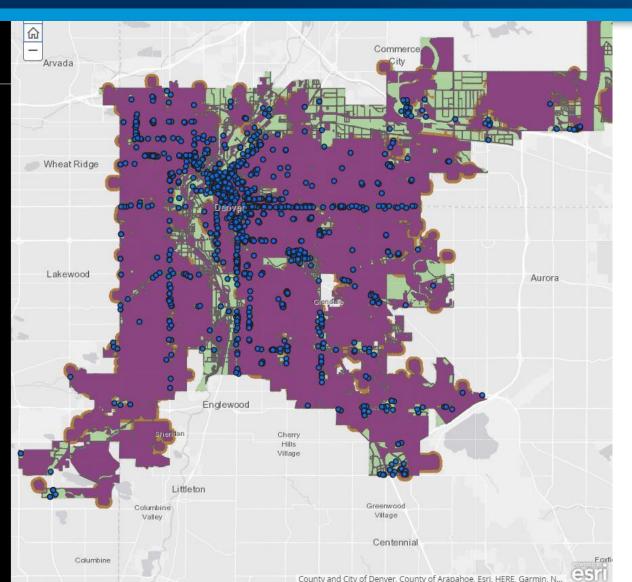
The City and County of Denver has 1,314 licenses that serve alcohol. These establishments are not stores or retail outlets, rather they are places where alcohol is socially consumed.





63% of Liquor Social Consumption Licenses are in areas that are ineligible for Marijuana Consumption Licenses.









#### **Liquor Social** Consumption

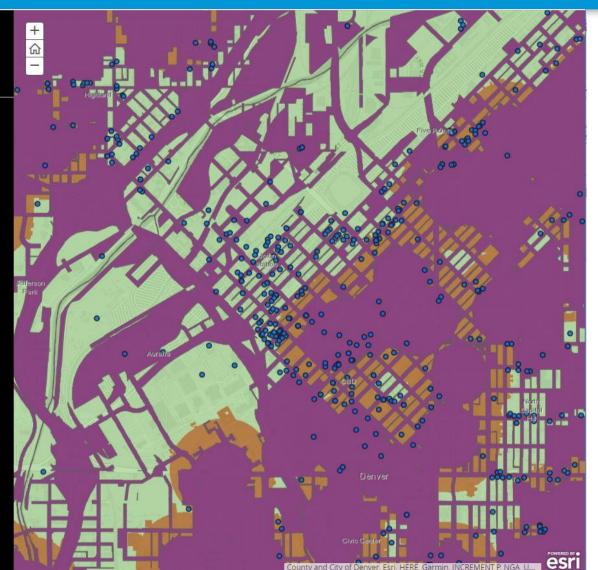
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500 Ft Regulations



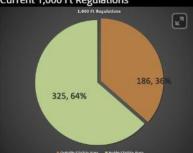


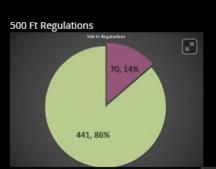


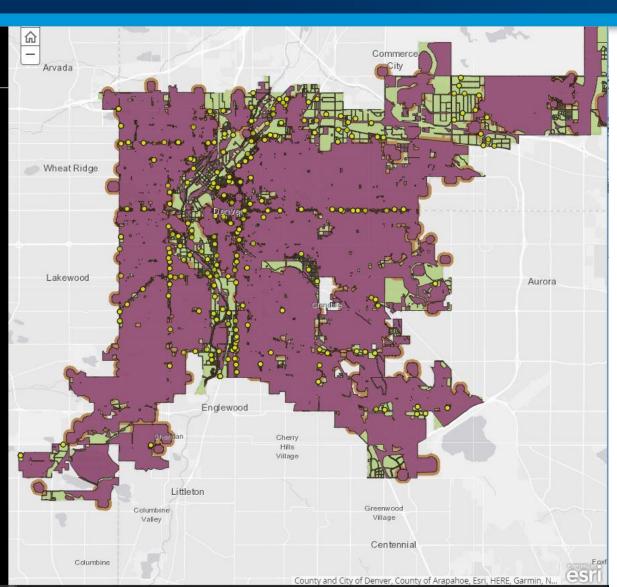
#### Marijuana Stores and Centers

The City and County of Denver contains 511 Stores and Centers. Of these Stores, 36% are not within areas that are eligible for Marijuana Consumption Areas under the current regulations.

#### Current 1,000 Ft Regulations









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