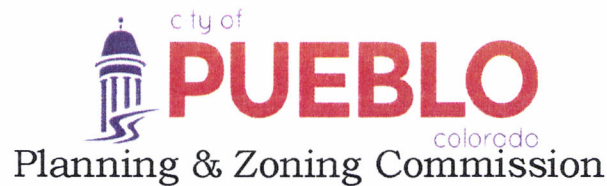


Jean Latka  
*Chair*

Brandice Eslinger  
*Vice Chair*

Bob Schilling  
*City Council Representative*



Chris Kaufman

David Webb

Brian Lucas

Raymond Seybold

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**REGULAR MEETING**  
City of Pueblo, Colorado  
Wednesday, March 25, 2015 – 3:30 p.m.  
City Council Chambers – 1 City Hall Place

**Minutes**

**MEETING CALLED TO ORDER**

The meeting was called to order at 3:30 p.m. with Chairperson Jean Latka presiding.

***Commissioners Present:*** Jean Latka, Brian Lucas, Bob Schilling, and David Webb.

***Commissioners Absent:*** Brandice Eslinger, Chris Kaufman, and Raymond Seybold.

***Staff Members Present:*** Steven Meier, Director of Planning; Carla Sikes, Assistant City Attorney; Paul Willumstad, Attorney for the Planning and Zoning Commission; and Kelly Grisham, Planner.

**PUBLIC HEARINGS AND ACTION**

**TA-15-01** – An Ordinance amending Title XI and Title XVII of the Pueblo Municipal Code Relating to Retail Marijuana Stores and Providing Penalties for Violation thereof

**BACKGROUND**

Staff report given by Kelly Grisham.

Ms. Grisham gave an overview of modifications made to the proposed Ordinance after receiving input from the Planning and Zoning Commission at its March 11, 2015 Regular Meeting and March 17, 2015 Work Session, input from the public, and information received from the Aurora Marijuana Enforcement Division.

The modifications include:

**Section 1:**

The definition of *Retail marijuana establishment* has been amended in Title XI in order to add retail marijuana stores to the list of what is included.

**Section 2:**

*Section 2* amends Chapter 11 of Title XI by giving the Local Licensing Authority the ability to promulgate rules and regulations for the proper administration and enforcement of the Retail

Marijuana Licensing Code. These rules and regulations would be adopted and amended by City Council by resolution.

Section 3:

*Section 3* amends Section 11-11-301 of Title XI by changing who issues the Conditional Use Permit from the City to the Director of Planning and Community Development. It also amends the requirement that the applicant must demonstrate that they have applied for the necessary City sales and use tax license and excise tax license, rather than requiring the applicant to have the required sales and use tax license and excise tax license before they apply. The City's Sales Tax Division will not issue a license until the applicant has received approval from the Authority.

Section 4:

*Section 4* amends Section 11-11-302, by adding retail marijuana store facilities to the list of retail marijuana licenses. This section is also amended by creating two (2) districts in the City (North and South Marijuana Districts), which are divided by the Arkansas River, and limits that no more than two (2) retail marijuana store licenses be issued in each of the districts. The recommendation of no more than two (2) stores per district was a request by the Commission; however, Staff is recommending that no more than four (4) stores be licensed in each district.

Section 5:

*Section 5* amends Section 11-11-304 by adding a new operating fee and a new annual operating fee for retail marijuana stores and amending the other retail marijuana operating fees and annual operating fees. In addition, this *section* amends the administrative operating fees based on the amount of staff time required for several of the types of amendments made to approved licenses.

Section 6:

*Section 6* amends Section 11-11-305 by adding language that clarifies that a license has no vested right to renewal of a license nor a property right in the renewal of a license.

Section 7:

*Section 7* amends Section 11-11-307 by adding a requirement that retail marijuana stores applications shall provide a business plan which addresses the following:

1. The ability of the applicant to operate in a highly regulated industry;
2. Estimates for revenues and operating costs; and
3. Documentation that the applicant has the financial resources available to pay for the start-up and operational costs for the first year of business.

*Section 7* also provides criteria for what time in the process of review that an application can be amended. For retail marijuana stores, it allows an applicant to amend or supplement the application up until the end of the closing date for accepting applications. When accepting applications, the Authority and staff will determine the opening and closing dates for accepting applications. For all other types of retail marijuana licenses, the applicant may amend or supplement their application before it is set for hearing.

Section 8:

*Section 8* amends Section 11-11-308 of Title XI by making several changes to the requirements to obtain and retain a retail marijuana license, as listed below:

1. This Section is amended by changing who issues the Conditional Use Permit from the City to the Director of Planning and Community Development.

2. It is amended by adding a requirement that the applicant must show they have at least \$200,000 in liquid and unencumbered assets, evidenced by bank statements, lines of credit, or the equivalent to show that they have the sufficient resources to operate a retail marijuana store.
3. This section adds a requirement that for retail marijuana stores, the licensees or principals may only be granted one (1) license for a retail marijuana store.
4. This section adds non-cigarette tobacco product retailer to the list of other types of licenses that are prohibited from operating at a retail marijuana facility.
5. This Section adds a requirement that all retail marijuana store licenses must first meet the minimum requirements set forth in Sections 11-11-307 and -308, and then it requires that a point system be used to evaluate each application to determine which of the applications shall be granted one of the licenses available in each district. This Section also determines how the Authority handles a tie.
6. This Section adds a requirement that the applicant must procure and file with the City evidence of good and sufficient bond in the amount of \$20,000 with corporate surety thereon duly licensed to do business in the State of Colorado.
7. This Section also gives the Authority the ability to grant a reasonable extension of time to have the property completed, inspected and approved.

**Section 9:**

*Section 9* amends Section 11-11-315 of Title XI by making several changes to the requirements for transferring ownership and location for a retail marijuana license. Regarding the transfer of ownership, the applicant will not be allowed to transfer the ownership of retail marijuana store license for one (1) year from the date the license is issued by the Authority, unless it can demonstrated that the transfer be necessary due to death or disability of the licensee or other substantial hardship, not including financial hardship. After one (1) year, the ownership may be transferred if the new applicant can amass at least as many points as the original licensee, all occupational taxes, sales and excise taxes, any fines, penalties, and interest assessed against or imposed the license in relation to the licensed is paid in full, and the new licensee can comply with the limitation on the number of retail marijuana store licenses. For all other licenses, that transfer of ownership must only be approved by the Authority. Regarding the transfer of location, this section requires that any change in the location of a retail marijuana store must submit a new application.

**Section 10:**

*Section 10* amends Section 17-4-51 of Title XVII by adding retail marijuana store facilities to the list of permitted uses of land and buildings, as a Conditional Use Permit, in the B-4, Regional Business District, BP, Business Park District, I-2, Light Industrial District, and I-3, Heavy Industrial District. This Section also adds the conditions of approval that must be complied with prior to issuance of a Conditional Use Permit by the Department of Planning and Community Development. When issuing a Conditional Use Permit, the Administrative Official has the option to approve, approve with conditions and deny the application based on the specific conditions listed in the ordinance. Due to the point system in licensing, staff is aware that the applicant may not be able to demonstrate compliance with the conditions until after he or she is issued a license.

**RECOMMENDED ACTION**

Staff recommends that the Planning and Zoning Commission forward a recommendation of APPROVAL of the proposed text amendment to City Council.