

RIFLE CITY COUNCIL MEETING

Wednesday, October 16, 2013

REGULAR MEETING

7:00 p.m. * Council Chambers

A regular meeting of the Rifle City Council was called to order at 7:00 p.m. by Mayor Randy Winkler.

PRESENT ON ROLL CALL: Councilors Rich Carter, Barb Clifton, Jay Miller, Dirk Myers, Hans Parkinson, Jonathan Rice, and Mayor Randy Winkler.

OTHERS PRESENT: Matt Sturgeon, City Manager; Lisa Cain, City Clerk; Jim Neu, City Attorney; Michael Churchill, Channel 10 Assistant Manager; Kimberly Bullen, Government Affairs Coordinator; John Dyer, Police Chief; Tom Whitmore, Parks and Recreation Director; Ava Bowles; Jorge Gonzalez; Chris Krelovich; Mike McKibbin; Dan Meskin; Michael Meskin; Jesse Miller; Mike Miller; Susan Nichols-Alvis; Alex Sanchez; Brian Sullivan; and Dan Sullivan.

CONSENT AGENDA - APPROVE THE FOLLOWING ITEMS:

- A. Minutes from the October 2, 2013 Regular Meeting
- B. Reschedule public hearing for Rudd Annexation
- C. Reschedule public hearing for new liquor license application for Alma Ruiz d/b/a De Marco's Fettucine
- D. Modification of Liquor-Licensed Premises: Kum & Go #4923
- E. August 2013 Sales Tax Report
- F. Accounts Payable

Councilor Rice moved to approve Consent Agenda Items A, C, D, E, and F; seconded by Councilor Myers. Roll Call: Yes - Carter, Clifton, Miller, Myers, Parkinson, Rice, Winkler

Councilor Miller moved to reschedule the public hearing for the Rudd Annexation from October 16, 2013 to November 6, 2013; seconded by Councilor Rice. Roll Call: Yes - Carter, Clifton, Miller, Myers, Parkinson, Rice, Winkler

CITIZEN COMMENTS AND LIVE CALL-IN

Alex Sanchez and Jorge Gonzalez asked Council to reconsider the ordinance prohibiting minors on liquor-licensed premises after 10 p.m.

A caller expressed his opinion that things are getting worse in Rifle and Council should get its act together.

There were no other citizen comments or live call-ins.

CONSIDER IMPLEMENTING AMENDMENT 64

AN ORDINANCE OF THE CITY OF RIFLE, COLORADO, ENACTING ARTICLE IX OF CHAPTER 6 OF THE RIFLE MUNICIPAL CODE REGARDING THE LICENSING AND REGULATION OF RETAIL MARIJUANA CULTIVATION FACILITIES PURSUANT TO AMENDMENT 64

AN ORDINANCE OF THE CITY OF RIFLE, COLORADO, PROHIBITING THE OPERATION OF MARIJUANA PRODUCT MANUFACTURING FACILITIES, MARIJUANA TESTING FACILITIES, AND RETAIL MARIJUANA STORES IN THE CITY OF RIFLE

City Attorney Jim Neu explained that proposed Ordinance No. 19, Series of 2013, would permit and regulate retail marijuana cultivation facilities in the City limits pursuant to Amendment 64. The State Legislature adopted the Colorado Retail Marijuana Code and the Department of Revenue created a thorough regulatory scheme for retail marijuana. Ordinance No. 19 incorporates the Colorado Retail Marijuana Code by reference. It then enacts the local preferences for the City's licensing of retail marijuana cultivation facilities.

The ordinance provides that the City is relying on the state's regulation and oversight of this industry and if the state fails to act, the City will not accept applications.

The regulatory structure enacted by Ordinance No. 19 is similar to the City's Medical Marijuana Code and the City Manager is designated the local licensing authority.

In previous discussions, Council's desire was to limit the number of retail marijuana cultivation facilities allowed in the City to those licensed under the City's Medical Marijuana Code. Currently two medical marijuana cultivation operation permits have been issued by the City and are operating. The City has received and is processing two additional medical marijuana cultivation operation permit applications. The City's Planning Commission will review both applications at its October 29, 2013 meeting for a conditional use permit, which is a prerequisite to receiving a medical marijuana cultivation operation permit.

The state's regulations allow a licensee to operate under both the Colorado Medical Marijuana Code and the Colorado Retail Marijuana Code in the same licensed premises and that is also permitted by Ordinance No. 19. Such dual operation facilities will need to comply with the state's rules, operate under both the medical and retail marijuana licensing systems and pay the annual fees.

Section 6-9-70 sets forth the application requirement for a retail marijuana cultivation license. Because it is similar to the City's medical marijuana license application, and only medical marijuana cultivation licenses are allowed to apply, the City Clerk already has all of this information; but it is necessary since it is a separate licensing scheme. In addition, for any license transfer, change of location or premises modification, the City needs certain information that is contained in these requirements. Application fees will help offset staff time in processing the applications and are likely the only revenue the City will receive from cultivation facilities.

Section 6-9-90 restricts the location of retail marijuana cultivation operations to the Light Industrial and Industrial Zone Districts in the City, which is similar to the location requirement for medical marijuana cultivation operations. In addition, a conditional use permit is required from the City's Planning Commission to ensure a specific property in those zone districts is an appropriate location for this use. Since the City will only see conversions of exiting cultivation operations, this requirement is enacted to process any application for a change of location of a licensed facility.

Sections 6-9-100 through 130 set forth the application review and decision process; again, similar to the City's Medical Marijuana Code. Section 6-9-140(e) allows the change of location of a license and the modification of a

licensed premises and Subsection (f) allows the transfer of ownership of a license, all subject to the application process and criteria of the relevant codes. Licenses are valid for one year and must therefore be renewed annually, which the state requires, as well. Licensees must comply with all of the state's rules in addition to the City's and Section 6-9-170 provides the criteria to suspend or revoke a license.

Council discussed amending the ordinance with respect to these issues: limiting retail marijuana cultivation operation licenses to the 2 existing medical marijuana cultivation operation licenses and the 2 applications that the City has received for medical marijuana cultivation operation licenses; allowing those licensees to hold both medical marijuana cultivation operation licenses and retail marijuana cultivation operation licenses; and setting fees based on the number of plants, the square footage of the operation, or another measurement.

Councilor Miller moved to approve Ordinance No. 19, Series of 2013, on first reading as amended and to order it to be published as required by Charter; seconded by Councilor Clifton. Roll Call: Yes - Carter, Clifton, Miller, Myers, Winkler. No – Parkinson, Rice.

Mr. Neu explained that staff has prepared proposed Ordinance No. 20, Series of 2013, which would prohibit these remaining classifications under Amendment 64 from operating in the City: marijuana product manufacturing facilities, marijuana testing facilities, and retail marijuana stores.

Councilor Rice moved to approve Ordinance No. 20, Series of 2013, on first reading as presented and to order it to be published as required by Charter; seconded by Councilor Parkinson. Roll Call: Yes - Carter, Miller, Myers, Parkinson, Rice, Winkler. No – Clifton.

RECEIVE BRIEFING ON MUTUAL AID IN FRONT RANGE FLOOD RESPONSE

Government Affairs Coordinator Kimberly Bullen informed Council about mutual aid provided by the City of Rifle to Front Range communities affected recently by floods.

ADMINISTRATIVE REPORTS

Mr. Sturgeon reported to Council on the following issues: Elm Avenue sewer line replacement; utilities work in alley north of City Hall; and Ute Theatre utilities work.

COMMENTS FROM MAYOR AND COUNCIL

Councilor Parkinson expressed concerns about allowing retail marijuana businesses in Rifle.

Councilor Clifton announced that the Rifle Animal Shelter was conducting a special adoption event for dogs.

EXECUTIVE SESSION FOR A CONFERENCE WITH THE CITY ATTORNEY FOR THE PURPOSE OF RECEIVING LEGAL ADVICE ON SPECIFIC LEGAL QUESTIONS UNDER CRS 24-6-402(4)(B)

Councilor Parkinson moved to adjourn to executive session to receive legal advice; seconded by Councilor Miller (8:00 p.m.). Roll Call: Yes - Carter, Clifton, Miller, Myers, Parkinson, Rice, Winkler

Upon return to open session following conclusion of the executive session, meeting adjourned at 8:13 p.m.

Lisa H. Cain
City Clerk

Randy Winkler
Mayor