



Community & Economic Development

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DATE: NOVEMBER 8, 2017
TO: TOML CANNABIS WORKING GROUP
FROM: NOLAN BOBROFF, ASSISTANT PLANNER
RE: PEER RESORT COMPARISON OF CANNABIS REGULATIONS AND ISSUES

This comparison report is intended to provide insight into what other peer resort communities in Colorado allow with regards to cannabis and highlight some of the unique issues that have arisen since recreational cannabis use in Colorado was legalized in January 2014. The comparison resorts were selected based on the community's physical similarities to Mammoth Lakes (i.e., proximity to a major ski resort, full-time population, and proximity to major cities). Mammoth Lakes and all of the cities selected have a relatively low full-time population base, but are popular winter and summer resort destinations for the nearby large population centers (i.e., Los Angeles, Denver, Colorado Springs, Fort Collins, Boulder, etc.) and their population during the busy periods of the year can radically increase by tens of thousands of people. Additionally, the communities are adjacent to a major ski resort(s) and are largely surrounded by public lands (i.e., National Forest, BLM, etc.) and unincorporated areas that have intermittent development.

Five out of the seven comparison cities allow cannabis establishments in various forms and the remaining two cities prohibit cannabis establishments within the Town limits. However, in those two cities, cannabis establishments are permitted in the adjacent unincorporated areas and cannabis is readily available in those cities despite the prohibition. Each city has taken a different approach to regulation of cannabis establishments and some insights into what has been effective and not effective can be gleaned from the data.

The conclusions made from this analysis and research are:

- Buffers between cannabis retail sales establishments can help prevent an over-saturation of shops in one location or building. In Telluride, the four longtime existing dispensaries began wanting limitations on the number of dispensary licenses and additional regulations regarding the permit locations when a new dispensary opened up directly below a longtime existing dispensary.
- Providing sufficient space that is zoned appropriately and determining the locations where cannabis establishments are most appropriate within the community can lead to a successful cannabis program with minimal conflicts. In Crested Butte, cannabis establishments are only permitted in a 4-block commercial area, which subsequently led to three out of the four being directly next to one another. Alternatively, in Aspen, cannabis establishments are permitted in all of their commercial districts and the majority of their lodging districts and that broad allowance has led to the City questioning whether they need greater restrictions on where cannabis establishments are permitted. In Breckenridge, the City originally approved cannabis

establishments in their downtown commercial areas and later voted to restrict them from the downtown area, which subsequently forced an existing dispensary business to relocate.

- For rural areas, cities and counties need to collaborate on their cannabis policies in order to prevent a situation where one entity prohibits cannabis establishments and the other allows/encourages cannabis establishments. In the case of Vail and Winter Park, the cities elected to prohibit all cannabis establishments, but the uses are permitted in the adjacent unincorporated areas. This has led to a situation where cannabis is readily available within those two cities, but the cities receive no benefits from the sales.
- Having a transition period to allow for existing medical cannabis businesses to convert to recreational cannabis businesses will allow for municipalities to evaluate their regulations prior to the submittal of new applications and will give priority to those existing businesses to convert to recreational.

Limitations on the zoning districts where cannabis establishments are permitted (i.e., specific commercial zones only), buffers from sensitive uses (i.e., schools, parks, day care centers), and buffers between establishments (i.e., X amount of feet between dispensaries) will achieve a regulatory framework that allows for the siting of dispensaries in appropriate locations and ensures that a community will not have an oversaturation of dispensaries in one location. This approach will effectively limit the total number of dispensaries that could be sited within a community without selecting an arbitrary number of dispensaries that are allowed. Determining the correct number of dispensaries in a resort community that experiences large population swings throughout the year is extremely difficult, if not impossible, and cannot be substantiated by data or facts.

MAMMOTH LAKES, CA

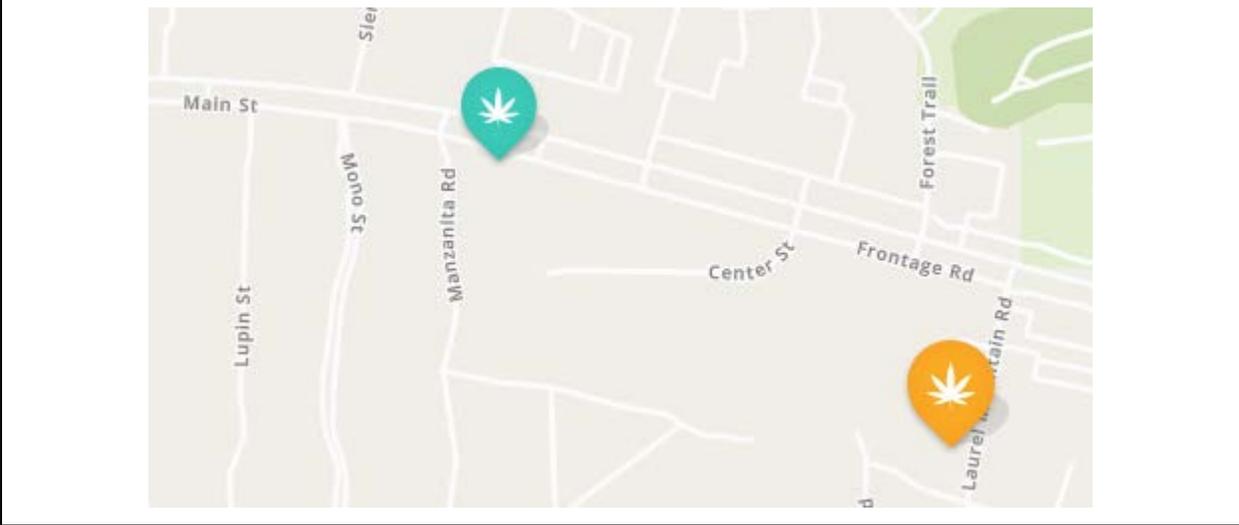
Nearby Resort: Mammoth Mountain	Town Characteristic: ski resort; close proximity to Yosemite; summer festivals and events; destination for Los Angeles
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Size: 4.25 sq. miles	Pop. (2010): 8234	Pop. over 21: 6173	Percentage: 75%
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- What is permitted:
- Maximum of two (2) medical cannabis cooperatives
 - Cultivation and manufacturing of medical cannabis in the Industrial zone
 - Cultivation and manufacturing in the commercial zones only when legally and physically connected to a medical cannabis dispensary.

- Current Conditions / Issues:
- 2 dispensaries in operation
 - 3 use permits approved for manufacturing; 1 in operation
 - Since 2010, 2 attempted break-ins have occurred

- Regulations:
- Maximum of two (2) dispensaries
 - Permitted in the Old Mammoth Road, Downtown, and Industrial zones
 - 1,000 foot buffer from schools, parks, and libraries when located in a commercial zone
 - 500 feet between dispensaries
 - Limited to no more than 75% of the ground floor area when located along primary and secondary active frontages and not permitted in the front 20 feet of the building when on the ground floor (Administrative permit can authorize a reduction of the 20-foot requirement)



TELLURIDE, CO			
Nearby Resort: Telluride		Town Characteristic: ski resort; summer festivals and events	
Size: 2.18 sq. miles	Pop. (2010): 2325	Pop. over 21: 1872	Percentage: 81%
<p>What is permitted:</p> <ul style="list-style-type: none"> • Retail and medical cannabis sales • Cultivation when associated with a Telluride retailer and/or manufacturer • Manufacturing of infused edible cannabis products • Retail cannabis testing facility 			
<p>Current Conditions / Issues:</p> <ul style="list-style-type: none"> • Treat dispensaries the same as liquor stores and chose to let the market regulate itself; regulate the zones that they are permitted in only • 5 dispensaries (historically have been 4 since retail sales were permitted in 2014) • The 5th and newest dispensary is a larger chain store that recently opened on the ground floor in their historic district in a location that is almost directly beneath a longtime existing dispensary <ul style="list-style-type: none"> ○ Existing shops worry that the new larger business will threaten their existence by undercutting the others on pricing ○ Existing businesses have all been on the 2nd floor or above, although not required to be ○ Existing businesses want the Town to limit the number of dispensaries and/or ban chain cannabis stores ○ The Town has had minor compliance issues with the newest store related to signage and visibility of the inside of the dispensary due to existing large storefront windows 			
<p>Regulations:</p> <ul style="list-style-type: none"> • Licensing authority processes all cannabis applications • Uses are permitted outright by the Municipal Code; application requires zoning compliance verification and affidavits certifying compliance with state laws • Dispensaries allowed in the Commercial and Historic Commercial zone districts only • No limit on the number of dispensary's or manufacturing facilities • 500 feet from any public or private school • Licenses valid for one (1) year and require annual renewal • Cultivation facilities are required to be contiguous to the licensed premises or be located outside of the Town and associated with said business through a vertically integrated state license • Manufacturers are required to: <ul style="list-style-type: none"> ○ Have a contract w/ a licenses establishment stating the type and quantity of products that the establishment will buy from the licensee ○ Required to cultivate at least 70% or the cannabis necessary for their operation ○ Are permitted to use cannabis from only 5 cultivators, inclusive of their own cultivation operation • Ordinance's contain a clause stating that if the voters of Telluride vote to prohibit any activity, then all licenses for said activity shall become void and the activity shall become illegal on the effective day of the ordinance 			

Medical

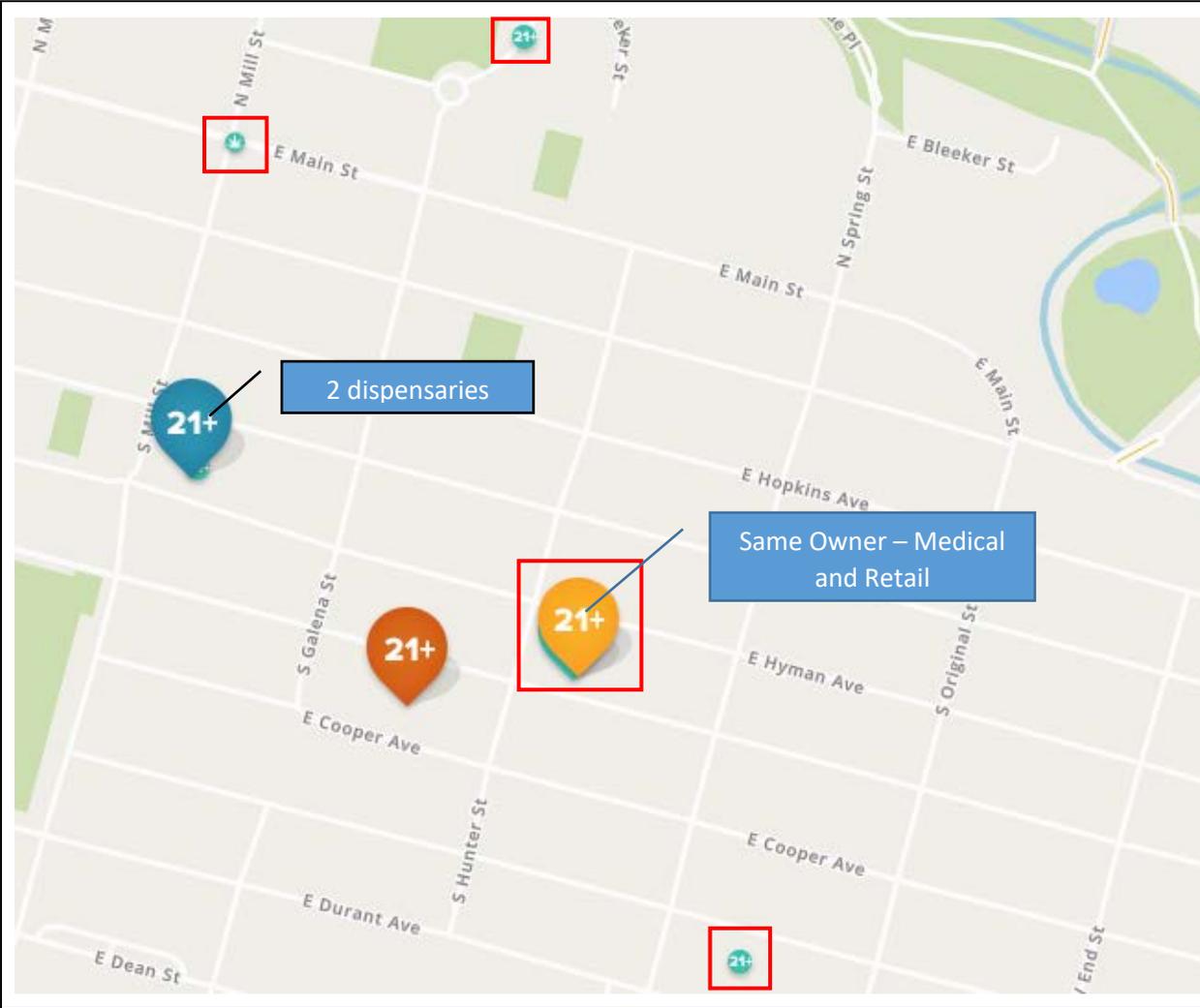
- Dispensaries are required to certify on an annual basis to the State that they cultivate a minimum of 70% of the cannabis they distribute (either through on-site cultivation or through a vertical integration methodology)

Recreational

- Colocation is allowed in same licensed premises, but premises are required to be separate and distinct (physical wall) or certify by affidavit that it will only sell to those 21 and older



ASPEN, CO			
Nearby Resort: Aspen, Buttermilk, Highlands, Snowmass		City Characteristic: ski resort; summer recreation in nearby National Forest	
Size: 3.88 sq. miles	Pop. (2010): 6658	Pop. over 21: 5502	Percentage: 83%
<p>What is permitted:</p> <ul style="list-style-type: none"> • Retail and medical cannabis sales • Retail cultivation • Medical cultivation when associated with a medical center • Retail cannabis product manufacturing and manufacturing of medical infused edible cannabis products • Retail cannabis testing facility 			
<p>Current Conditions / Issues:</p> <ul style="list-style-type: none"> • Treat dispensaries the same as liquor stores and chose to let the market regulate itself • Classifies retail cannabis establishments and stores as a General Retail use • Classifies medical cannabis establishments as a Service use • 8 dispensary licenses (5 Retail only, 1 Medical only, and 2 that are colocated together in separate suites) • The Town does not regulate the number of dispensaries or cultivation/manufacturing facilities and allows them in all commercial zones in all building locations (i.e., ground floor, second floor, etc.) <ul style="list-style-type: none"> ○ This broad allowance has led the mayor to begin discussions with the City Council about whether the number and location of shops has negatively affected the city. ○ Previous interviews with the owners of the dispensaries were generally in favor of no cap and embraced the competition that multiple shops created. They felt that competition forces the owners to maintain quality products and customer service. • Adopted a 1-year transition period to allow for existing medical establishments to convert to retail before acceptance of any new applications 			
<p>Regulations:</p> <ul style="list-style-type: none"> • Licensing authority processes all cannabis applications • Uses are permitted outright by the Municipal Code; application requires zoning compliance verification • No limit on the number of dispensary's or cultivation/manufacturing facilities • 500 feet from any public or private school • Licenses valid for one (1) year and require annual renewal • Cannabis establishments are permitted in the Commercial Core, Commercial, Service/Commercial/Industrial (25% of floor area can be retail), Neighborhood Commercial, Mixed-Use, Lodge (Conditional use), and Commercial Lodge (Conditional use) zone districts 			



VAIL, CO			
Nearby Resort: Vail		Town Characteristic: largest ski resort in CO	
Size: 4.69 sq. miles	Pop. (2010): 5305	Pop. over 21: 4663	Percentage: 88%
<p>What is permitted:</p> <ul style="list-style-type: none"> All cannabis businesses are banned in Vail 			
<p>Current Conditions / Issues:</p> <ul style="list-style-type: none"> 5 dispensaries located just outside Town limits in an unincorporated area that is approximately 5-10 minutes from Vail village in a stretch called the “Green Mile” Hotels and/or shops will send shuttle vans to pick-up customers Cannabis is easily accessible for residents and visitors to Vail, but because the Town does not permit cannabis businesses, the Town loses out on all tax revenue and it forces the businesses to be all in close proximity to one another in the “Green Mile.” 			
<p>Regulations:</p> <ul style="list-style-type: none"> All cannabis businesses are prohibited within Town limits. 			
			

WINTER PARK, CO

Nearby Resort: Winter Park

Town Characteristic: ski resort; Summer hiking, mountain biking, concerts, and fishing

Size: 16.53 sq. miles

Pop. (2010): 999

Pop. over 21: 829

Percentage: 83%

What is permitted:

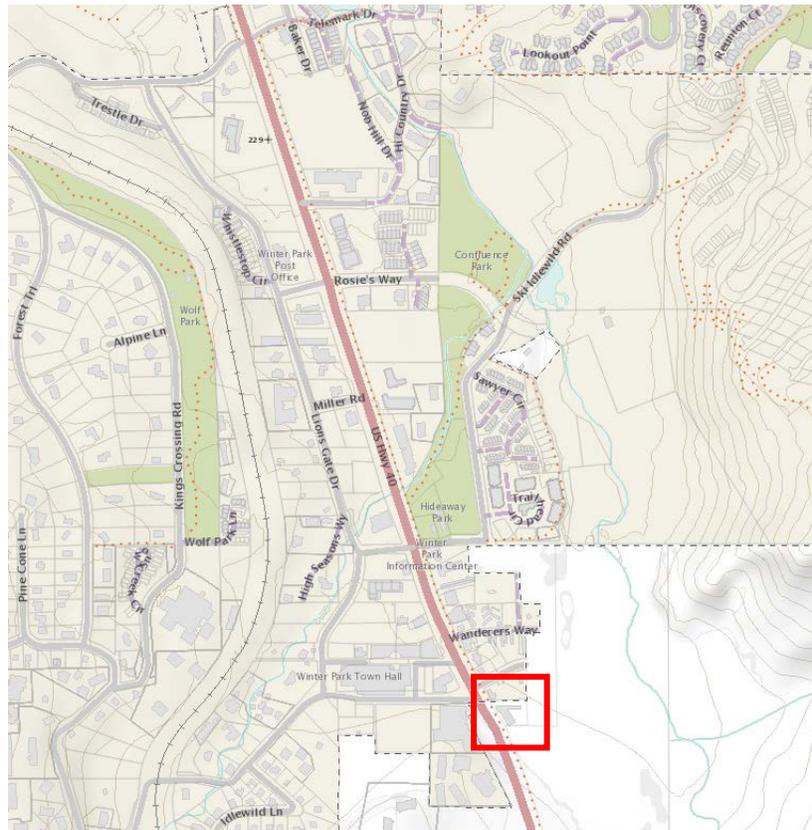
- All cannabis businesses are banned in Winter Park

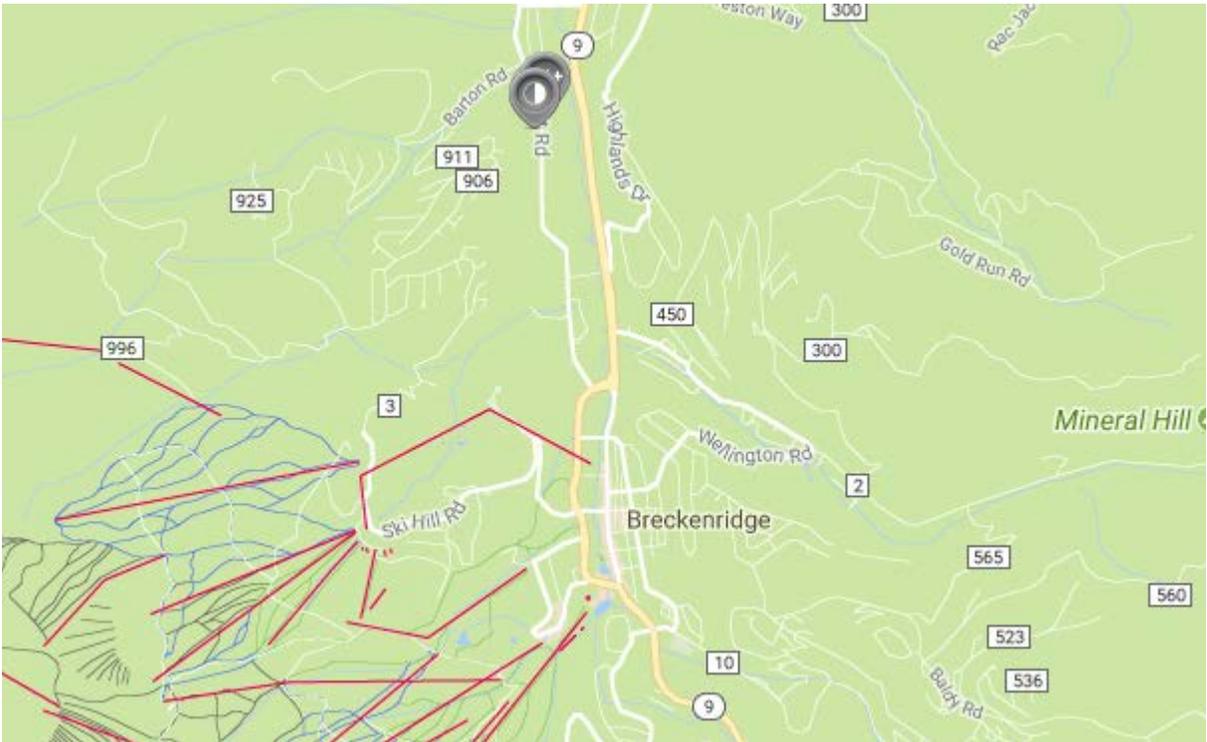
Current Conditions / Issues:

- 1 dispensary approved by Grand County for a location at an existing motel near the entrance to Winter Park
- Surveying error left the subject property that is bordered by the Town limits on 3 sides to be left out of the incorporated area of the Town
- The County approved a dispensary in this location despite strong opposition from the Town and Winter Park resort. The Town has sued the county over the approval of the dispensary.
- Since the property is outside the Town limits, no revenue from the business will come to the Town

Regulations:

- All cannabis businesses are prohibited within Town limits.



BRECKENRIDGE, CO			
Nearby Resort: Breckenridge		Town Characteristic: ski resort; summer and winter festivals	
Size: 5.99 sq. miles	Pop. (2010): 4540	Pop. over 21: 3768	Percentage: 83%
<p>What is permitted:</p> <ul style="list-style-type: none"> • Indefinite moratorium in place on new cannabis businesses • Retail and medical cannabis sales • Retail and medical cannabis cultivation • Retail and medical cannabis manufacturing 			
<p>Current Conditions / Issues:</p> <ul style="list-style-type: none"> • 4 dispensaries • Located away from downtown commercial core in a quasi-industrial area • The Town previously allowed cannabis businesses in their commercial downtown. <ul style="list-style-type: none"> ○ In December 2014, the Town banned all cannabis businesses from their downtown and adopted a Feb 2015 deadline for said businesses to either close or relocate ○ 1 existing popular businesses was forced to relocate 			
<p>Regulations:</p> <ul style="list-style-type: none"> • Indefinite moratorium in place on new cannabis businesses • Permitted in a quasi-industrial zone on the north end of Town near the airport • 500-foot buffer from childcare facilities, school, and halfway houses • Cannot be adjacent to a residential use or located in a building with a residential unit 			
 <p>The map displays the town of Breckenridge, Colorado, with various roads and trails. A red-outlined area is visible in the north end of town, near the airport, which corresponds to the quasi-industrial zone mentioned in the text. Key roads include Barton Rd, Highlands Ct, Wellington Rd, and Ski Hill Rd. The map also shows the town's proximity to Mineral Hill and other surrounding areas.</p>			

CRESTED BUTTE, CO			
Nearby Resort: Crested Butte		Town Characteristic: ski resort; Summer mountain biking and outdoor activities	
Size: 0.84 sq. miles	Pop. (2010): 1487	Pop. over 21: 1237	Percentage: 83%
<p>What is permitted:</p> <ul style="list-style-type: none"> • Retail and medical cannabis sales • Manufacturing of cannabis products • Testing 			
<p>Current Conditions / Issues:</p> <ul style="list-style-type: none"> • 4 dispensaries • Due to the very small area where businesses are permitted, 3 out of the 4 are in close proximity to one another 			
<p>Regulations:</p> <ul style="list-style-type: none"> • Permitted in Commercial zone only • 500-foot buffer from child care facilities and schools and 175 feet from parks 			

STEAMBOAT SPRINGS, CO			
Nearby Resort: Steamboat		City Characteristic: ski resort	
Size: 10.16 sq. miles	Pop. (2010): 12088	Pop. over 21: 9348	Percentage: 77%
<p>What is permitted:</p> <ul style="list-style-type: none"> • Retail and medical cannabis sales • Retail and medical cannabis cultivation • Retail and medical cannabis manufacturing • Testing facility's 			
<p>Current Conditions / Issues:</p> <ul style="list-style-type: none"> • Cap of 3 dispensaries • Not permitted in their downtown or at the base of the ski area • At the end of 2016, almost \$10 million in cannabis sales in the city from the 3 dispensaries 			
<p>Regulations:</p> <ul style="list-style-type: none"> • 1,000 feet from schools, public parks, and child care facility's • Retail stores are required to produce 70% of the product sold • Adopted a 6-month transition period to allow for existing medical establishments to convert to retail before acceptance of any new applications 			
