Marijuana Consumption Clubs
What is a Consumption Club?

• Place to gather socially and consume marijuana safely and responsibly
• Private membership club: monthly and daily membership fees
• Must be 21 years or older
• Bring Your Own marijuana products – no sale of marijuana
• Sells snacks, drinks, and marijuana paraphernalia
Problems / Issues

• Amendment 64 legalized marijuana for recreational use, but prohibits consumption conducted openly & publicly

• Increased Tourism – marijuana is easy to buy now, but where can people consume

• Colorado Clean Indoor Air Act bans smoking inside bars and restaurants

• No State Licensing or Regulations on this type of marijuana business
History of iBake Englewood

• April 2015, iBake Englewood opened for business as a marijuana consumption club
• The City of Englewood was unaware of the nature of the business, because it was not disclosed on the sales tax/business license application
• The City discovered it was a marijuana consumption club by an advertisement and article in the Westword newspaper
Concerns in the Community

• Negative impact on surrounding businesses
  - Parking
  - Odor
  - Events
  - Carrying in large smoking accessories

• Public Heath, Safety and Welfare
  - BYO
  - Over consumption
  - Safe transportation after consumption
  - Torches being used
  - Sharing marijuana products

• Located in a Residential Community
  - Misunderstanding of the type of business
  - Loitering
  - Affecting property values
  - Community Image
Action

- July 6, 2015 City Council passed an Emergency Ordinance for a moratorium on the establishment of new marijuana consumption establishments. An extension on the moratorium was granted on December 7, 2015.
- Council directed Staff to develop appropriate recommendations.
- Ad Hoc Committee was established to study the issue and create rules, regulations, a licensing procedure and zoning regulations. The Ad Hoc Committee was comprised of staff from:
  - Licensing
  - Police Department
  - Fire Marshal
  - Community Development
  - City Attorney’s Office
  - Also received input from the Tri-County Health Department
- Ad Hoc Committee worked closely with the Liquor and Medical Marijuana Licensing Authority to develop recommendations.
- March 21, 2016 draft Ordinance was presented to City Council at Study Session.
Where we are today

• City Council is tentatively looking at banning consumption clubs
• Highly unregulated – grey area
• Would like to see State licensing and regulations in place
• Currently the City of Englewood only allows the sale of Medical Marijuana and does not feel consumption clubs are necessary
Lessons Learned

• Be Proactive. It’s not “if” but “when”
• Reach out to surrounding communities dealing with the same issue – Denver & Colorado Springs are also currently dealing with consumption clubs
• Check your zoning
• Work closely with your City Attorneys office
• Use specific language on Sales and Use Tax applications to determine if businesses have anything to do with marijuana
• Include very specific language in any Ordinances regarding Marijuana

  – The City of Lakewood uses “marijuana enterprises - any organization, business, club, or commercial operation that allows its members or guests to sell, buy, transfer and/or consume marijuana or marijuana products on the premises”
Final Thoughts

• The marijuana industry has sparked an entrepreneurial spirit of capitalism
• Amendment 64 has left a number of loopholes that everyone is now experiencing
• Belief that a good business model could be constructed
• The City of Englewood is just not ready yet