

## AGENDA ITEM SUMMARY

City Council



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### STAFF

Jim Lenderts, Marijuana Enforcement Officer, Police Services  
Kerri Ishmael, Senior Financial Analyst

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### SUBJECT

**Second Reading of Ordinance No. 054, 2025, Making a Supplemental Appropriation of Funds Received from the Colorado Department of Local Affairs Gray and Black-Market Marijuana Enforcement Grant Program for the Fort Collins Police Services Marijuana Enforcement Program.**

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### EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on April 1, 2025, supports Fort Collins Police Services' Marijuana Enforcement Program in investigating gray and black-market marijuana cases by appropriating \$39,500 of unanticipated grant revenue from the Colorado Department of Local Affairs (DOLA), Gray and Black-Market Marijuana Enforcement.

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### STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

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### FIRST READING BACKGROUND / DISCUSSION

"Gray Market" is a term that refers to marijuana grown legally and then sold in a way that would be illegal. An example would be where someone has a medical card with an "extended plant count" which may allow them to grow up to 99 plants, but instead of using the product for their own medical needs, they sell it on the black market either locally to minors or someone in another state.

For over five years, the State has made grant funding available to help address unlicensed and illegal marijuana activity in Colorado. Police Services utilizes this grant funding to investigate complaints of illegal residential cultivation operations and unlicensed smoke shops selling synthetic marijuana to minors.

In November 2024, the City was awarded \$39,500 through DOLA's Gray and Black-Market Marijuana Enforcement Grant Program for the purpose of investigating these cases of illegal marijuana cultivation and distribution outside the legal, licensing framework.

Use of grant funds for investigations allows Police Services to address criminal activity and to improve neighborhood livability. These DOLA funds support Police Services in addressing community priorities and emerging trends in a proactive manner.

## **CITY FINANCIAL IMPACTS**

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These grant funds provide additional resources to Police Service staff without having a direct impact on Police Services operating budget. Funds will be used for overtime pay, equipment and storage expenses in support of investigative work.

This item appropriates \$39,500 in unanticipated grant funds from DOLA's Gray and Black-Market Marijuana Enforcement program.

DOLA will advance the funds to the City for use in allowable purchases, including covering overtime pay and purchase of supplies and equipment. Any unused funds will be returned to DOLA by the end of the grant term, by May 31, 2026.

This grant award provides no cost share requirement by the City.

## **BOARD / COMMISSION / COMMITTEE RECOMMENDATION**

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None.

## **PUBLIC OUTREACH**

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None.

## **ATTACHMENTS**

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First Reading attachments not included.

1. Ordinance for Consideration