



August 12, 2021

VIA ELECTRONIC MAIL

Mayor Gary Lebsack

glebsack@johnstownco.gov

Mayor Pro Tem Chad Young

cyoung@johnstownco.gov

Council Member Damien Berg

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Council Member Troy Mellon

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Council Member Jesse Molinar Jr.

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Council Member Amy Tallent

atallent@johnstownco.gov

Re: Marijuana Businesses in Johnstown
(Proposed Change to Town Code)

Dear Mayor and Council,

Please be advised that we represent Julia DeVries and John Van Hattem. Julia and John are mother-and-son dairy farmers in the Loveland area, but they also own and operate a marijuana store in Larimer County. Julia and John are interested in opening a store in Johnstown near I-25, but are currently unable to do so due to the prohibition in Section 16-25 and 16-26 of the Town Code.

As you may know, many of Johnstown's neighboring towns and cities already allow marijuana stores. Garden City, Milliken, Berthoud, and Fort Collins all contain marijuana stores, making access to marijuana common in the surrounding area, including Johnstown. Despite Johnstown residents already having easy access to marijuana products in neighboring jurisdictions, Johnstown is unable to benefit from the related tax revenue and is unable to shape the industry in-line with its values. Permitting limited marijuana licensing would allow Johnstown to realize the tax benefit of marijuana sales and would allow it to regulate such sales according to the Town's values.

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This was the reasoning cited by Milliken when they decided to allow limited marijuana stores in 2017. Milliken saw that Garden City received half of its annual revenue from marijuana taxes and realized that they could benefit from an increase in revenue as well. Garden City was able to spend an additional three-million dollars on infrastructure improvements as a result of marijuana taxes in 2017 and 2018. Milliken reported \$135,000 in additional tax revenue from its single marijuana store in 2020.

Regulating such businesses is made to be easy by the Colorado Department of Revenue Marijuana Enforcement Division (“MED”). The MED has a comprehensive 438-page set of rules for marijuana businesses, which every marijuana business in Colorado is required to follow. Those rules include a framework for tracking marijuana from seed-to-sale, security standards, and vetting of marijuana business owners to ensure that criminals and black-market operators are kept out of the industry. The MED also employs a large staff of compliance officers who regularly inspect the businesses for compliance and ensure that businesses never make sales to underage customers. The MED remits \$2,500.00 in application fees per application to the local jurisdiction to ensure that the local licensing authority is able to fund its staff to process such applications. MED’s regulations take most of the burden off of local jurisdictions so that the businesses are not a distraction from the Town’s current priorities.

We would like to meet with you to discuss this possible change to Johnstown’s Town Code and any concerns that you may have. If drafting a resolution or ordinance is a concern, our office would be happy to assist in the process. Julia and John are excited to meet you to discuss how they might fit into Johnstown. Please give me a call at 303-499-3040 or email at jeff@gardlawfirm.com so that we can schedule a time to meet.

Sincerely,

/s/Jeffrey S. Gard

Jeffrey S. Gard

Cc: Julia DeVries and John Van Hattem