



Agenda Item Summary

MEETING DATE: January 27, 2025

SUBJECT: **Ordinance No. 1072** – An Ordinance of the Town of Mead, Colorado
Approving Certain Amendments to the *Mead Municipal Code* Establishing
Development Standards for Natural Medicine Businesses

PRESENTED BY: Jason Bradford, AICP, Community Development Director

SUMMARY

In November of 2022, Colorado voters approved Proposition 122, which decriminalized limited use of certain psychedelic substances, or “natural medicine,” as defined in the Proposition and codified in state statutes. The Colorado State Legislature then enacted Senate Bill 23-290 (C.R.S. 44-50-101, et seq.) to create a regulatory structure for the operation and licensing of “Natural Medicine Businesses” (as defined in state law), including the use, cultivation, manufacturing, and testing of natural medicines. State law prohibits local governments from banning Natural Medicine Businesses or limiting the use of natural medicines. The statutes do, however, provide the opportunity for local governments to regulate “time, place, and manner” of operation of Natural Medicine Businesses.

Town staff has prepared amendments to the Land Use Code, attached to this Agenda Item Summary (“AIS”) as exhibits to Ordinance No. 1072 (“Amendments”), to establish reasonable land use regulations for Natural Medicine Businesses, as permitted by state law, including zoning and specific land use standards and requirements. Generally, the Amendments:

- Establish zone districts where Natural Medicine Businesses will be allowed
- Establish specific land use standards for Natural Medicine Businesses, including:
 - Security requirements and access by law enforcement
 - Screening, storage, and waste disposal requirements
 - Distance requirements
 - Licensing obligations
- Establish distance requirements from schools, childcare centers, public parks, and residential zone districts

Staff presented a brief outline of the Amendments at the Board of Trustees study session on November 12, 2024. At that meeting, the Board was generally supportive of the proposed Amendments. Staff addressed the issues discussed at that meeting in the Amendments, attached to Ordinance No. 1072.

The Planning Commission held a public hearing on December 18, 2024, to review the proposed Amendments. At that meeting, the Planning Commission recommended that the Board of Trustees approve the Amendments, as memorialized in Resolution No. 04-PC-2024, attached to this Agenda Item Summary.

OVERVIEW

In preparing the Amendments, staff reviewed regulations adopted by the Towns of Frederick, Parker, and other peer jurisdictions that have adopted regulations to date. The State Department of Revenue, Division of Natural Medicine has issued a detailed rulemaking regarding Natural Medicine Businesses, including detailed security requirements and licensing obligations. Town staff has reviewed the state rulemaking to ensure consistency with the proposed Amendments and avoid duplicative provisions. Staff has also incorporated feedback from the Board of Trustees provided at the November 12, 2024, study session, including the addition of distance requirements from parks.

The proposed Town of Mead Amendments establish definitions related to Natural Medicine Business land uses, zone districts where the land uses would be allowed, distance (separation) requirements, and performance standards that address the unique and specific issues related to Natural Medicine land uses. A detailed overview of the proposed Amendments follows.

- Revisions to Section 16-3-40 – Use Regulations.

Natural Medicine Businesses are broken into two (2) land use categories – “Healing centers” and “Natural Medicine Businesses (other than healing centers).”

- Healing centers are permitted in the same zone districts as counseling centers, which are allowed as a use-by-right in the following zone districts:
 - DMU – Downtown Mixed Use
 - HC – Highway Commercial
 - GC – General Commercial
 - LI – Light Industrial
- Natural Medicine Businesses (other than Healing Centers) are allowed as a use-by-right in the LI – Light Industrial zone district only.

- Addition of Chapter 16, Article XVI - Development Standards for Natural Medicine Businesses.

Section 16-16-10 – Definitions. This section establishes definitions for terms associated with Natural Medicine Businesses and mirrors state statute where applicable.

Section 16-16-20 – Applicable Code Provisions. This section provides that Natural Medicine Businesses must comply with all applicable provisions of the MMC, including zone district standards, dimensional standards, lighting, signage, and architectural standards. This section also clarifies that all Natural Medicine Businesses must obtain a business license in accordance with Town requirements prior to commencing operations.

Section 16-16-30 – Zoning Limitations. This section incorporates applicable zoning standards in MMC Section 16-3-40.

Section 16-16-40 – Specific Use Standards. This section identifies specific regulations associated with Natural Medicine Businesses, including the following topics:

- Security: Requires a security plan for storage of natural medicine and products; installation of security bars on windows; security camera coverage of all windows and doors; requirement to keep security videos for a minimum of 60 days and provide recordings to the police when requested.
- Screening, storage, and waste disposal: Requires screening of all windows, doors, and entrances from the public realm; storage for natural medicine shall be within the principal building; disposal of natural medicine shall be secured.

- Air filtration and ventilation: These systems must be put in place to ensure that any odors are not detectable beyond property boundaries.

Section 16-16-50 – Distance Requirements. This section requires that all Natural Medicine Businesses maintain a 1,000-foot distance separation from childcare centers; preschools; residential child care facilities; and elementary, middle, junior, and high schools. Natural Medicine Businesses shall also maintain a 1,000-foot distance separation from residential zone districts and public parks (with the exception of healing centers).

Section 16-16-60 – State Licenses. This section requires Natural Medicine Businesses to obtain all required licenses from the State of Colorado prior to operating in the Town.

REVIEW CRITERIA

The criteria by which text amendments to the Land Use Code are evaluated are set forth in Section 16-3-160 – Amendments, subsection (f), as follows:

“For the purpose of establishing and maintaining sound, stable and desirable development within the Town, the text of this Article shall not be amended except:

- (1) To correct a manifest error in the text of this Article; or
- (2) To provide for changes in administrative practices as may be necessary to accommodate changing needs of the community and the Town staff; or
- (3) To accommodate innovations in land use and development practices that were not contemplated at the adoption of this Article; or
- (4) To further the implementation of the goals and objectives of the Town Comprehensive Plan.”

STAFF ANALYSIS

Only one of the review criteria listed above must be met for proposed amendments to be approved. However, Staff believes that the proposed Amendments meet the following criteria:

- (2) To provide for changes in administrative practices as may be necessary to accommodate changing needs of the community and the Town staff
- (3) To accommodate innovations in land use and development practices that were not contemplated at the adoption of this Article

STAFF RECOMMENDATION/ACTION REQUIRED

Staff believes that the Amendments satisfactorily meet applicable criteria for approval as set forth in Section 16-3-160 of the Mead Municipal Code and recommends that the Board of Trustees approve Ordinance No 1072.

Suggested Motion:

“I move to approve Ordinance No. 1072, an Ordinance of the Board of Trustees of the Town of Mead, Colorado Approving Certain Amendments to the *Mead Municipal Code* Establishing Development Standards for Natural Medicine Businesses.”

ATTACHMENTS

- Ordinance No. 1072
 - Exhibit A: Amendments to Section 16-3-40 – Use regulations
 - Exhibit B: Adding to Chapter 16 a new Article XVI – Development Standards for Natural Medicine Businesses
- Planning Commission Resolution No. 04-PC-2024 (without attached exhibits)