



The City of Lee's Summit
Action Letter
Community and Economic Development Committee

Wednesday, July 10, 2019

4:00 PM

City Council Chambers

City Hall

220 SE Green Street

Lee's Summit, MO 64063

1. Call to Order

2. Roll Call

Present: 3 - Chairperson Diane Forte
Vice Chair Fred DeMoro
Committee Member Beto Lopez
Planning Commissioner Funk

Absent: 2 - Committee Member Craig Faith

3. Approval of Agenda

A motion was made by Vice Chair DeMoro, seconded by Committee Member Lopez, to approve the agenda. The motion carried unanimously.

4. Public Comments

There were no public comments.

5. Business

- A. [2019-2879](#) Approval of the June 12, 2019 Community and Economic Development Committee minutes

A motion was made by Committee Member Lopez, seconded by Vice Chair DeMoro to approve the June 12, 2019 Action Letter. The motion carried unanimously.

- B. [BILL NO. 19-166](#) An Ordinance Amending Chapter 28. Taxation, Article II of the Code of Ordinances for the City of Lee's Summit, Missouri, By Creating Division 8 - Medical Marijuana Facilities; City of Lee's Summit, Applicant. (CEDC 7-10-19)

David Bushek, Chief Counsel of Econ. Dev. & Planning, presented information regarding the five types of medical marijuana facilities. He prefaced the presentation by acknowledging this is a state constitutional amendment and the city is required to accommodate these uses through zoning, business licensing and changes to its criminal laws. The focus of this amendment applies to changes to the business license process.

Josh Johnson, Assistant Dir. of Plan Services, reviewed the business license criteria. The application requirements for Medical Marijuana facilities includes a business license, proof of state facility license, zoning approval (verified buffer requirement survey), proof of no sales taxed owed to Missouri Department of Revenue and payment of a \$50 fee. Once approved, the business license must be renewed yearly.

Mr. Johnson added the city has the authority, through the Police Department, to at any time inspect the facilities and may revoke or suspend the license if there is a violation or they refuse the city entry. In addition, no one under 18 years of age may enter the premises.

Chairperson Forte inquired if medical marijuana will be charged sales tax. Mr. Johnson replied yes. Mr. Bushek agreed. He further explained the name "medical marijuana" is a distinction between a medical condition and a medicine. The law identifies medical conditions and the constitutional provision provides for the use of marijuana to treat a medical condition. It specifically does not treat marijuana as a drug because the state needs to maintain the taxability of it as a substance. If regarded as a drug, under the new law, it becomes tax exempt. An important distinction is its purpose to treat a medical condition as a plant substance sold at dispensaries, and not to treat it as a drug. Dispensaries are therefore different from pharmacies.

However, while dispensaries may not impose an additional tax, the constitution does impose an additional 4% tax to be used for a veterans fund. The benefits of it being taxable is what leads to the conclusion medical marijuana is not a drug, but rather used to treat medical conditions.

Committee member DeMoro asked how states regulate the collection of taxes on marijuana if it is illegal on the federal level. Mr. Bushek replied it depends on how it is structured based on the state's laws. To avoid entanglement on federal criminal laws, states must keep the marijuana contained in the state and regard it as a distinct purpose to treat medical conditions. Because interstate commerce is illegal, the seeds to grow the plants and all plants used to make the products must come from within the state's borders.

Committee member Lopez asked if the federal government has challenged any states where marijuana is legal. Mr. Bushek replied he has not had the opportunity to research the criminal side of the issue. He hopes to have more information when the city reviews the criminal aspect in the third phase.

Chairperson Forte asked how the dispensaries are supposed to dispose of the marijuana. Mr. Dunning reported the city has an anti-scavenger ordinance where rummaging through trash is an offense. However, he was not certain how or if this applies to disposing of marijuana.

Mr. Forest Palmer, Odessa, Missouri, and representative of Kansas City Cannabis Company, replied in response to Chairperson Forte's question about disposing of marijuana, the product has to be destroyed and the code attached to the product reported to the Department of Health and Senior Services. No marijuana product is allowed to be thrown away.

After no further discussion, Committee Member Lopez made a motion, seconded by Vice Chair DeMoro, to recommend approval of the Ordinance to the City Council. The motion carried unanimously.

C. [2019-2907](#) Presentation and Discussion of Special Events, Parades, and Play Street/Block Party events

Various staff from Development Services, Fire, Police, Public Works and Administration Departments provided information about the current processes for special events, parades, block parties etc.

The types and number of special events vary from year to year however, requests for block parties are increasing and are the most requested, followed by athletic events (5K, 10K runs) then parades and entertainment events (Oktoberfest, Downtown Days). This includes Parks and Recreation events, which require a special use permit and paid fees. As requests increase for special event permits, there are concerns about the number of events scheduled, location of the events, impacts of street closures and increased cost to the city.

However, sometimes requests are denied and common reasons include late notice, multiple requests for same date (based on a first come, first serve policy) or not enough resources for safety issues. Staff utilizes a community calendar to review requests before approving or denying.

City expenses vary from events. While most events cover city costs, no fees are required for parades and therefore the city does not recoup expenses. Often additional staff is required with these events for security, maintaining perimeters, placing barricades, etc. Police staff receives overtime or special duty pay for these events, which will increase over time as staff salaries increase.

The location of the event affects costs as well. Off road events diminishes costs such as those located at Legacy Park, Unity Village, or school grounds. However, there are additional safety and liability issues when blocking public streets. Discussion included looking at privatizing traffic control for street closures and coordinating a meeting with the school district to review event logistics and costs (parades, athletic runs).

Some sponsors (athletic runs) look for and hold events at cities with the least expensive fees even though they may have corporate sponsors to help cover costs. Another challenge for athletic runs is finding sufficient parking for participants, which is why several events take place in the downtown area to utilize the public parking garage.

The Fire Dept. is invited to attend all parades, block parties (first come, first serve) and serve as standbys for professional firework displays (Legacy Blast, Lakewood, Raintree, Greenwood, weddings, etc.) They are required to have fire apparatus and staff on site for firework displays. Currently there is no charge for fireworks standbys, while fees in the regional area range from zero to \$200.

Additionally, the Fire Dept. receives requests for medical standbys for high school football games, Special Olympics and fireguard operations at no charge for using on-duty units. The Night Flight run at Legacy Park requires an off road vehicle and crew (overtime pay). Medical standby requests at athletic runs are recommended to use private standbys.

Donnie Rodgers, Executive Dir. of Downtown Lee's Summit Main Street provided additional comments and stated Downtown Days is their largest fundraiser. While some special events increase sales taxes, merchants have requested no events on holiday weekends and no back-to-back events in the downtown area. They are also appreciative of the increased signage for the 5K events downtown.

The committee agreed these types of events benefit the community and asked staff to research the following and bring their findings back to the committee:

- Look at other cities schedules of fees/best practices
- Determine criteria for scheduling events
- Review and report on the number of events
- Review cost for school facilities
- Look at privatizing traffic control (insurance, security, barricades) to minimize city risk and liability
- Distinguish between community-wide events and individual events and implement a policy
- Determine how to educate and communicate with citizens

6. Roundtable

Committee Member DeMoro stated his appreciation to staff on their research on medical marijuana.

7. Adjournment

There being no further business, Chairperson Forte adjourned the meeting at 5:21 P.M.

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