Honorable Members of the Colorado Springs City Council,

We are writing today as the **Colorado Springs Cannabis Association (CSCA)**, a coalition of licensed and regulated medical marijuana business owners in Colorado Springs. Collectively, our industry employs thousands of Colorado Springs residents and provides millions of dollars in tax and license fee revenues to the City each year. More importantly, we love this growing city, call it home, and desire to see it thrive, just as you do.

In recent weeks, council members have shared with CSCA there were not enough votes to support this needed policy change, and no measure would move forward at this time. We are shocked to see this proposal from the “progressive” group Together For Colorado Springs (T4CS) on the upcoming July 27th agenda, sponsored by Councilmember Gaebler.

The proposal will limit the number of new retail marijuana licenses to 24, which will destroy the existing medical marijuana business model, and put in grave risk over 80% of our current businesses and employees. Furthermore, this conversation is being driven by a group without experience, licenses, or employees in the medical marijuana industry in Colorado Springs. CSCA has been denied the opportunity to speak at the upcoming study session.

In April and May of this year, we worked alongside T4CS leaders to commission a report by economist Dr. Neal Rappaport on the fiscal impacts should City Council chose to **lift the moratorium on retail marijuana sales by allowing all of our existing businesses to convert to allow retail marijuana sales** (or to remain medical, if they chose). We funded this research as concerned business owners and citizens in Colorado Springs, and worked alongside this group in good faith that this data would not later be used to limit our existing licenses from the opportunity to participate in retail marijuana in Colorado Springs.

We are extremely disheartened to have learned that this data is indeed now being used against us, our licenses, and our employees, to push forward a proposal that has the potential to kill the Colorado Springs medical marijuana industry, cause job losses for our employees, and punish the entrepreneurs that have spent years investing into their businesses, this City, and our shared community.

While most of our businesses strongly prefer to wait until a time where we could pursue an ordinance or ballot initiative to co-locate medical and retail marijuana sales under one roof –the standard and most effective way to collect tax revenue across Colorado – we felt the option to convert was a fair compromise, given the significant impacts that Colorado Springs is facing due to the COVID 19 pandemic.

However, we want to make clear that it is **unprecedented in Colorado for any local jurisdiction to limit existing medical licenses from conversion when opting in to retail**. No other jurisdiction has chosen to limit existing medical businesses from participating in retail for one predominant reason – it kills the businesses left behind. There is no justification or need for this, beyond the mistaken perception that allowing medical businesses to co-locate retail licenses will double the number of stores in the City. This notion is incorrect - allowing existing medical centers to also conduct retail sales is as simple as adding a license to the existing center’s wall, and would not result in a single new physical location in the City.
While we completely agree Colorado Springs should lift the moratorium on retail sales, we regrettably must ask you deny the proposal presented to you next Monday, or any proposal that limits existing businesses ability to participate in a new retail market. **We simply cannot support this proposal that risks putting over 80% or more of our existing medical marijuana operators out of business, and we ask you to stand with our business owners!**

Each of our businesses is unique, and we have invested greatly in Colorado Springs over the last ten years. We have built a foundation for the City to begin collecting tens of millions of dollars in additional tax revenue. If the City wishes to benefit from collecting those taxes, and use them for COVID relief, or other positive existing and future projects the dollars could fund, we support you doing so; **all we have asked for is that each of our investments is honored by the compromise to convert our licenses to retail, or to stay medical.** This compromise will honor City Council’s 2017 cap on marijuana licenses in the City, the investment made by each business in the community, and allow for retail marijuana sales to begin filling the City’s coffers.

The proposed limited license scheme is silent on methodology for choosing retail marijuana licenses, but it is clear that it upends existing free market dynamics, forces City Council to pick winners and losers in an established business environment, punishes entrepreneurship, penalizes individual investment in the community, and fails to honor the cap that council placed on marijuana stores in 2017. **If adopted by you, and then by voters in November, it issues a death sentence to Colorado Springs businesses.**

**Therefore, we respectfully ask that you to reject the limited license proposal before you at the Monday, July 27th Study Session.**

If Council desires to recoup the tax benefits associated with retail marijuana sales, its first responsibility is to do no harm to the existing, robust medical marijuana economy. CSCA asks that the City Council not place collecting additional retail marijuana sales ahead of the existing businesses already contributing greatly to the local economy through tax revenues and job creation.

Sincerely,

The member companies of the [Colorado Springs Cannabis Association](https://www.coloradospringscannabisassociation.org)