



City of Sidney, MT
Zoning/Board of Adjustments 2-9-2022
February 09, 2022 8:00 AM
115 2nd Street SE |Sidney, MT 59270

The City Council meetings are open to the public attending in person, with masks encouraged when social distancing cannot be accomplished. If the public does not wish to participate in person, they are also invited to participate via a Zoom meeting. You can participate via phone:

Meeting ID: 847 4145 5795 Passcode: 4332809 Call: 1-346-248-7799

Others Present: FM/BI Rasmussen, City Planner Sanderson, Chief Kraft, Deputy Clerk/Treasurer Shanks, Rick Whatman and Jana Watson.

1. New Business

City Planner Sanderson stated there is a conflict with the current zoning for the residential properties next to IGA, which after researching may be zoned as B1 incorrectly and it would be a mapping error. He stated he will be bringing this before the Zoning Board on March 9th, 2022.

a. Review Zoning Code-Recreational Marijuana

Clerk/Treasurer Chamberlin stated they had received no official comment from the public on this matter.

City Planner Sanderson stated he had not received any comment either, but he did talk to other communities as asked at the previous meeting. He stated Baker is in the middle of doing a complete rewrite of their zoning code and plan to have the sale of recreational marijuana prohibited. He further stated Glendive is also completely prohibiting the sale, while Laurel will allow the sale in the light and heavy industrial areas only. He stated Billings has been more complicated to follow, but he believes they have decided to allow sales in industrial zone only. He stated no community is going to allow home occupation for sale of recreational or medical, as the sale of alcohol is prohibited this way also.

Mr. Jones asked if there was any impacts from allowing the sale that Planner Sanderson was aware of and he stated that it was still too early to know of any impacts for sure but can learn from medical marijuana sales and be cautious. Mr. Smith asked if Laurel was requiring a conditional use permit and Planner Sanderson stated they are just allowed uses in those zones, but some must get permission from the Zoning Board for growing and sale. Mr. Meldahl asked if the number allowed in each county is limited by the State or if the City could limit and Planner Sanderson stated he did not know if the State is, but by prohibiting in the City limits it is similar so might be allowed. Mr. Jones asked about the tax revenue and Planner Sanderson stated the County can

enact an additional 3% tax but tax money is only distributed to communities that have sales in their jurisdiction. FM/BI Rasmussen stated there was currently 5 medical and/or recreational marijuana dispensaries in Richland County, but none in the City limits. Mr. Meldahl asked if on-sight consumption was allowed and FM/BI Rasmussen stated it is prohibited by State Law.

Chair Seitz opened the public hearing on amending the city code for recreational marijuana sales and distribution at 8:17am.

Mr. Whatman stated he is the owner of Around the Clock Cannabis, a medical only dispensary just outside of the City of Sidney limits that has been in business for 4 years. He stated he has dispensaries for medical marijuana in Bozeman, Plentywood, Glendive and Sidney. He stated that Baker is a red zone, having not voted for recreational marijuana, and so it is not allowed and the one that was there had to shut down. He stated Glendive went to vote and although the outcome was to not allow the dispensaries in the City Limits, they did enact the 3% tax, which Richland County could do. He stated that he does not feel the community wants the dispensaries in the city, but if they are allowed they should be spaced at least 1,000 feet away from each other and not be allowed in certain areas of town. He stated with medical marijuana dispensaries, there is not the problems that recreational ones will draw, such as drawing people from other states. He stated he personally does not want it sold in the City limits for the community and the kids. He stated he also feels allowing the medical dispensaries is important to not allow the black market to increase for these people who need it. Mr. Meldahl asked if there is a tax on medical sales and Mr. Whatman stated there is a 4% tax by the State and locally there can be another 3% added, but a 7% sales tax would risk black market sales. Mr. Jones asked how Mr. Whatman thought the taxes on recreational was going and he replied that the first month of tax revenue is high due to it being newly allowed, but he sees it going down especially since people can see the higher cost with taxes versus black market sales. He stated he also disagrees with where the tax money is being allocated. Mr. Jones asked if the state does inspections and Mr. Whatman stated the inspections are a joke. He stated it is mostly self reporting on an honor system that is very easy to cheat. Chair Seitz asked him to define black market and Mr. Whatman stated it is what is not taxed when sold, not regulated and can be contaminated with other drugs. He further stated that this is why communities do not want home grows because of how they are not regulated and extremely hard to police for the local police department, which they could then be selling on the black market. Mr. Meldahl asked Mr. Whatman if he grows onsite and he stated he has a warehouse and grows his medical marijuana near Bozeman. He stated he knows the property that he and Bloom is located on is also looking into renting to other dispensaries. Mr. Jones asked how they handle banking for any marijuana sales and Mr. Whatman stated because it is not federally legal, they cannot use banks so it is a cash only business with lots of cash on site.

Chair Seitz stated he has discussed allowing dispensaries in city limits with multiple people, even those who partake, and they all agreed that dispensaries are better not in the city limits.

Chief Kraft stated although he will not speak for or against, he does want to give some context for the crime in the City of Sidney. He stated in 2020 the total offenses, which are actual reported crimes that does not include traffic offenses or unfounded calls, the City of Sidney had 811 offenses. He stated Glendive had 224, Miles City had 376 and Belgrade had 665. He stated this large increase of offenses for the City of Sidney, compared to municipalities with populations close, is also while the department is experiencing only having 70% of their staffing in place. He

stated he agrees with the concerns addressed and is concerned that this will be adding to the police department. He stated the crimes against a person rate for the City of Sidney per 10,000 was 227.74, higher than most municipalities in Montana, including Billings that was 215.42. He stated the severity of crimes may not be as severe as what Billings is experiencing, but we have enough issues.

Ms. Watson stated she works for Around the Clock Cannabis and she agrees recreational should not be allowed in the City limits. She stated that if allowed in the City limits, it is hard to find locations that can be rented in the allowed zones. She stated she has heard there are concerns with noise and traffic, but bars have more and fighting and they are allowed in middle of town. She stated they should look into more feasible areas so it is easier to find properties to sell for medical marijuana and there is a huge difference between a medical and a recreational dispensary and the concerns about recreational dispensaries are understandable. Chair Seitz asked where they are located and she stated they are in the old Sidney Rental building. She stated medical dispensaries are like a pharmacy and service mostly elderly people, which recreational is not.

Mr. Meldahl stated they are only a recommendation board, so they should have zones designated for the City Council, should they ultimately decide to allow it. Mr. Jones stated he has concerns with emergency responses should they be located on the other side of the train tracks and Mr. Smith stated there is already that concern for the businesses over there. Chair Seitz asked Mr. Whatman what percentage of his sales is from out of state people and he stated none. He stated being medical marijuana all his customers must have Montana Medical Marijuana cards administered by Montana doctors. He stated the vehicles in the parking lot next to his shop for the recreational dispensary have a lot of out of state plates though. Chair Seitz stated the crime numbers do show we have a different type of community, drawing working class and construction with the Bakken, than western Montana communities.

Mr. Smith stated regardless it will still be legal to have and smoke marijuana recreationally, and asked if having a dispensary in town would really impact more. Chief Kraft stated by having a retail location in town, it will make in town the destination location for all of this. Clerk/Treasurer Chamberlin stated that although the current dispensaries are just outside the city limits, when issues occur our police department is not responsible for responding or investigating, but by allowing them within the limits they would have to, which would cause an impact. Mr. Whatman stated that you cannot smoke it in public and crimes do increase around recreational dispensaries. Clerk/Treasurer Chamberlin stated this will also impact the budget if they are allowed within the limits. She stated that should the police department need more budget authority to respond to dispensaries, the revenue the City would get from the sale would probably not routinely offset that increase. She stated the police and fire department are funded by property taxes and she cannot guarantee that they would not increase to offset increased costs.

Chair Seitz called for any further proponents, three times and no more came forward to testify.

Chair Seitz called for any further opponents, three times and no more came forward to testify.

Motion was made to close the public hearing by Mr. Meldahl and Mr. Hintz seconded. All present voted aye. Chair Seitz closed the public hearing at 8:49am.

Motion was made to recommend to the City Council to keep the current language for marijuana dispensaries to include both recreational and medical, prohibiting the sale without a federal license.

Motion made by Jones, Seconded by Seitz.

Voting Yea: Seitz, Jones, Meldahl

Voting Nay: Smith, Hintz

Clerk/Treasurer Chamberlin asked if they need to designate zones now, should the City Council decide to not follow their recommendation and allow the sale. Planner Sanderson stated should that happen the City Council could act unilaterally and make that decision or remand that back to the Zoning Board, where they would need to meet again to discuss.

Adjournment: 8:57am