

Cassandra Eyestone

From: Dolores Vasquez
Sent: Thursday, March 2, 2023 2:31 PM
To: Cassandra Eyestone
Cc: Victoria Simonsen
Subject: FW: Potential MJ Sales Tax Increase

FYI

Take care,

Dolores M. Vasquez



Dolores Vasquez, CMC
Town Clerk
303-823-6622, ext. 12
dvasquez@townoflyons.com

From: jimm@den-rec.com <jimm@den-rec.com>
Sent: Thursday, March 2, 2023 10:21 AM
To: Dolores Vasquez <DVasquez@townoflyons.com>
Subject: RE: Potential MJ Sales Tax Increase

Hi Dolores,

Increasing taxes is not in the best interest of the town or the existing businesses. As an industry, MJ sales are down across the board in Colorado from 25 to 35% from last year. More specifically our revenue last month was down 26%. Increasing taxes will only exacerbate the sales decline and could force some businesses to close up shop. With the already onerous taxes from the state and Feds it is difficult to maintain any profit margins and remain in business. One shop closing would clearly offset any gains that might be anticipated from the tax increase. Lower taxes is one of the few differentiators that draw customers to Lyons and changing that will lower any incentives to drive out to Lyons for products. While we are hopeful that the summer tourism business will pick up this year, there are signs that the current economy will not be conducive to the travel industry and thus remain depressed. The additional taxation is then absorbed by the local community.

We do not support this increase.
Thanks - Jim

From: Dolores Vasquez <DVasquez@townoflyons.com>
Sent: Thursday, March 2, 2023 9:52 AM
To: [Jimm@den-rec.com](mailto:jimm@den-rec.com)
Subject: Potential MJ Sales Tax Increase

Hello,

The Board of Trustees will be considering the attached Ordinance on Monday, March 6th.

Please send any comments to me so I can submit with my packet.

Thank you!

Take care,

Dolores M. Vasquez



Dolores Vasquez, CMC
Town Clerk
303-823-6622, ext. 12
dvasquez@townoflyons.com

Cassandra Eyestone

From: Dolores Vasquez
Sent: Friday, March 10, 2023 9:58 AM
To: Cassandra Eyestone
Subject: FW: Potential MJ Sales Tax Increase

I received this 3/6 just before the board meeting.

Take care,

Dolores M. Vasquez



Dolores Vasquez, CMC
Town Clerk
303-823-6622, ext. 12
dvasquez@townoflyons.com

From: David Michel <dmichel@igadiltd.com>
Sent: Monday, March 6, 2023 5:01 PM
To: Dolores Vasquez <DVasquez@townoflyons.com>
Cc: Victoria Simonsen <vsimonsen@townoflyons.com>; Anzhelika Siloyan <asiloyan@igadiltd.com>; Steve Michel <smichel@igadiltd.com>; Sandy Walker <SWalker@igadiltd.com>
Subject: RE: Potential MJ Sales Tax Increase

Ms. Vasquez,

Thank you for providing us with notice of the proposed ordinance change to the tax rate. As I understand it, and I may be wrong, any change to taxes must be voted on by the public and the 1.5% increase to taxes would have to be submitted to the people of Lyons for a vote. Furthermore, if I am wrong and the tax increase is appropriate by ordinance, we believe this is not a good idea for the following reasons:

1. The marijuana industry is currently in a downturn. While most of the economy is experiencing consumer price inflation, marijuana is experiencing consumer price deflation. Adding additional sales tax to the customers will put Lyons stores at a disadvantage to neighboring communities and will not encourage further patronage of our stores as a number of sales in Lyons are occurring from those in neighboring communities who could elect to go elsewhere, but shop in Lyons because the tax is slightly cheaper than other locations. While this may seem like 1.5% more taxes will create more revenue for the Town, it will also make the Town's marijuana dispensaries more expensive, which could result in reduced sales which will not only be bad for the dispensaries, but could also net less taxes for the Town.
2. Marijuana sales are down \$400,000,000.00 across the state, which is approximately 23% of sales in 2022 or 2021. This is not the time to be added a sales tax while the industry is in turmoil.

Accordingly, I would strongly suggest that the Town defer this decision to at time where the economy is more stable and marijuana businesses aren't reeling from the economy and the impact on the industry.

Please do not hesitate to contact me with any questions, concerns, or to discuss this matter further.

Sincerely,

David Michel
General Counsel
Igadi, Ltd.
970.509.9119
www.igadiltd.com



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From: Dolores Vasquez <DVasquez@townoflyons.com>
Sent: Thursday, March 2, 2023 10:02 AM
To: David Michel <dmichel@igadiltd.com>
Subject: Potential MJ Sales Tax Increase

Hello,

The Board of Trustees will be considering the attached ordinance at Monday's meeting.

Please send me any comments and I will include in the packet.

Thank you.

Take care,

Dolores M. Vasquez



Dolores Vasquez, CMC
Town Clerk
303-823-6622, ext. 12
dvasquez@townoflyons.com