

EDITORIAL

Conscience capitalism?

Michael Pramenko, M.D. — a frequent contributor to the Sentinel’s editorial page and an evangelist for fighting high health-care costs by incentivizing healthy behavior — has an idea worth exploring. With voters clearing the way for the Grand Junction City Council to create a regulatory framework for the retail marijuana trade to operate in the city limits, he’s asking why not dream big? Instead of capturing just a percentage of total sales via taxes, the right kind of pot shop could give away all profits in a way that will improve society.

Pramenko was against authorizing retail pot, but now that the voters have spoken, he sees an opportunity to funnel money into substance abuse programs, early childhood care, school construction or anything that enhances the well-being of local citizens through a philanthropic business model.

It’s a complicated endeavor. Civic-minded investors would have to front start-up costs to a nonprofit willing to apply for a license. Most existing nonprofits would likely be hesitant to do that because becoming a purveyor of legal marijuana would jeopardize eligibility for grants that originate with the federal government. So a new nonprofit would probably need to be established with the express purpose of doling out profits from the community-minded pot shop.

Investors would be allowed to recoup the seed money — with interest. Once that initial debt is paid from the pot shop’s profits, the business converts to pure philanthropy. After covering costs, including fair wages, all profits would go to local causes. The money would be disbursed by the nonprofit’s board of directors according to its funding priorities.

Pramenko points to the Newman’s Own brand, which sells products like pasta sauce, popcorn and salad dressing in grocery stores nationwide. Newman’s Own donates 100% of profits to nonprofit organizations. It successfully competes against for-profit corporations. To date it’s contributed \$570 million worldwide.

Now is the time

The city is in the midst of a series of sessions seeking input from local residents on how marijuana businesses should be regulated within the city.

Ultimately before adopting new regulations, the City Council will hold a public hearing, but the city is looking for citizen input at the start of this process. (See schedule at <https://www.gjcity.org/civicalerts.aspx?aid=308>)

Among the issues the council will decide are how many retail stores to allow in the city, where to locate them, what kind of buffering there should be around schools and how to select which businesses are given a retail sales license.

Pramenko’s hope is that by floating this idea early in the process, the council may touch on what kind of criteria it may consider in awarding licenses. Could a commitment to return profits to the community give a hypothetical philanthropic business a leg up in securing a license?

He raises an important point, even if his idea doesn’t get beyond the dreaming stage. Should the selection process be weighted to factor in local ownership? Retail marijuana is big business. An out-of-town ownership group would be exporting money from the valley. The community would get its share of tax revenue, but lose out on the economic churn of profits circulating locally.

These are the kinds of issues that should pop up during the city’s stakeholder engagement process.

With a limited number of stores under consideration, “this opportunity is forever lost if not done at the very inception of marijuana sales here in Grand Junction,” Pramenko wrote in his monthly column this past Sunday.

Whether Pramenko’s idea comes to fruition, at the very least it reinforces the idea that our most important window for getting the entire regulatory scheme right is at the outset.

The city is doing right by asking citizens to contribute to that dialogue.