

July 2, 2020

Adams County Board of County Commissioners
4430 S. Adams County Pkwy.
5th Floor, Suite C5000A
Brighton, CO 80601

cc: Adams County Community and Economic Development

Re: Social Equity in Marijuana Licensing

Adams County Commissioners;

This letter is being sent to you on behalf of social equity advocate groups, civil rights organizations, and industry groups.

We would like to thank you for taking the time to review social equity in your most recent study session. However, it has been brought to our attention that after the study session and several recommendations from industry, community groups, business, and equity advocates, you are moving forward without social equity. While we appreciate the board's desire to approach social equity in all industries, social equity in cannabis demands a unique and singular approach in order to be effective.

The State of Colorado has taken bold action to ensure that the cannabis industry is making social equity a priority in every license type. On June 29th our Governor signed House Bill 1424 which creates a social equity license definition that allows a person who might not otherwise qualify - due to licensing suitability - an option to participate in the cannabis industry. This program is the last opportunity to create a more diverse cannabis industry in Colorado. Data has shown that Colorado lacks diversity in the industry. The Denver Department of Excise and Licenses released a report this month that found nearly 75% of the city's marijuana business owners are white, while 12.7% identify as Latino, 5.6% as Black, and 2.8% Middle Eastern. The MED also released data that showed a lack of diversity in the industry. Caucasians held 88% of associated key licenses, compared to slightly over 2% for Blacks and 5% for Hispanics/Latinos.

Given the current racial political climate in our nation, coupled with the bill passing, and the lack of diversity in the Colorado cannabis industry, not giving social equity consideration in any new license types would be creating policy that is inequitable in nature. To do so would be extremely imprudent considering that you are now fully aware of the legislative changes regarding social equity in the industry.

Adams County is home to one of the largest LatinX/Hispanic populations in our state. It is extremely important to make sure that people from these populations have access to enter the cannabis industry in Colorado. As you know cannabis prohibition has negatively

impacted Latin X/Hispanic communities along with African American communities the most. Economic opportunities for LatinX/Hispanic communities are more important now especially considering people from LatinX/Hispanic communities have been disproportionately impacted by COVID-19. Equitable opportunities in the cannabis industry are extremely important for marginalized communities because it offers an opportunity at economic justice especially during COVID-19 where these communities are being negatively impacted more than any others through health disparities and unemployment.

We are asking you to follow the lead of our state and cities like Denver to make sure that as you move forward, you implement social equity into your rollout for cannabis delivery, hospitality, and any existing or new cannabis license opportunities that may arise.

Thank you for your consideration,

Sarah Woodson
Founder and Executive Director
The Color of Cannabis



July 2, 2020

Adams County Community & Economic Development Department
4430 South Adams County Parkway, Suite W2000A
Brighton, CO 80601-8216

Re: Text amendments to the Development Standards & Regulations and text amendments to the Marijuana Licensing Regulations for Adams County

To Whom It May Concern:

We write you today in the hopes of continuing the important conversation surrounding the implementation of a responsible social consumption program.

Current Location

We request that you allow Studio420 to continue operating at its current location as we fully intend on applying as a local Hospitality Business as soon as the application is available. However, under the proposed regulations, our location is not compatible with the proposed setback requirements. Since opening our doors in June of 2015, we have been a contributing member to the community by facilitating commerce for other business, and, more importantly, providing a safe location to legally consume marijuana. In our roughly five (5) years of operation, we have never caused any disturbance to the community and have a spotless record devoid of complaints or calls to the police, fire department, or any emergency service. Instead, our business operations have set the standard for safe social marijuana consumption in Colorado. In fact, we hosted several walkthroughs with Denver officials when the City and County of Denver was researching and deliberating their licensing model under Initiative 300.

If forced to close, the \$45,000.00 we invested in building improvements, will be a complete loss. All of the woodwork decorating the interior of our business would need to be destroyed in order to remove them from the business as they were constructed on the spot and do not physically fit through any of the entrances to the building. Most importantly, however, is the fact that our members, which are primarily residents of Adams County, will lose the only current location where community members can legally consume marijuana outside of their respective homes.

Priority Licensing

We request that you give Studio420 priority in applying locally as a Hospitality Business. The county has been aware of our business operations allowing for marijuana consumption since we first applied for a business license. In fact, prior to receiving our local permit approval, we were

charged a “Community Impact Fee” in the amount of \$7,030.09 on August 24, 2018 from your Department. We were informed that the calculation was determined based on total square footage and that the fee was discretionary. Since paying the fee, Adams County has allowed us to operate. It would be unfair and unlawful to force us to close Studio420 without giving us the opportunity to remain in business. Giving other businesses the opportunity to apply for a license ahead of Studio420, the only currently permitted establishment in Adams County, would be plainly unjust.

General Concerns

We request consideration of the following general concerns:

A. High Licensing Fees

An initial licensing fee of \$15,000.00 is excessive for a hospitality business. Unlike a retail marijuana store (or retail marijuana cultivation; medical marijuana store; medical marijuana cultivation), Marijuana Hospitality Businesses are prohibited from selling marijuana. Given that retail marijuana stores, subject to certain regulations, arguably have no limit with regard to how much marijuana can be sold in a single day, a \$15,000 annual licensing fee may be justifiable. However, a business which is prohibited from having access to the same revenue stream will never be successful.

Even considering marijuana hospitality businesses that may make certain limited sales (referred to as “Retail Marijuana Hospitality and Sales Businesses”) given the extreme discrepancy between sales limitations of a Retail Marijuana Store, the licensing fee is clearly unreasonable. Specifically, “[a]ll Transfers of Retail Marijuana by a Retail Marijuana Hospitality and Sales Business to a consumer shall not exceed the following sales limits:

1. *More than two grams of Retail Marijuana flower...*

For your convenience, below are the quantity sales limitations for a Retail Marijuana Store.

“Quantity Limitations On Sales.

1. *A Retail Marijuana Store and its employees are prohibited from Transferring more than one ounce of Retail Marijuana flower...”*

An ounce is equivalent to roughly 28 grams. A Retail Marijuana Hospitality and Sales Business may only sell two (2) grams to an individual on any given day. Two grams, is 1/14th of the amount of marijuana a Retail Marijuana Store would be able to sell the same individual on the same day. The licensing fees should take into account reality.

Also, a majority of our income is derived from membership fees. Given the fact that we wouldn’t have access to the same revenue stream as a Retail Marijuana Store, the cost of the license will need to be displaced on to our members. After a certain point, it may not make sense for a member to maintain their membership if the burden of the costs outweighs the benefits of safe

marijuana consumption. Accordingly, we request reconsideration of the fee amount to relate to the actual revenue streams available to these new license types.

B. Five-Mile Setback

We request that the proposed five (5) mile setback from other licensed marijuana hospitality businesses be significantly reduced. A setback of five (5) miles creates practical issues for businesses considering applying for this license. For example, a five (5) mile setback from other businesses creates a significant challenge to businesses trying to secure a location because, at any given time, that location may become unsuitable once another applicant is approved.

Although Adams County is over 1,100 square miles, the vast majority of the population residing in Adams County lives east of the Denver International Airport. This severely limits the locations in Adams County where operating marijuana consumption space makes practical sense under the proposed regulations.

Amendment 64 was passed with the legislative intent of regulating marijuana like alcohol. Currently, the Colorado Liquor Code only prohibits liquor stores from being “[w]ithin one thousand five hundred feet of another retail liquor store...” Even other marijuana businesses in Adams County aren’t restricted in this excessive manner. Specifically, the Adams County regulations prohibit marijuana stores (medical or retail) from being “*within 750 feet of any other [marijuana store]...*” Given the setback requirements of other licensed-marijuana businesses in Adams County, the five (5) mile setback establishes an inequitable licensing model that may be predestined for failure. Therefore, we would request that this setback be similar to marijuana or liquor store setbacks.

Conclusion

Thank you for reaching out and requesting comments on the above referenced amendments to the Adams County local marijuana code. During these uncertain times, your continued work and diligent efforts in establishing local regulations to provide a safe marijuana consumption space for our community does not go unrecognized.

Very truly yours,

Studio420



July 2, 2020

Andrea Berg
Customer and Process Development Manager
Community and Economic Development
cc: Adams County Board of County Commissioners

Re: Text Amendments to Ordinance 15 (Case #PLN2020-00005).

Ms. Berg,

Below are our comments for proposed amendments to Chapter 03, Chapter 04, and Chapter 11 of the Adams County Development Standards and Regulations and the Marijuana Licensing Regulations, specific to Marijuana Hospitality Establishments.

We have previously submitted comments regarding the lack of a consideration for Social Equity licensees. Given recent movement on the state level to define "Social Equity" in regulated marijuana licenses, the conversation of racial equity in general on a national level, and the movement by other local governments in favor of Social Equity in marijuana licensing, we feel it is prudent to again emphasize the need for this consideration as an opportunity for economic growth for those who are being hit the hardest by this current health crisis.

Our comments here will address the existing provisions in the text amendment.

Part IV. Applications: Procedures, Hearings and Determinations
Section 04.01 Application Procedures
04.01.04.6 (mobile premises)

- b. The Marijuana Hospitality Business must provide the following information to the County regarding its Mobile Premises;
- 4. ~~Proof that the Mobile Premises is equipped with video surveillance inside of the Mobile Premises;~~

Recommendation: Striking subsection 4.

Reason: The Marijuana Enforcement Division concluded in its rulemaking that since there were no sales allowed on a mobile premise, that surveillances footage was deemed unnecessary. We suggest that Adams County follow suit and allow for the licensees an option of maintaining video surveillance. This will avoid superfluous video footage that provides no useful enforcement mechanism and maintains cross-jurisdictional uniformity.

Part VIII. Change of Licensed Location/ Modification of a Premise Section
08.01 Change of Licensed Locations Requirements

Recommendations: Add section **8.01.04** "In the event of temporarily inoperability a Mobile Premise may temporarily transfer their license privileges to another vehicle that meets all requirements described in sections 4 and 5."

We also suggest the County create a method in which the Licensing Authority may approve additional vehicles to be covered under a single Mobile Premise license and a method in which to transfer the license privileges to a new vehicle if the current licensed vehicle becomes completely inoperable within the year covered by the initial application and fees.

Reasons: In the event a vehicle is temporarily inoperable, either due to standard maintenance or mechanical difficulties while in service, a licensee needs to be able to transfer the privileges of the license to an additional vehicle. This is common practice in the commercial vehicle industry under PUC regulations and is critical to ensuring public safety and compliance. The licensee will submit all records of the temporary transfer to the Licensing Authority in a timely manner and the temporary transfer should be limited to a specific window of time for the either the original vehicle to come into compliance or to request a full transfer of the license to a new vehicle without applying for an entire new license. We recommend the County follow standard PUC regulations for commercial vehicle licensing in regards to these matters.

Part X. Fees

Section 10.01 Operating and Renewal Fees

10.01.01.1. Initial Operating Fees

- h. Retail Marijuana Hospitality and Sales Business: \$15,000.00
- i. Marijuana Hospitality Business: \$15,000.00
 - 1. Each Mobile Premises: \$1,000.00

10.01.01.3. Annual Renewal Fees

- h. Retail Marijuana Hospitality and Sales Business: \$15,000.00
- i. Marijuana Hospitality Business: \$15,000.00
 - 1. Each Mobile Premises: \$1,000.00

Recommendation: Lowering the fees by half, per an earlier draft of the suggested ordinance. Staff had proposed a version of fees at \$7,500.00 per establishment license.

Reason: Given the current economic recession and need to be inclusive to as many applicants as possible absent Social Equity provisions, it would behoove the county to consider a lower barrier to entry for these new license types that are not generating revenue in tens of millions of dollars like their cultivation and retail store counterparts. Most hospitality businesses will be small mom and pop shops like painting classes of coffee shops. A non-cannabis painting class and coffee shop would never be expected to pay such exorbitant fees. Since these models will not be generating that kind of revenue from sales, we recommend lowering the fees for non-sales consumption licenses.

Thank you for your consideration of our suggested edits and comments. We look forward to discussing and working with the County as we enter the last stages of development for these new licenses.

Samantha Walsh
Tetra Public Affairs

On behalf of Colorado Cannabis Tours and Puff, Pass and Paint.



From: [Thomas Spanos](#)
To: [Andrea Berg](#)
Cc: [Brandan Slattery](#)
Subject: Comments Regarding Proposed Regulation of Marijuana Hospitality Licenses
Date: Thursday, July 2, 2020 3:13:52 PM

Please be cautious: This email was sent from outside Adams County

To whom it may concern,

As a resident and potential entrepreneur in this area, I would like to offer the following comments on the proposed rules and regulations for Marijuana Hospitality Licenses for Adam's County.

1. Generally, the County should seek to clarify the rules and regulations under Retail Marijuana Hospitality and Sales licenses where the hospitality business only conducts so-called "micro-transactions" of marijuana.
2. Furthermore, in a similar vein to the above, it seems fair that rules for all Retail Marijuana Hospitality and Sales Licenses be consistent in terms of license application fees, location limits, and zoning. However, requirements that apply to retail marijuana businesses where marijuana can be purchased and taken off the licensed property should be different than licensed locations where marijuana will be purchased only for consumption on-site or within the licensed property.
3. Specifically, the County should clarify language in the design requirements under Chapter 4. It appears unclear whether Retail Marijuana Hospitality and Sales license holders who only engage in marijuana sales for consumption on-site are subject to the 750-foot limitation between "retail marijuana stores," (4-18-01 & 4-18-02 (subsection 5 in both)). I am aware that such requirements are not included in the Hospitality sections, yet believe there is still some ambiguity regarding whether this requirement applies.
4. Given the COVID-19 pandemic and its effects on businesses' ability to operate safely, and in some cases even be open at all, the County should impose an additional planning requirement on license applicants under section 04.01.04, subsection 4, requiring:
 - (j) A health and sanitation plan for hospitality businesses, as well as retail hospitality and sales businesses, demonstrating an ability to comply with local, state, and federal guidance related to the transmission of communicable diseases, and minimizing interactions by and between employees and customers of the licensee to the highest practicable extent.
5. Furthermore, in a similar vein to #4, above, applicants who can provide plans that comply with such local, state, and federal guidance in advance of the lottery for hospitality licenses should be given preference.

Thank you for your time and attention to my comments.

Sincerely,
Thomas G. Spanos, Esq.
(Admitted to practice in NY)