

1/26/2021 4:33 PM



Board of Trustees
WORK SESSION
Thursday, Jan. 28, 2021, 5 pm

Due to COVID-19, there is no public attendance in person. Instead, please join virtually:

On Your Computer: <http://bit.ly/3a3p1Ve> | Password 648737

On Your Phone: 669-900-6833 | Webinar ID: 883 7002 6081 | Password: 648737

AGENDA

Please note that decisions are not made at Work Sessions

- 1) Public Comment
- 2) Marijuana legislation/merit-based application

Date: January 28, 2021

MEMO

To: Board of Trustees
From: Greg Brinck
Town Administrator



Subject: Merit Based Application

The Board of Trustees has indicated that they would like to establish a merit based application process for marijuana licenses. Attached to this memo are two documents one is an example from the City of Aurora that puts a lot of weight on the applicant and their background. The second is a document Trustee Weissner created including some of the concerns that the Board has previously talked about and assigning weights to them.

The Board should consider what is a requirement of the application and what the Board may consider a preference. For example, a site plan that includes parking minimums is a requirement of the application but the current code does not indicate that the establishment should be able to accommodate RV or vehicles pulling trailers. This could be a preference determined by the Board and awarded points.

Trustee Weissner created a section for community benefit that I believe captures some of the concerns the Board has had with a lottery or first in time application process. Merit points could be awarded to applicants who indicate that their desire to be involved with the community.

Case Study: Aurora, CO

- ❑ Legalized Retail Marijuana in 2014 and capped the number of Retail Marijuana Store licenses to 24
 - No caps placed on other types of licenses
- ❑ Retail Marijuana Store licenses were awarded through a competitive, point-based scoring process
 - Points were awarded for criteria such as clean criminal records, more industry experience, tax compliance and installation of odor mitigation equipment
 - Business plans and operating plans accounted for approximately half the points and were scored by independent reviewers
- ❑ Prospective applicants were required to schedule a pre-licensing hearing with City staff
 - Applicants provided information regarding the size, scope and feasibility of the proposed establishment
 - City staff provided a more complete understanding of the licensing process
- ❑ Applicants/licensees were required to meet certain thresholds, including:
 - Location that complied with zoning and occupancy requirements (setbacks were established from schools and drug treatment centers but not from other licensees)
 - At least \$400,000 in liquid assets
 - Minimum of two years of marijuana industry experience with no penalties and demonstrated compliance
 - No felony or drug-related convictions
- ❑ Applications were extensive
 - Applicants had to submit an operating plan, business plan, odor mitigation plan, security and surveillance plan (City of Aurora Municipal Code Sec. 6-309)
- ❑ City of Aurora Marijuana Enforcement Division
 - https://www.auroragov.org/business_services/marijuana_regulations

Aurora Point-Based Scoring System

RETAIL MARIJUANA STORE POINT SYSTEM

Please indicate which points you are applying for and attach supporting documentation.

Code Section	Criteria	Possible points	Check all that apply
6-309 (b)(1)	Experience in operating a licensed marijuana establishment or business in Colorado		
	Three years	+1	<input type="checkbox"/>
	Four years	+1	<input type="checkbox"/>
6-309 (b)(2)	No administrative penalties or licenses revoked related to the operation		
	Three years	+1	<input type="checkbox"/>
	Four years	+1	<input type="checkbox"/>
6-309 (b)(3)	Compliant with all state and local tax laws for the past 12 months	+2	<input type="checkbox"/>
6-309 (b)(4)	Applicant, principal officers, directors and owners have never had the following:		
	No felony convictions	+2	<input type="checkbox"/>
	No drug-related misdemeanor convictions	+2	<input type="checkbox"/>
	No pending criminal charges of any type	+2	<input type="checkbox"/>
6-309 (b)(5)	Certifies the business will not hire a manager, employee or any person with a felony conviction in the last 10 years or a drug-related misdemeanor conviction in the last five years, or a drug-related felony conviction ever.	+4	<input type="checkbox"/>
6-309 (b)(6)	Prior to opening, the building contains air-filtration systems that filter out marijuana odor	+3	<input type="checkbox"/>
6-309 (b)(7)	Provides a security plan that exceeds the minimum requirements	+2	<input type="checkbox"/>
6-309 (b)(9)	Provides an operating plan (to be evaluated by a third party)	+1-10	<input type="checkbox"/>
6-309 (b)(10)	Provides a business plan (to be evaluated by a third party)	+1-10	<input type="checkbox"/>
Total Points		41	

- ❑ Business plans and operating plans were evaluated by third-parties
- ❑ Consider anonymous third-parties
 - Minimizes potential for bribery and harassment
- ❑ Customize the system to meet your needs
 - Aurora system was developed at industry inception

Qualification	Points
Cannabis Industry Experience – Applicant has experience in owning, managing and operating a legally licensed cannabis business.	50
Cannabis Industry Knowledge – Applicant has demonstrated overall knowledge of the cannabis industry.	30
Other Business Ownership Experience – Applicant has experience and successful management of a non-cannabis business.	10
Local Ownership – Applicant is a current resident or business owner with the Town of Cedaredge	25
References and/or Letters of Recommendation – Applicant has provided a CV, references, and letters of recommendation.	10

Business Plan	Points
Operation – Plan demonstrates Applicant’s ability to commence business operations quickly upon approval and to sustain operations.	20
Supply Agreements – Applicant has documented agreements with cannabis distributors to supply products to the Applicant’s business.	20
Staff – Plan describes proposed staffing levels (identify all positions and responsibilities).	10
Products – Plan describes types of products to be offered. Flower – 1 point Edibles – 1 point Tinctures – 1 point Extracts – 1 point Oils – 1 point Pills – 1 point Topicals – 1 point Transdermals – 1 point High CBD/Low THC – 2 points	Total Possible Points 10
Co-Mingling – Applicant intends obtain a license for, and to open both a medical and retail marijuana store in the same building or offer space to another retail or medical licensee in the same building.	20
Daily Operations –Plan describes, in as much detail as possible, the day to-day operations which meet industry best practices.	10
Inventory – Plan includes how products will be tracked and monitored to prevent diversion.	10
Employment – Plan describes compensation for employees, opportunities for continuing education and training for employees, and proposed number of full-time or part-time employees at start up and full capacity.	10
Marketing – Plan includes detailed marketing strategy.	10
“Green” Business – Plan includes business practices relating to energy and water conservation.	10

Financial Plan	Points
Budget – Financial plan demonstrates sufficient financial capacity to capitalize, start up, and sustain business operations.	20
Capital – Financial plan demonstrates and identifies access to capital and/or an ongoing line of credit.	10
Pro Forma – Financial plan includes a valid pro forma for at least 3 years of operation.	10

Site Plan	Points
Odor Mitigation (Required) – Site Plan includes ventilation and odor mitigation analysis, details of ventilation system including quality of air purification, installation details, and permits (if required). <i>Points awarded if submitted with application.</i>	5
Façade Plan / Upgrades – Plan includes drawings, colors, materials, additions, designs, and permits, (if required).	20
Parking (Required) – Plan includes number of parking spaces, including handicap parking, drive through plan (if offering driver through), and parking lot traffic circulation plan. <i>Points awarded if Parking Plan submitted with application.</i>	5
Traffic Flow (Required) – Plan includes site access and traffic analysis. <i>Points awarded if Traffic Flow Analysis submitted with application</i>	5
Landscaping – Plan includes drawings, colors, materials, and permits, (if required).	20
Lighting – Plan includes type of indoor and outdoor lighting and placement.	10
Waste/Refuse Disposal – Plan includes practices for waste storage and disposal that includes security of waste storage and bins.	5
Signage – Plan includes type, size, design, content and placement of signage.	10
RV Access – Plan includes adequate RV access, parking and flow mitigation.	5
Floor Plan – Detailed drawing, layout and design of proposed floor plan.	5
Fire Preventions – Plan describes all fire prevention and suppression measures, fire extinguisher locations, evacuation routes and alarm systems the facility will have in place.	10
Investment in Underutilized Site – Plan demonstrates Applicant’s commitment to major improvements, façade rehabilitation, site improvements or other investments in an underutilized/underdeveloped site.	20

Safety & Security Plan	Points
Security Procedures – Overall detailed plan of security measures and procedures.	10

Surveillance – Plan includes video camera surveillance, including quality of cameras, number of cameras, locations, how long footage will be saved, and whether live feed access will be available for law enforcement.	10
Employee Safety Education – Detailed plan of employee safety training and continued education, including training regarding product handling, burglary/robbery protocols, and other potential hazards of the cannabis business.	20
Cash Management Plan – Detail of cash management plan, including cash storage, transport, deposits, and employee training.	10
Product Deliveries – Detailed plan for securing product deliveries to the business.	10
Lighting – Detailed plan of security lighting including type of lighting and placement.	10

Community Benefit Plan	Points
Community Involvement (i.e., sponsorship of community events, donations to local non-profits, community outreach programs)	20
Local Hiring Practices – Includes plan to promote local hiring or provides incentives for local residents to work at the business.	20
Employee Health Benefits – Employee plan includes health benefits for all full-time employees.	20
Local Experience – Applicant has lived in Cedaredge or Delta County for at least 5 years.	25