



Board of Trustees  
**WORK SESSION**  
Thursday, Feb. 23, 2021, 4 pm

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

On Your Computer: <http://bit.ly/3aN04yZ> | Password 213723

On Your Phone: 669-900-6833 | Webinar ID: 834 9508 9174 | Password: 213723

#### AGENDA

*Please note that decisions are not made at Work Sessions*

- 1) Marijuana Legislation
  - a. Draft Title 11
  - b. Draft Ordinance
  - c. Draft Resolution – Fees, Application, Merits
  - d. Draft Process

Title 11

MEDICAL AND RETAIL MARIJUANA REGULATIONS

CHAPTERS:

11.01 General Provisions

11.02 License Application

11.04 Enforcement

Chapter 11.01

GENERAL PROVISIONS

Sections:

- 11.01.010 Definitions.
- 11.01.020 Licensed Required.
- 11.01.030 Local Licensing Authority.
- 11.01.040 General License Requirements.
- 11.01.050 Optional License Uses.
- 11.01.060 Prohibitions.
- 11.01.070 Sales Tax and Delivery Surcharge.

**11.01.010 Definitions.**

The following words and phrases shall have the following meaning for the purposes of this chapter, unless the context clearly indicates otherwise:

**Applicant** is an agent under written authority, who applies on behalf of a domestic entity as defined under C.R.S. § 7-90-102(13) to operate a retail or medical marijuana store, so long as the written authority is signed by all controlling owners with more than twenty-five percent ownership interest in the domestic entity or its sub entities or an individual, if applying prior to forming a domestic entity.

**Controlling Owner(s)** means any person(s) or domestic entity, along with sub entities or person(s), owning more than a 25% interest in the business applying for the license.

**Local Licensing Authority** is the Town of Cedaredge Board of Trustees.

**Major Modification** means any (1) increase or decrease in the total physical size or capacity of the licensed premises, (2) sealing off, creation of or relocation of a common entryway, doorway, passage, or other such means of public ingress and/or egress, walk-up window or drive-up window, when such common entryway, doorway, or passage, walk-up or drive-up window alters or changes limited access areas, as defined by the State of Colorado, (3) physical modification that requires installation of additional video surveillance cameras by the State of Colorado, or (4) physical modification that required a Town of Cedaredge building permit.

**Marijuana License Cap** is the maximum licenses issued by the Town at any one time being two (2) retail and two (2) medical.

**Medical Marijuana Store** is a person licensed to operate a business under C.R.S. § 44-10-104, as amended, that sells medical marijuana to registered patients or primary caregivers as defined in Section 14 of Article XVIII of the Colorado Constitution, but is not a primary caregiver.

**Planning Commission** means the Planning & Zoning Commission defined and appointed under Cedaredge Municipal Code, Section 16.03.060.

**Point and Weight System** is the competitive application process which uses a Point and Weight Worksheet, approved by the Local Licensing Authority from time to time, to award points upon review of an application using predetermined criteria and weighting.

**Private Residence** means private premises where a person lives, such as a private dwelling place or place of habitation, and specifically excludes any premises located at a school or on the campus of an institution of higher education, or any other public property.

**Retail Marijuana Store** is an entity licensed to purchase marijuana from marijuana cultivation facilities and marijuana and marijuana products from marijuana product manufacturing facilities and to sell marijuana and marijuana products to consumers, as set forth in Section 16 of XVIII of the Colorado Constitution.

**Staff** means Town Administrator or authorized designee.

**Town** is the Town of Cedaredge.

**Town Marijuana Code** is this Title 11 regulation, and all other applicable Town codes, policies, resolutions, or ordinances.

#### **11.01.020 License Required.**

It is unlawful for any person or domestic entity to own or operate a medical or retail marijuana store within Town limits without first having obtained a license from the Town and the State of Colorado for each facility to be operated in connection with such business.

#### **11.01.030 Local Licensing Authority.**

- A. The Local Licensing Authority may enact all reasonable regulations applicable to medical and retail marijuana stores based on local government

zoning, health, safety, and public welfare laws for the distribution of medical and retail marijuana.

- B. Local regulations concerning medical marijuana stores may be more restrictive than those in Article 10 of the Colorado Revised Statutes, while regulations concerning retail marijuana stores may be no less restrictive.
- C. The Local Licensing Authority has final review and approval of all licenses for marijuana stores or marijuana delivery permits, and any decision to grant or deny, to revoke or suspend or to renew or not renew a license or permit shall be a final decision and may be appealed to the district court pursuant to Rule 106(a)(4) of the Colorado Rules of Civil Procedure.
- D. In the case of applications resubmitted to the Town directly pursuant to Section 16(5)(h) of Article XVIII of the Colorado Constitution, due to failure of the state licensing authority to act upon an application within ninety (90) days, the Local Licensing Authority will act and approve or deny the same within ninety (90) days after receipt of the resubmitted application so long as demonstrated compliance with all applicable Town regulations is had, and the full application fee is paid to the Town, if not forwarded by the State.
- E. The Local Licensing Authority delegates to Staff the acceptance and processing of all applications for marijuana stores, collection of fees, and maintenance of such applications, forms, and administrative materials as may be required for operation and management of licenses.
- F. The Local Licensing Authority delegates to Staff the responsibility to take ministerial actions involving reporting or confirming local approvals of changes in business names, agents, addresses, and similar non-policy matters with state regulators, and to administratively approve license renewal as authorized herein.
- G. The Planning Commission acts as a recommending body to the Local Licensing Authority concerning review of the site development plan in accordance with Cedaredge Municipal Code, Section 16.10.030.
- H. Staff shall act as the recommending body to the Local Licensing Authority concerning applicants' award of points using the Point and Weight System, except Local Licensing Authority shall make the final determination as to the points awarded by a majority vote. The Point and Weight System is the primary selection tool used by Local Licensing Authority when granting a license for competing applications.
- I. Local Licensing Authority may impose reasonable terms or conditions on

a license, or deny a license, modification, or renewal of a license, as may be necessary to protect the public health, safety, and welfare of the people of the Town, and to obtain compliance with Town Marijuana Code, applicable state law, and other provisions of the Cedaredge Municipal Code.

- J. All approvals by the Local Licensing Authority will consider whether the proposed activity or facility is compatible with adjacent land uses.
- K. The Local Licensing Authority may deny a license, modification, or renewal of a license if information is presented demonstrating that material information in the application for the initial or prior license was untruthful, misleading, contained material omissions, misstatements or was otherwise intentionally or purposefully calculated to mislead the Local Licensing Authority about any material information, including ownership of the facility, owners, directors, managers, or holders of financial interest in the applicant.

#### **11.01.040 General License Requirements.**

- A. Compliance with law. All marijuana stores must comply with this Town Marijuana Code, applicable state law, and any other local laws or regulations. The Local Licensing Authority may revoke any license if the marijuana store fails to comply.
- B. Building codes. All marijuana premises must comply with current building codes adopted by the Town.
- C. Zoning. Medical Marijuana Stores are allowed on property located within MU-C-D1 Mixed-Use Commercial District, B-1 Business District, and MU-R Mixed-Use Residential District. Retail Marijuana Stores are allowed on property located within MU-C-D1 Mixed-Use Commercial District and B-1 Business District. Marijuana stores are not permitted within any other zoning district or within any building that contains a residential dwelling or lodging unit. Marijuana stores shall not be permitted to operate as home occupations.
- D. Other location requirements.
  - 1. No marijuana store shall be issued a license if, at the time of the initial application for such license, the proposed location is:
    - a. Within five hundred (500) feet of any educational institution or school, public or private; or
    - b. Within two hundred (200) feet of any existing licensed childcare

facility at the time of initial application.

2. The distances above are computed by direct measurement from the nearest point of the building used for the sale of marijuana to the nearest portion of the building used for the purposes stated above, using a route of direct pedestrian access. This location criteria applies to all proposed changes in the location of an existing license.
- E. Co-location. A Retail Marijuana Store may be located on the same licensed premises as a Medical Marijuana Store and may be operated by the same licensee, subject to compliance with all state requirements and the requirements of this Town Marijuana Code, and the issuance of a state license allowing for such co-location.
  - F. Signs. Signs are allowed in compliance with all applicable state laws, including but not limited to the Outdoor Advertising Act, C.R.S. § 43-1-401, et. seq., and Cedaredge Municipal Code, Chapter 12.
  - G. Indoor operation. All marijuana store activities (except transportation) shall be conducted indoors. Products, accessories, and associated paraphernalia shall not be visible from a public sidewalk or right-of-way.
  - H. Inspection of licensed premises. During all business hours and other times of apparent activity, all licensed premises shall be subject to inspection by the Chief of Police or the Building Official for the purpose of investigating and determining compliance with the provisions of this Chapter and any other applicable state or local law or regulation. Such inspection may include, but need not be limited to, the inspection of books, records, and inventory. Where any part of the premises consists of a locked area, such area shall be made available for inspection, without delay, upon request.
  - I. Business license. All marijuana store licensees must have a Town business license.
  - J. Hours of operation. Marijuana stores may only be open for the sale or distribution of retail marijuana during the hours of 9:00 a.m. to 9:00 p.m. unless the Local Licensing Authority authorizes extended hours of operation as a provision of the license. Such extension may be authorized after determining that such hours of operation are reasonably appropriate for the neighborhood.
  - K. Parking. Parking is required in accordance with Cedaredge Municipal Code, Section 16.03.12.
  - L. Indemnification. Upon submittal of an application, Applicant agrees to

indemnify and hold the Town harmless from injury, claims, losses, or damages.

#### **11.01.050 Optional Uses.**

- A. Internet sales. The Town allows orders to be taken by a retail or medical marijuana store by phone or internet, so long as the State of Colorado allows it, and any marijuana store must abide by all state regulations.
- B. Delivery services. Both medical and retail marijuana stores may apply for a delivery permit issued by the Town, approved by the Local Licensing Authority from time to time.
1. Any person delivering retail or medical marijuana or products must have a delivery permit issued by the State of Colorado under C.R.S. § 44-10-501 or 601, and any rules promulgated thereon, as amended from time to time.
  2. In addition to meeting all State of Colorado requirements for a delivery permit, any vehicle that will be used for delivery of marijuana or products shall be physically inspected by the Town Police Department as a requirement of the Town permit.
  3. Delivery of retail or medical marijuana or products must be by a vehicle inspected by the Town, to a person authorized under state law, at a Private Residence, and no more than one delivery to a Private Residence in a twenty-four period.
  4. Delivery of retail or medical marijuana and or products is prohibited outside the Town's jurisdictional boundaries.
  5. In accordance with state law, each license retail or medical marijuana store that operates under a valid delivery permit will collect a one-dollar surcharge on each delivery and remit the surcharges collected monthly to the Town in accordance with the regulations and penalties set forth in Section 11.010.070 below.
- C. Drive through. On premise drive throughs are permitted in B-1, Business District and MU-C-D1 Mixed Use Commercial, as allowed under state law.

#### **11.010.60 Prohibitions.**

- A. The following is prohibited in the Town of Cedaredge:

1. Mobile structures used to dispense marijuana.
2. Automatic dispensing machine used to dispense marijuana.
3. Alcohol sales or consumption on the licensed premises.
4. Persons who do not possess a valid identification or other appropriate proof of age who loiter on or about the licensed premises.
5. On-site consumption of marijuana.
6. Delivery of marijuana or products inside Town's jurisdictional boundaries to Private Residences without a Permit.
7. It is unlawful for any person or domestic or foreign entity as defined in C.R.S. § 7-90-102(13) or (23) to operate, cause to be operated, or permit to be operated, any marijuana cultivation facilities, marijuana product manufacturing facilities, and testing facilities, within the Town's jurisdictional limits, and all such uses are hereby prohibited in any location within the Town, or within any area hereinafter annexed to the Town.
8. No Licensee may hold both licenses for retail marijuana stores or medical marijuana stores as to create a monopoly.

**11.010.070 Sales Tax and Delivery Surcharge.**

- A. An additional sales tax is imposed upon all sales of retail marijuana or products sold within the Town by licensed retail marijuana stores at the rate of five percent (5%) of the gross price paid by the purchaser, rounded off to the nearest penny. The tax imposed by this Section is in addition to, and not in lieu of, the sales tax owed to the Town and all taxes owed to the State in connection with the sale of retail marijuana and retail marijuana products.
- B. There shall be no Vendor Fee, as set forth in Cedaredge Municipal Code, 3.04.050-B, on marijuana excise tax remittance.
- C. Medical marijuana is tangible property which is subject to sales tax in accordance with C.R.S. § 39-26-105, and all licensees are responsible to remit sales tax.
- D. Failure to remit any sales tax or delivery surcharge on or before the 20<sup>th</sup> day of each month is grounds for immediate suspension or revocation. Late payments for any taxes owed to the Town shall accrue a penalty of \$100 per day for each day the payment is missed after the due date.



## Chapter 11.02

### APPLICATION PROCESS

#### Sections:

- 11.02.010 Application Requirements.
- 11.02.020 Fees and License Term.
- 11.02.030 Applicant Investigations.
- 11.02.040 Public Hearing – Notice – Publication.
- 11.02.050 License – Issuance or Denial.
- 11.02.060 Modification of Ownership Structure.
- 11.02.070 Modification of Premises.

#### **11.02.010 Application Requirements.**

- A. A person seeking to obtain a license pursuant to this Title 11 must submit the Town approved application to the Town Clerk after a notice has been published by the Town which establishes a deadline for acceptance of such applications for an open license.
- B. The Town Clerk shall review the applications received for completeness. If the Town Clerk finds an application is incomplete, the Town Clerk shall notify the Applicant in writing of the deficiencies and allow the Applicant to correct such deficiencies within ten (10) days from the date of the notice.
- C. An issued license does not eliminate the need for the licensee to obtain other required licenses and permits related to the operation of the marijuana stores, including, without limitation, any development approval required by this Code; a sales tax license; a Town of Cedaredge business license; and a building, mechanical, plumbing, or electrical permit.
- D. An application shall include the following information and any additional information required by the Town Clerk.
  - 1. Applicant's name, address, telephone number, social security number and date of birth, and the name(s), address(es), date of birth, and social security numbers for all Controlling Owners with more than twenty-five percent ownership interest in the domestic entity or any sub entities.
  - 2. A completed set of the Applicant(s) and Controlling Owner(s) fingerprints.
  - 3. The street address of the proposed marijuana store.
  - 4. Proof of ownership, or if the applicant is not the owner of the proposed location of the retail marijuana store, satisfactory proof that the applicant is or will be entitled to possession of the premises

under a lease, rental agreement, or other written agreement, including authorization to use the premises for a marijuana store for a minimum of one year for which the application is made.

5. An acknowledgment that the applicant and its owners, officers and employees may be subject to prosecution under federal laws relating to the possession and distribution of controlled substances; that the Town accepts no legal liability in connection with the approval and subsequent operation of the marijuana store; and that the application and documents submitted for other approvals relating to the marijuana store operation are subject to disclosure in accordance with the Colorado Open Records Act or other applicable law.
6. A Site Development Plan and architectural elevations submitted in accordance with Cedaredge Municipal Code, Chapter 16.04.
7. A traffic, parking impact, and/or drive through analysis and plan completed by a qualified and experienced transportation engineer which minimizes traffic congestion, provides for off-street parking for all uses including recreational vehicles and trailers, includes traffic circulation drives and aisles plan, a parking layout, and ingress and egress to an improved public right-of-way so located to promote safety, and adequate turning radius.
8. A business plan including at a minimum, information concerning days open, hours of operation, and anticipated start-up and operating costs.
9. A floor plan of the proposed store.
10. A signage plan.
11. All marijuana stores shall be equipped with proper ventilation system that filters out the odor of marijuana so that the odor is not capable of being detected by a person with a normal sense of smell at the exterior of the retail marijuana store or any adjoining business, parcel, or tract of real property. All applicants for a new retail marijuana store license shall submit a ventilation and odor mitigation plan with their application, which shall be subject to review and approval by the Local Licensing Authority prior to issuance of a new license.
12. Proof that Applicant and all individual Controlling Owners are not prohibited from becoming a licensee due to violating provisions of C.R.S. § 44-10-307.

13. In addition to the foregoing, an applicant shall also submit all other information required by any other state and local applications, if requested by Staff.

#### **11.02.020 Fees and License Term.**

- A. When the application is filed, the applicant shall pay to the Town the applicable application fee, as set forth by resolution, plus the local share of the state application fee, as established by state statute, unless the State has already forwarded such fee to the Local Licensing Authority. Said local share of state application fee will be refunded to Applicant when state submits the local share of state fee to the Town.
- B. Any renewal application filed late will be subject to a late fee and Staff has no authority to waive such late fee.
- C. If an application is approved, the applicant shall pay an annual operating fee, if applicable, in such amount as may established from time to time by the Board of Trustees as adopted from time to time by Resolution.
- D. Each license issued pursuant to this Title 11 shall be valid for a period of one (1) year from the date of issuance and may be renewed as provided in this Section. An application for renewal shall be made to Staff not less than sixty (60) days prior to the date of expiration and concurrent with the application for renewal filed with the state licensing authority, as required.

#### **11.02.030 Applicant Investigation.**

- A. After all applications are accepted as complete by the Town Clerk, the Town Clerk shall transmit copies of the application to the Police Department, the Town Administrator, the Planning and Building Department and the Town Attorney and no further amendments shall be permitted.
- B. In investigating the fitness of the applicant, the Town may obtain criminal history record information furnished by a criminal justice agency subject to any restrictions imposed by such agency. In the event the Town takes into consideration information concerning the applicant's criminal history record, the Town shall also consider any information provided by the applicant regarding such criminal history record, including but not limited to evidence of rehabilitation, character references and educational achievements, especially those items pertaining to the time between the applicant's last criminal conviction and the consideration of the application for a license.
- C. The license will be administratively renewed by Staff unless the renewal is

denied by the state licensing authority or unless it appears to Staff that good cause exists to deny the renewal application, in which case Staff shall refer the application to the Local Licensing Authority for review at a public hearing.

- D. Good cause for referral to the Local Licensing Authority includes, the licensee has any unresolved or unmitigated complaints filed against it, or the licensee has a history of three or more violations or allegations against the licensee that would constitute good cause for denial of a license. The procedures provided in Section 11.01.030 above shall apply to the Local Licensing Authority's review and determination whether to renew a license. A review by the Local Licensing Authority requires an additional fee equal to one-half the application fee for that term paid prior to the Local Licensing Authority's review.
- E. The ventilation and odor mitigation plan will be reviewed and approval by Staff each renewal period. Staff may refer such plan submitted with a renewal application for review by the Local Licensing Authority, who will conduct such review, with or without a public hearing.
- F. The lack of an approved ventilation and odor mitigation plan shall be grounds for denial of a new license or renewal of an existing license. Failure to install or maintain the ventilation system required by an approved ventilation and odor mitigation plan shall constitute a violation of this Title 11 and shall be grounds for suspension or revocation of a license.
- G. Staff will begin processing a new license application concurrently with the state licensing authority's application. Prior to issuing the local license the Town shall have the right to investigate the state application in any manner.

#### **11.02.040 Public Hearing – Notice – Publication.**

- A. Upon receipt of an application for a local license, except an application for renewal or for transfer of ownership, the Local Licensing Authority shall schedule a public hearing upon the application, to be held not more than sixty (60) days after the date of the application, unless extended for good cause. The Applicant shall post and publish public notice thereof not less than ten (10) days prior to the hearing. The Applicant shall give public notice by the posting of a sign in a conspicuous place on the retail or medical marijuana store for which application has been made and by publication in a newspaper of general circulation in the County, and written notice by certified letter, return receipt requested, sent to any property owners within a 200' radius of the property line of the proposed premises.
- B. Public notice by posting shall include a sign of suitable material not less

than twenty-two (22) inches wide and twenty-six (26) inches high, composed of letters not less than one (1) inch in height, and stating the type of license applied for, the date of the application, the date of the hearing, the name and address of the applicant and such other information as may be required to fully apprise the public of the nature of the application. The sign shall contain the names and addresses of the officers, directors, or manager of the facility to be licensed.

- C. Public notice given by publication shall contain the same information as that required for the posting of signs.
- D. If the building in which a marijuana store is to be located is in existence at the time of the application, the sign shall be posted to be conspicuous and plainly visible to the public. If the building is not constructed at the time of the application, the applicant shall post a sign at the premises upon which the building is to be constructed in such a manner that the notice shall be conspicuous and plainly visible to the public.

#### **11.02.050 License – Issuance or Denial.**

- A. Not more than five (5) days prior to the date of the public hearing, Staff shall make known its findings, based on its investigation, in writing to the applicant and other parties of interest. The Local Licensing Authority has authority to refuse to issue a license for good cause, subject to judicial review.
- B. Before entering a decision approving or denying the application for a local license, the Local Licensing Authority may consider, except where this Title 11 specifically provides otherwise, the facts and evidence adduced as a result of Staff investigation, as well as any other facts pertinent to the application, including the number, type and availability of marijuana stores located in or near the premises under consideration and any other pertinent matters affecting the qualifications of the applicant.
- C. Within five (5) days after the public hearing or completion of the application investigation, the Local Licensing Authority shall issue its decision approving or denying an application for local licensure. The decision shall be in writing and shall state the reasons for the decision. The Local Licensing Authority shall send a copy of the decision by mail to the applicant at the address shown in the application.
- D. After an award of a license, the Local Licensing Authority shall not issue a local license until the premises are ready for occupancy with such furniture, fixtures and equipment in place as are necessary to comply with the applicable provisions of this Title, and then only after the Town Building Inspector has inspected the premises to determine that the applicant has

complied with these regulations and any License conditions imposed by the Local Licensing Authority.

- E. If a license is awarded to an Applicant, the Licensee shall be open to the public within six months of the date of the award, unless the Local Licensing Authority extends the deadline for good cause shown. Absent an extension, if the store is not open to the public by the deadline, the license is automatically revoked.
- F. After approval of an application for local licensure, the Applicant shall notify the state licensing authority of such approval by submitting the license containing the following:
  - 1. The name of licensee, date of license issuance, and physical and mailing address of the licensed premises.
  - 2. Any conditions of approval imposed by the Local Licensing Authority.
  - 3. The license expiration date; and
  - 4. The signature of the Applicant and the Town Clerk.

#### **11.02.060 Modification of Ownership Structure.**

- A. In determining whether to allow a modification of ownership structure, the Local Licensing Authority shall consider the requirements of these regulations and the modification of ownership structure application filed by the Licensee.
- B. No change in ownership structure will be approved unless the Licensee has held its license for at least one year from the time the medical, retail, or co-located store opened to the public.
- C. The license will be administratively modified by Staff unless the modification is denied by the state licensing authority or unless it appears to Staff that good cause exists to deny the renewal application, in which case Staff shall refer the application to the Local Licensing Authority for review at a public hearing.

#### **11.02.070 Modification of Premises.**

- A. Major modification of the licensed premises is prohibited unless the Local License Authority approved the major modification.
- B. In determining whether to allow a Major Modification of premises, the

Local Licensing Authority shall consider the requirements of these regulations and the modification of premises application filed by the Licensee.

- C. Upon receipt of a Major Modification application, the Town shall treat such modification the same as it does for an initial application and a public hearing in accordance with Section 11.02.040 is required prior to issuing the modification.
- D. A change in location shall be considered a Major Modification of premises for purposes of processing the change in location application.

#### Chapter 11.04

#### ENFORCEMENT

##### Sections:

- 11.04.010 Suspension or Revocation.
- 11.04.020 Penalty.

##### **11.04.010 Suspension or Revocation.**

- A. The Local Licensing Authority may revoke or elect not to renew any license if it determines that the licensed premises were not open to the public for a period of three (3) months or more, where each day the Licensee is not open to the public is counted whether consecutive or not.
- B. In addition to any other sanctions prescribed by this Title, the Local Licensing Authority has the power, on its own motion or on complaint, after investigation and opportunity for a public hearing at which the licensee shall be afforded an opportunity to be heard, to suspend or revoke a license issued by the Local Licensing Authority for a violation by the licensee, or by any of the agents or employees of the licensee, of the provisions of this Title 11 or of any of the terms, conditions, or provisions of the license. The Local Licensing Authority has the power to administer oaths and issue subpoenas to require the presence of persons and the production of papers, books and records necessary to the determination of a hearing that the state or Local Licensing Authority is authorized to conduct.
- C. The state licensing authority or Local Licensing Authority shall provide notice of suspension, revocation, fine or other sanction, as well as the required notice of the hearing pursuant to Section 11.02.030, and by mailing the same in writing to the licensee at the address contained in the license. Except in the case of a summary suspension, a suspension shall not be for a longer period than six (6) months. If a license is suspended or revoked, a part of the fees paid therefor shall not be returned to the licensee. Any license or permit may be summarily suspended by the Local Licensing

Authority without notice pending any prosecution, investigation, or public hearing pursuant to the terms of C.R.S. § 24-4-104(4).

- D. Whenever a decision of the Local Licensing Authority suspending a license for fourteen (14) days or less becomes final, the licensee may, before the operative date of the suspension, petition for permission to pay a fine in lieu of having the license suspended for all or part of the suspension period. Upon the receipt of the petition, the Local Licensing Authority may, in its sole discretion, stay the proposed suspension and cause any investigation to be made which it deems desirable and may, in its sole discretion, grant the petition if the Local Licensing Authority is satisfied that:
1. The public welfare and morals would not be impaired by permitting the licensee to operate during the period set for suspension and that the payment of the fine will achieve the desired disciplinary and deterrence purposes.
  2. The books and records of the licensee are kept in such a manner that the loss of sales that the licensee would may suffer if the suspension goes into effect can be determined with reasonable accuracy; and
  3. The licensee has not had his or her license suspended or revoked, nor had any suspension stayed by payment of a fine, during the two (2) years immediately preceding the date of the motion or complaint that resulted in a final decision to suspend the license or permit.
- E. The fine accepted shall be not less than two thousand dollars (\$2,000.00) nor more than five thousand dollars (\$5,000.00).
- F. Payment of a fine shall be in the form of cash, a certified check or a cashier's check made payable to the Local Licensing Authority.
- G. Upon payment of the fine pursuant to subsection (C) above, the Local Licensing Authority shall enter its further order permanently staying the imposition of the suspension.

#### **11.04.020 Penalty.**

Failure to comply with the provisions of this Title 11 shall constitute a violation, and in addition to being grounds for denial, suspension or revocation of a license, such violation may be punished by a civil penalty not less than two thousand dollars (\$2,000.00) nor more than five thousand dollars (\$5,000.00) with each day being a separate violation. Proceedings for the determination of such liability and imposition of such civil penalty shall be conducted in the Municipal Court in the same manner as proceedings relating to noncriminal Town municipal code infractions and upon the



issuance of a complaint and summons. In no case shall any defendant found guilty of any violation of this Title 11 be punished by imprisonment for such violation.

DRAFT

**TOWN OF CEDAREEDGE  
ORDINANCE 2021-02**

**AN ORDINANCE OF THE TOWN OF CEDAREEDGE AMENDING THE  
CEDAREEDGE MUNICIPAL CODE BY ADDING A NEW TITLE 11  
PERMITTING RETAIL AND MEDICAL MARIJUANA STORES AND  
SETTING FORTH REGULATIONS FOR LICENSING WITH PENALTIES  
FOR VIOLATIONS; AND REPEALING CHAPTER 5.40 AND 15.40  
REGULATING MARIJUANA DISPENSARIES.**

**WHEREAS**, the Town of Cedaredge electors voting at the November 3, 2020 general election authorized the establishment and operation of retail and medical marijuana stores subject to regulations and requirements adopted by the Board of Trustees as necessary for the proper licensing and administration of such retail and medical marijuana stores.

**WHEREAS**, electors also approved an additional sales tax of 5% on the sale of retail marijuana products, with the additional revenues to be spent on the Cedaredge Police Department, transportation infrastructure, and parks and recreation.

**WHEREAS**, previously retail and medical marijuana stores to the extent allowed by law were prohibited under Cedaredge Municipal Code, Chapter 5.40 and to the extent allowed by law regulated under 15.40, respectively.

**WHEREAS**, on August 8, 2013, the Board of Trustees for the Town of Cedaredge found and determined after a properly noticed public hearing, and under the provisions of Article XVIII, Section 16, of the Colorado Constitution, that operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities, retail marijuana stores, and medical marijuana centers were prohibited within Town limits and subsequently adopted Chapter 5.40.

**WHEREAS**, the Cedaredge Municipal Code, Chapter 5.40 is repealed and the remaining language prohibiting marijuana cultivation, product manufacturing, and testing facilities is now contained in Section 11.010.060 of Title 11 of the Cedaredge Municipal Code adopted herein.

**WHEREAS**, the Cedaredge Municipal Code, Chapter 15.40 contains regulations concerning Marijuana Dispensaries which were adopted in 2010 and are no longer applicable such that this ordinance repeals Chapter 15.40 entirely.

**WHEREAS**, applicable law includes these regulations, marijuana rules under 1 C.C.R. § 12-3, and 5 C.C.R. §1006-2:1, statutes contained in Article 10 of the Colorado Revised Statutes, and Section 14 and 16 of XVIII of the Colorado Constitution, 44-10-101, et. Seq., as amended from time to time.

**WHEREAS**, the license cap contained in these marijuana regulations was determined based on a maximum of two (2) retail marijuana stores and two (2) medical marijuana stores per

2,000 residents or a fraction thereof. Population was based on the most recent data available from the U.S. Census Bureau and the State of Colorado Demographer's office.

**WHEREAS**, the Cedaredge Board of Trustees having specifically considered whether retail marijuana delivery services should be allowed within Town limits finds by a majority vote to allow retail marijuana delivery within Town limits only in accordance with C.R.S. § 44-10-601(13)(k)(1).

**WHEREAS**, the Board of Trustees, having conducted multiple work sessions to review draft regulations, and accepting written public comment throughout the process, finds that these marijuana regulations are necessary for the health, safety, and welfare of the public.

**BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF CEDAREDDGE, COLORADO** that:

**SECTION 1: ADDITION OF TITLE 11**

Title 11 of the Cedaredge Municipal Code is hereby added as follows:

*[Insert Title 11 here]*

**SECTION 2: REPEAL CHAPTER 15.40**

Chapter 15.40 of Title 15 of the Cedaredge Municipal Code is hereby repealed.

**SECTION 3: REPEAL CHAPTER 5.40**

Chapter 5.4 of Title 5 of the Cedaredge Municipal Code is hereby repealed.

**SECTION 3: SEVERABILITY**

Each section of this Ordinance is an independent section and a holding of any section or part thereof to be unconstitutional, void, or ineffective for any cause shall not be deemed to affect the validity or constitutionality of any other section or part thereof.

**SECTION 4: SAFETY CLAUSE**

The Town Board of Trustees hereby finds, determines, and declares that this Ordinance is promulgated pursuant to the Town's home rule authority and under the general police power of the Town of Cedaredge and that it is promulgated for the protection of the health, safety, and welfare of the citizens of the Town of Cedaredge. The Board of Trustees further determines that this Ordinance bears a rational relationship to the legislation proposed hereof.

**SECTION 5: EFFECTIVE DATE**

This Ordinance shall become effective thirty (30) days after publication as provided in Cedaredge Home Rule Charter, Section 1-8.

Introduced, read, passed, and ordered published according to law this 25th day of February 2021 by the Board of Trustees of the Town of Cedaredge, Colorado.

TOWN OF CEDAREGE

By: \_\_\_\_\_  
Raymond F. Hanson, Mayor

ATTEST:

\_\_\_\_\_  
Kami Collins, Town Clerk

**RESOLUTION 11-2021**

**A RESOLUTION OF THE BOARD OF TRUSTEES  
OF THE TOWN OF CEDAREGE, COLORADO,**

**Approving the Marijuana License Application, the Marijuana Fee Schedule, and the Point  
and Weight Worksheet**

**WHEREAS**, the Town of Cedaredge electors voting at the November 3, 2020 general election authorized the establishment and operation of retail and medical marijuana stores subject to regulations and requirements adopted by the Board of Trustees as necessary for the proper licensing and administration of such retail and medical marijuana stores.

**WHEREAS**, contemporaneous with this Resolution, the Board of Trustees has adopted Title 11, Medical and Retail Marijuana Regulations through Ordinance 2021-02.

**WHEREAS**, the attached Marijuana License Application, the Marijuana Fee Schedule and the Point and Weight Worksheet are hereby approved by the Cedaredge Board of Trustees, after multiple work sessions to review the same and acceptance of written public comments.

**WHEREAS**, these approved forms are necessary for the health, safety, and welfare of the public.

**NOW THEREFORE, BE IT RESOLVED** by the Board of Trustees of the Town of Cedaredge, Colorado that:

1. The Marijuana License Application, attached as Exhibit A, is hereby approved.
2. The Marijuana Fee Schedule, attached as Exhibit B, is hereby approved.
3. The Point and Weight Worksheet, attached as Exhibit C, is hereby approved.

**RESOLVED** this 25<sup>th</sup> day of February 2021 by the Board of Trustees of the Town of Cedaredge, Colorado.

Attest:

\_\_\_\_\_  
Raymond F. Hansen, Mayor

\_\_\_\_\_  
Kami Collins, Town Clerk



## Marijuana License Application Checklist

Applications must be complete. Please organize your application documents in the same order as the checklist below and place the checklist on top. Please do not use staples in any documents. Incomplete applications are not accepted.

### Required Documentation

\_\_\_\_\_ Date you filed or will file an application with the Colorado Marijuana Enforcement Division.<sup>1</sup>

\_\_\_\_\_ Town of Cedaredge Marijuana License Application and all applicable fees

\_\_\_\_\_ A set of fingerprints for each Controlling Owner. Fingerprints may be obtained via IdentoGo using **account #**. Fingerprints will be run for a state and federal criminal background check.

\_\_\_\_\_ Completed Conditional Use Application and all applicable fees, including a Site Development Plan

\_\_\_\_\_ Town of Cedaredge Business License Application and the \$25 Business License Fee

\_\_\_\_\_ Traffic and parking impact study and plan

\_\_\_\_\_ Odor mitigation plan

\_\_\_\_\_ Business plan

\_\_\_\_\_ Sign design specifications, including drawings or photos, including size, height and location

\_\_\_\_\_ Proof of Ownership of the proposed location in the name of the business, or a lease in the business name showing possession of one year (deed, lease, rental agreement or other appropriate documentation)

\_\_\_\_\_ Floor plan of the facility, to scale, no larger than 8 ½ x 11-inch paper, identifying walls, fixtures, countertops and entrances

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<sup>1</sup> Any licensed store must be open within six months

\_\_\_\_\_ Copy of State of Colorado Sales Tax License

\_\_\_\_\_ Articles of Organization and Operating Agreement (if LLC)

\_\_\_\_\_ Articles of Incorporation and Bylaws (if corporation)

\_\_\_\_\_ Certificate of Good Standing from jurisdiction where Entity was formed (must be a U.S. or country that authorizes the sale of marijuana)

\_\_\_\_\_ Documentation evidencing authority for applicant to apply on behalf of owners with more than twenty-five percent (25%) ownership in license

**Documentation Required After Local and State License Approval**

*Local license will not be granted until all documents received*

\_\_\_\_\_ Proof of building insurance

DRAFT



## Marijuana License Application

### Business Information

Applicant Name: \_\_\_\_\_

Applicant Address: \_\_\_\_\_

Applicant Phone: \_\_\_\_\_ Applicant Email: \_\_\_\_\_

Applicant is:  Agent  Owner

Legal Business/Licensee Name: \_\_\_\_\_

Trade Name (DBA): \_\_\_\_\_

Business is applying for (check all that apply):

- Retail Marijuana Store     Medical Marijuana Store     Both  
 Delivery – Medical     Delivery – Retail     Change in Location  
 Change in Entity Structure     License Renewal

Business is a:

- Corporation     Individual     Partnership     LLC     Association     Other

Physical Address of Proposed Location: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Business Phone Number: \_\_\_\_\_ Business Website: \_\_\_\_\_

Will you provide online ordering and pick up? \_\_\_\_ Yes \_\_\_\_ No



**Individual Information**

***\*Each Controlling Owner with at least 25% financial interest in the business whose name the license is in, including sub entity owners, must complete this portion of the application.\****

Full Name: \_\_\_\_\_

Title & Role in the Business: \_\_\_\_\_

Cell/Home Phone Number: \_\_\_\_\_ Work Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Full Physical Address where you reside: \_\_\_\_\_

Dates you have lived at this address: From \_\_\_\_\_ To \_\_\_\_\_

Full Mailing Address, if different: \_\_\_\_\_

List complete physical addresses for past 5 years of residency and dates you resided there:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Social Security Number: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Have you or any domestic or foreign entity that you had any ownership interest in ever owned or applied for a marijuana license in any jurisdiction? \_\_\_Yes \_\_\_ No

If yes to the above question, have you ever been subject to any of the following actions: Denial, Surrender, Order to Show Cause, Suspension, Revocation, Settlement or Stipulation? If yes to any action, provide details on a separate sheet, including the jurisdiction, type of action, and date of action.

Have you or has any domestic or foreign entity that you had any ownership interest in ever been found to have violated state or local marijuana regulations, or been subject to paid late fees or fines. \_\_\_Yes \_\_\_ No If yes, provide details on a separate sheet, including the jurisdiction, type of action, and date of action.

Provide a history of remitting sales taxes to the State of Colorado in the past three (3) years by you or any domestic or foreign entity that you had any ownership interest in.

**Applicant Certification**

**Applicant / Owner certifies and affirms that (initial all):**

\_\_\_\_\_ I have read Title 11 of the Cedaredge Municipal Code regarding medical and retail marijuana regulations.

\_\_\_\_\_ I have read Chapter 16.04 of the Cedaredge Municipal Code regarding site development regulations.

\_\_\_\_\_ I am 21 years old.

\_\_\_\_\_ I understand that the Town of Cedaredge makes no promises in connection with this application and all application fees are nonrefundable.

\_\_\_\_\_ I understand that federal laws concerning possession and distribution of controlled substances apply and the Town accepts no legal liability for approval and licensing of marijuana stores.

\_\_\_\_\_ I understand that other than personal identifying information, this application and its accompanying documents are subject to Colorado Open Records Act.

\_\_\_\_\_ I understand that no major changes to the license or the licensed premises may occur without a modification to the license, including a change of ownership structure.

\_\_\_\_\_ **I am granted full authority to act concerning this application filed for legal business/licensee on behalf of all controlling owners, including the submittal of this application under written authority, a copy of which has been provided.**

\_\_\_\_\_ **I declare under penalty of perjury that all of the information contained in this application and all attachments are true, correct and complete to the best of my knowledge, information and belief.**

\_\_\_\_\_ **I agree to indemnify and hold the Town harmless from any and all damages in connection with this application, including all damages in connection with this application, including paying for all Town Attorney fees and costs incurred as a result of any damage claim made against the Town.**

Signature \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name \_\_\_\_\_



## Marijuana Licensing Fees

### Initial Fees

Medical	Retail
Application Fee - \$3,000	Application Fee - \$2,500
License Fee - \$2,000	License Fee - \$2,000
Delivery Permit (if applicable) - \$300	Delivery Permit (if applicable) - \$300

### Renewal Fees

Medical	Retail
Renewal Application Fee - \$300	Renewal Application Fee - \$300
License Fee - \$2,000	License Fee - \$2,000
Delivery Permit (if applicable) - \$300	Delivery Permit (if applicable) - \$300

### Other Fees

Medical	Retail
Local Licensing Review - \$2,500 <i>Charged if licensee is charged with a violation</i>	Local Licensing Review - \$2,500 <i>Charged if licensee is charged with a violation</i>
Transfer of Ownership - \$5,000	Transfer of Ownership - \$5,000
Minor Modification of Premises - \$500	Minor Modification of Premises - \$500
Major Modification of Premises - \$1,500	Major Modification of Premises - \$1,500
Change of Corporate Structure - \$350/Controlling Owner	Change of Corporate Structure - \$350/Controlling Owner
Change of Location - \$3,000	Change of Location - \$3,000

## Point and Weight Worksheet

<b>Qualification</b>	<b>Possible Points</b>
Cannabis Industry Experience – Applicant has experience in owning, managing, and operating a legally licensed cannabis business in the state of Colorado. 1 – 2 years = 1 2 – 4 years = 2 4+ years = 3	0-3
Cannabis Industry Knowledge Applicant has demonstrated overall knowledge of the cannabis business industry = 1 Applicant has experience in working with, or for, a legal cannabis business = 1	0-2
Other Business Ownership Experience – Applicant has experience in owning, and successful management of, a non-cannabis business. 1 – 2 years = 1 2 – 4 years = 2 4+ years = 3	0-3
Local Ownership – Applicant must be a majority owner (at least 51%) and a current resident or business owner in the Town of Cedaredge or the 81413 zip code.	1

<b>Business Plan</b>	<b>Points</b>
Co-Location – Applicant intends to obtain a license for, and to open, both a medical and retail marijuana store in the same building.	2
Home Delivery – Applicant will offer home delivery service.	1
Drive-Through – Applicant will have drive-through access.	1

<b>Site Plan</b>	<b>Points</b>
Façade Upgrades – Plan includes drawings, colors, materials, additions, and designs indicating a façade that conforms with, and is complimentary to, the town’s general landscape.	2
Investment in Underutilized Site* – Plan demonstrates Applicant’s commitment to major improvements, façade rehabilitation, site improvements or other investments in an underutilized/underdeveloped site. <i>*Underutilized Site includes vacant land or a building that has not been utilized for at least one year and/or has been neglected.</i>	3

<b>Safety &amp; Security Plan</b>	<b>Points</b>
Surveillance – Plan includes live feed access for local law enforcement.	1

<b>Community Benefit</b>	<b>Possible Points</b>
Community Involvement – Applicant has demonstrated past involvement in its community in the following areas: Sponsorship or donations for community events = 2 Sponsorship or donations for charity events = 1 Donations to local non-profits = 1 Volunteer = 1	0-5

<b>Total Possible Points</b>	<b>24</b>
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### **Marijuana Licensing Process**

- 1) License Availability: The Town Clerk will post a notice of license availability in the *Delta County Independent* and on the Town's website, CedaredgeColorado.com, opening a 30-day application period for the filing and acceptance of new applications. The Clerk will specify the start date and end date and time of the application period.
- 2) Applicant files the Finding of Suitability with the State Licensing Authority and submit proof of submittal to the Town Clerk. If Applicant has already done the Finding of Suitability process with the State Licensing Authority, Applicant will submit to the Local Licensing Authority a copy of the application and the approval from the State.
- 3) Applicant files a complete application, including all documents on the Application Checklist, all required attachments, and all local fees. Applications will be date and time stamped when received and appointments will be made in order of receipt. Applications are reviewed by appointment only. Set aside one hour for the application submittal appointment. Only one application per site will be accepted. The Clerk will review your application with you. Any incomplete or missing documentation will be given a cure period of 10 business days to be completed. After 10 days if the missing or incomplete items are not corrected, the Application will be disregarded.
- 4) The Local Licensing Authority evaluates the Application and Merits of the potential Applicants. The Local Licensing Authority will determine the top four candidates out of all Applicants.
- 5) A Public Hearing is scheduled for the Conditional Use Permit.
- 6) Upon being selected as a Candidate for Licensure, the Applicant must proceed with obtaining a State-issued license and all local requirements, including but not limited to site development and building and land use codes. A copy of the State license must be filed with the Town Clerk.
- 7) The local license will be issued upon receipt of the State license, Certificate of Occupancy, and successful inspections.