Hello,

Please see below and attached for Good Chemistry’s public comment on the recent Denver Marijuana Licensing Work Group.

Thank you,

Joe

---

Proving delivery permits to both dispensaries and independent transporters will help address pandemic safety and the need for greater social equity.

Twenty years ago Good Chemistry Founder & CEO Matthew Huron learned how to cultivate medicinal quality cannabis to help his father, his father’s partner and others who were suffering from the ravaging effects of HIV/AIDS and other critical illnesses. From that time forward, we have worked diligently to achieve our mission of removing barriers that restrict access to safe and reliable cannabis. We have been long-time advocates for marijuana home delivery, largely for this reason, and we are grateful for the chance to provide comment as part of Denver’s Marijuana Licensing Work Group process.

Currently, cannabis is the only product deemed essential during the COVID-19 pandemic that cannot be delivered to Denverites’ homes. As a result, communities that are disproportionately impacted by COVID-19, including the immunocompromised, the disabled, the elderly, and Communities of Color, are currently being put at greater risk to obtain the medicines that they need by being forced to leave their homes. It is important to note that, per this study published in the National Library of Medicine, many patients are not registered medical card holders but prefer to obtain their medicines from the adult-use market.

Current trends seem to indicate that we will be collectively struggling to contain COVID-19 for some time, and we cannot afford to wait any longer than necessary for a robust home delivery system to be implemented in the City of Denver. Because of the urgency of the challenges Denver is facing, we strongly recommend that both qualifying dispensaries and aspiring independent transporters be eligible to apply for and receive delivery permits if and when the program is launched. This will allow independent transporters the time needed to build their business infrastructure while also allowing established dispensaries to more immediately bring delivery to market. With this bifurcated approach we can provide patient and consumer populations a home delivery option in a timely fashion, thereby helping to keep people safe by better containing the spread of COVID-19 or subsequent threats to public health.

The implementation of home delivery provides a meaningful opportunity to help address social equity concerns. It would be a regrettable misstep to bypass this opportunity to provide assistance to groups that have been disproportionately impacted by failed drug policies and COVID-19. Cannabis delivery presents an excellent opportunity to create a licensing system that will provide real benefit to social equity candidates. Strategies that have proven most successful in increasing social equity in the cannabis and other industries include discounting licensing and application fees for equity applicants, capping licenses, expedited license processing for qualified applicants, sensible regulatory requirements that are not unnecessarily onerous, as well as providing much-needed access to capital.

To provide access to capital for those finding it difficult to enter into the cannabis industry we would suggest that the City of Denver partner with a non-traditional lender to help secure low-interest loans specifically for social equity applicants. In addition, the City itself can offer low-interest or no interest loans to equity applicants. To support these loans, a fund should be established using existing discretionary government-allocated marijuana tax revenue. That fund could then be used to offset some of the startup costs for social equity applicant-owned businesses, whether those businesses are in the cannabis industry or not.

As we work toward creating greater social equity in the cannabis industry, we must continue to work toward expunging past criminal records related to cannabis. We must also direct existing discretionary government-allocated marijuana tax revenue to fund education and training opportunities through programs like the Colorado State University Cannabis Biology and Chemistry B.S. – programs that can provide cannabis industry specific education, or education and training in compliance, finance, and retail best practices.

Good Chemistry was proud to support the recent passage of House Bill 1424: “Social Equity Licensees in Regulated Marijuana.” This important piece of legislation should make it significantly easier to include meaningful social equity programming around this new license type. However, we must make sure that well-intentioned policy does not slow the deployment of a safer delivery option so that customers and patients in higher risk and adversely affected populations can obtain safe, legal cannabis.

Quick and efficient home delivery implementation, combined with opportunities for qualifying social equity candidates, is critical. We believe we can and must provide both. We can meet the needs of vulnerable, disproportionately impacted communities while simultaneously providing meaningful benefits for social equity applicants. We do not want to unnecessarily put vulnerable, disproportionately impacted people at greater exposure to COVID-19 and other health risks. Again, it would truly be a travesty to inadvertently institutionalize a policy that continues the systemic marginalization of Communities of Color by not expeditiously allowing a safer method for obtaining a product that has been deemed essential by the City of Denver, the State of Colorado and 33 other states.

Since we were founded 10 years ago, our patients and customers have expressed their desire to have home delivery services like those provided by other critical service industries. Those inquiries have increased significantly since the outbreak of COVID-19. In fact, we recently surveyed 700 of our patients and consumers about how we could improve health and safety protocols, and their number one request was for cannabis delivery.

Thank you for your time and consideration of this important policy. We look forward to continuing to work with the City to create a regulatory system for medical and adult-use marijuana that balances public health and safety with our industry’s ability to serve our patients and customers.

Sincerely,

Joe

Joe Heygawy
Good Chemistry Muskeg
To Whom It May Concern,

Providing delivery permits to both dispensaries and independent transporters will help address pandemic safety and the need for greater social equity.

Twenty years ago Good Chemistry Founder & CEO Matthew Huron learned how to cultivate medicinal quality cannabis to help his father, his father's partner and others who were suffering from the ravaging effects of HIV/AIDS and other critical illnesses. From that time forward, we have worked diligently to achieve our mission of removing barriers that restrict access to safe and reliable cannabis. We have been long-time advocates for marijuana home delivery, largely for this reason, and we are grateful for the chance to provide comment as part of Denver's Marijuana Licensing Work Group process.

Currently, cannabis is the only product deemed essential during the COVID-19 pandemic that cannot be delivered to Denverites' homes. As a result, communities that are disproportionately impacted by COVID-19, including the immunocompromised, the disabled, the elderly, and Communities of Color, are currently being put at greater risk to obtain the medicine that they need by being forced to leave their homes. It is important to note that, per this study published in the National Library of Medicine, many patients are not registered medical card holders but prefer to obtain their medicine from the adult-use market.

Current trends seem to indicate that we will be collectively struggling to contain COVID-19 for some time, and we cannot afford to wait any longer than necessary for a robust home delivery system to be implemented in the City of Denver. Because of the urgency of the challenges Denver is facing, we strongly recommend that both qualifying dispensaries and aspiring independent transporters be eligible to apply for and receive delivery permits if and when the program is launched. This will allow independent transporters the time needed to build their business infrastructure while also allowing established dispensaries to more immediately bring delivery to market. With this bifurcated approach we can provide patient and consumer populations a home delivery option in a timely fashion, thereby helping to keep people safe by better containing the spread of COVID-19 or subsequent threats to public health.

The implementation of home delivery provides a meaningful opportunity to help address social equity concerns. It would be a regrettable misstep to bypass this opportunity to provide assistance to groups that have been disproportionately impacted by failed drug policies and COVID-19. Cannabis delivery presents an excellent opportunity to create a licensing system that will provide real benefits to social equity candidates. Strategies that have proven most successful in increasing social equity in the cannabis and other industries include discounting licensing and application fees for equity applicants, not capping licenses, expedited license processing for qualified applicants, sensible regulatory requirements that are not unnecessarily onerous, as well as providing much-needed access to capital.
To provide access to capital for those finding it difficult to enter into the cannabis industry we would suggest that the City of Denver partner with a non-traditional lender to help secure low-interest loans specifically for social equity applicants. In addition, the City itself can offer low-interest or no interest loans to equity applicants. To support these loans, a fund should be established using existing discretionary government-allocated marijuana tax revenue. That fund could then be used to offset some of the startup costs for social equity applicant-owned businesses, whether those businesses are in the cannabis industry or not.

As we work toward creating greater social equity in the cannabis industry, we must continue to work toward expunging past criminal records related to cannabis. We must also direct existing discretionary government-allocated marijuana tax revenue to fund education and training opportunities through programs like the Colorado State University Cannabis Biology and Chemistry, B.S. – programs that can provide cannabis industry specific education, or education and training in compliance, finance, and retail best practices.

Good Chemistry was proud to support the recent passage of House Bill 1424: “Social Equity Licensees In Regulated Marijuana.” This important piece of legislation should make it significantly easier to include meaningful social equity programming around this new license type. However, we must make sure that well-intentioned policy does not slow the deployment of a safer delivery option so that customers and patients in higher risk and adversely affected populations can obtain safe, legal cannabis.

Quick and efficient home delivery implementation, combined with opportunities for qualifying social equity candidates, is critical. We believe we can and must provide both. We can meet the needs of vulnerable, disproportionately impacted communities while simultaneously providing meaningful benefits for social equity applicants. We do not want to unnecessarily put vulnerable, disproportionately impacted people at greater exposure to COVID-19 and other health risks. Again, it would truly be a travesty to inadvertently institutionalize a policy that continues the systemic marginalization of Communities of Color by not expeditiously allowing a safer method for obtaining a product that has been deemed essential by the City of Denver, the State of Colorado and 33 other states.

Since we were founded 10-years ago, our patients and customers have expressed their desire to have home delivery services like those provided by other critical service industries. Those inquiries have increased significantly since the outbreak of COVID-19. In fact, we recently surveyed 700 of our patients and consumers about how we could improve health and safety protocols, and their number one request was for cannabis delivery.

Thank you for your time and consideration of this important policy. We look forward to continuing to work with the City to create a regulatory system for medical and adult-use marijuana that balances public health and safety with our industry’s ability to serve our patients and customers.

Sincerely,

Joe Megyesy
Director of Public Affairs
Good Chemistry
Hello there,

I am writing to you in light of the recent human rights movement, with some concerns that myself and my cannabis industry colleagues have over the usage of the word "marijuana" when it comes to our legal Colorado cannabis industry. Colorado has been at the forefront of the cannabis legalization movement for over a decade now, and I feel it is also important for us to be at the forefront of the movement to do better when it comes to replacing antiquated, racist terms with the proper, politically correct terminology.

From approximately the 1840's to the early 1900's the plant was called by its actual Latin name, "cannabis." It was used by multiple drug companies and made into medicines, which were also appropriately labelled as cannabis. However, in 1910 the Mexican Revolution happened, which drove immigrants from Mexico up into the United States seeking refuge. With them, they took the cannabis plant... and this is about when everything changed.

Around this time in the United States the Great Depression was happening, and any prejudices against immigrants wanting to enter the U.S. intensified significantly. It was around the 1930's that the word "marijuana" became popularized by the United States government, in an attempt to associate the plant with the black and Mexican community, and minority jazz scene. Associating the plant with an "unwanted" minority population helped the U.S. government's case when it came to criminalizing the plant, and it is no coincidence that U.S. border states were the first to make the plant illegal and call it "marijuana" in their law documents.

By the end of the 1930's, 29 states had made cannabis illegal with the help of Henry Anslinger, who actually testified before Congress saying, "Most marijuana smokers are Negroes, Hispanics, Filipinos, and entertainers. Their satanic music, jazz and swing, result from marijuana usage." As we all know, these claims were ridiculous and just kindling for the fire that would fuel the War on Drugs.

It is important to note here that the War on Drugs has also unfairly impacted minority populations and many people still sit in jail for cannabis crimes even though their state has since legalized the plant. Clearly, the word "marijuana" has nothing but negative connotations - it is indubitably racist, antiquated and blatantly inaccurate... and we can do so much better than that.

I really appreciate your time and consideration in this matter and hope that you truly consider the impact that a term like "marijuana" can have on the populations we are trying to serve and educate. As a community, it is up to us to do better when we can, and in this case we certainly can.

Thank you so much,
Kimberly Dennis

Sent from my Verizon, Samsung Galaxy smartphone
Comments for the Marijuana Licensing Workgroup.

07/02/2020

Thank you very much for allowing me to participate in the workgroup. These comments are NOT in order by priority. —Truman Bradley. Executive Director, Marijuana Industry Group

Given the current economic climate, what are possible funding ideas for a cannabis social equity program in Denver? The funding should come from three sources:

1. Funding for law enforcement should be diverted to fund the cannabis social equity program. This is the biggest thing Denver can do to show a commitment to social equity.
2. The city should take money from renewals and fund the social equity program.
3. Some but not all MIG members would support a $1 per delivery to go to social equity fund but the fee is waived if the transporter is a social equity licensee.

*MIG would NOT support a special marijuana tax to fund the social equity program because the industry supported a tax increase only a few years ago to support the Mayor’s programs.*

What resources could established marijuana businesses provide to equity applicants to help them enter and be successful in the industry?

Ownership level training, job fairs, mentorship, free or discounted admission to trade associations, networking, free/reduced admission to conferences. MIG is planning to help with the first 5 of these.

What incentives would make it worthwhile for established cannabis businesses to participate in an equity program established by the city?

Have participation in an equity program be a meaningful mitigating factor for a license infraction. Reduced Fees. Joint publicity with City of Denver to highlight the good work companies are doing.

Should Denver Opt-In to Allow for Marijuana Hospitality Businesses?

Yes. Give people a safe place to consume responsibly. If done well this can also help generate revenue in the city.

What are barriers to entry?
Start-up capital, economic viability (if it's not a successful business licensees will go broke), knowledge of how to run a cannabis business, setback requirements that unnecessarily limit the number of hospitality licenses and force them to only be in a few Districts.

What should be the hours of operation for Marijuana Hospitality Establishments? Let the businesses decide and work it out with the neighborhood organizations in their area.

What methods of consumption should be allowed at Marijuana Hospitality Establishments? All of them. If you prohibit smoking you don’t have a viable business. No one wants to go to a Hospitality business to then have to eat an edible and wait 45-75 minutes for any effect.

What location or proximity requirements should apply to Marijuana Hospitality Establishments?

1,000 feet from a school UNLESS the establishment is only open on weekends or after 5pm on weekdays (ie when schools are closed).

500 feet from daycares, rec centers, drug and alcohol treatment centers.

Should outdoor consumption areas be allowed for Marijuana Hospitality Establishments? Yes as long as the smoke doesn’t effect the neighbors. Recommend a small setback for outdoor establishments.

Additional comments: Allow the hospitality businesses to sell non-medicated food and drink. This will help them be profitable. Also, people who are high get hungry and thirsty.

Should Denver Opt-In to Marijuana Delivery? Yes. Delivery is the future. Cannabis is the only category deemed essential by Governor Polis and Mayor Hancock that does not have a delivery option. Delivery can be done safely. It is also safer during COVID.

If Denver allows marijuana delivery, should it include retail marijuana delivery, medical marijuana delivery, or both and what should the timing/sequencing look like? Both. Start January 01, 2020. No reason to only do medical or rec as the rules and infrastructure for both will be similar. If you limit it only to medical I worry that the program will fail because it may not be financially viable.

Should Denver allow deliveries into the city from stores located outside the city? MIG is neutral on this.

What should be the hours of operation for marijuana delivery in Denver? Same as the stores.

What should be the sales limits for marijuana delivery in Denver? Same as the stores for medical and recreational.

Should Denver create a delivery permit for which both licensed stores and transporters may apply? Denver should mirror the state and allow delivery permits for licensed stores as well as delivery licenses for transporters. It is crucial that both the store permit and 3rd party license be eligible at the same time. MIG strongly opposes allowing only 3rd party transporters to be licensed first.

Should Denver Consider any additional video coverage? No. MIG does not support adding additional cameras or safes because if every jurisdiction imposes their own technical requirements it will create a patchwork system that will make it less likely these businesses can actually profit. If burglaries/robberies of delivery vehicles happen and product or money is stolen then consider additional regs but let’s wait and see how it goes. In short, the state requirements are sufficient.
What should be the limits in Denver for the amount of retail value marijuana a delivery vehicle can hold? MIG does not feel strongly about this but the state regs seem a bit high. No one needs to carry $10k in product.

How can equity be reflected in marijuana delivery licensing? This answer is for all license types being discussed: MIG sees its role in the equity conversation as one of listening. We are not social equity experts, we are cannabis business experts. We do not want to dictate policy to black and brown organizations. MIG is supportive of The Color of Cannabis, Shawn Coleman, BCEI, Servicios de la Raza, and other community groups and will follow their lead.
Director Kilroy,

We are grateful for the opportunity to submit written comments on questions posed by the City during the Marijuana Licensing Work Group. We appreciate your willingness to continue moving these conversations forward amid the environment created by COVID 19 in our City.

Given the process challenges of stakeholdering online, we would appreciate the opportunity to provide further feedback after the City releases its draft policy recommendations and prior to submitting to City Council. We also believe it would be beneficial for the City to host a virtual Public Comment session to allow more of the public the opportunity to provide feedback from the first four working group sessions.

Thank you for your continued consideration on these issues.

Best regards,

Shannon

Shannon Fender
Director of Public Affairs
(303) 250-0125

www.native-rootscannabis.com
To: Director Kilroy, Denver Department of Excise & Licenses  
From: Shannon Fender, Director of Public Affairs, Native Roots Cannabis Co.  
Date: July 2, 2020  
Re: Marijuana Licensing Work Group Written Comments

**Delivery**

Should Denver opt-in to marijuana delivery? If so, should it include retail marijuana delivery, medical marijuana delivery, or both?

Medical Delivery - Yes.

Retail Delivery - Yes, so long as there is a comprehensive delivery program in place to serve the adult consumer market in Denver.

What should the timing and sequencing of retail and medical marijuana delivery roll-out look like?

Medical - Immediately. Denver should allow medical deliveries to begin as soon as an ordinance can be passed by City Council to ensure that the medical community and vulnerable populations are served during these unprecedented times. Roll out could begin as soon as an ordinance is drafted and passed by City Council.

Retail - If the City implements a comprehensive adult delivery program it should permit retail deliveries as soon as it can in January 2021. If the City would like a slower rollout of delivery, it could alternatively phase in retail delivery after a period of time where medical delivery is permitted.

Should Denver allow deliveries into the city from stores located outside the city?

Medical and Retail - Yes. Providing options makes sense both for patients and adult consumers living in Denver. Additionally, there are tax benefits to allowing interjurisdictional deliveries.

Should Denver have any different requirements for cross-jurisdictional deliveries?

No, similar restrictions are not placed on other consumer goods for sale.

What should be the hours of operation for marijuana delivery in Denver?

Hours of operation should mirror existing retail store hours in Denver from 8 am-10 pm. Logistics regarding the manifest and undelivered product should be a process outlined by individual businesses.

What should be the sales limits for marijuana delivery in Denver?

The City should adopt the State’s sales limits as outlined in the MED Rules. This would allow for simplicity and congruence in the rules across other Denver-metro jurisdictions that may opt-in.
Should Denver create a delivery license for Transporters?

Yes. Allowing and preferencing Transporters delivery permitting provides a clear ownership opportunity for Social Equity Applicants to enter into the Denver cannabis market.

While we do not believe the City should mandate medical or retail stores to partner with a Transporter to conduct deliveries, we do believe the City should prioritize and give preference to Social Equity Delivery Transporters, stores that are partnering with Social Equity Transporters, and stores that have submitted a Social Impact Plan to address equity within their businesses.

House Bill 19-1234 intentionally kept the integrity of delivery sales with a licensed medical or retail marijuana store to prevent warehousing and "Uber" models of delivery. Therefore, all medical and retail marijuana stores that desire to partner with Transporters must also themselves have a valid permit to work with that Transporter. As a result, permits for medical and retail stores must also be broadly available to current license holders. If the City limits the delivery program in such a way that existing stores are unable to obtain permits, it will also cause Delivery Transporters to fail because they will not have enough stores available to partner with to conduct those deliveries.

Finally, we support The Color of Cannabis' proposed "One for One" permitting model, which would require one Social Equity Delivery Transporter permit to be reserved for every non-Social Equity Delivery Transporter permit issued. We agree that this model strikes the balance of creating a workable, comprehensive delivery program while also ensuring that new Social Equity ownership is prioritized in the City.

Should Denver consider any additional camera coverage?

No. The State had a stakeholder process with robust discussion on safety including camera coverage. Denver should adopt the State's surveillance requirements as outlined in the MED Rules. Further requirements on camera coverage would be so costly that they would create further unnecessary barriers to entry, especially for Social Equity Delivery Transporters.

What should be the limits in Denver for the amount of retail value of marijuana a delivery vehicle can hold?

The City should adopt the same limits as the State as outlined in the MED Rules. The State had a stakeholder process prior to implementing the Rules for safety, security and specifically retail value limits.

Are there any other safety or security measures that Denver should consider implementing in order to protect employees, consumers, and the community?

No.

What barriers to entry might exist for starting a marijuana delivery business?

Delivery Transporter businesses have low barriers relative to other marijuana licensing and ownership opportunities. However, if there are not enough medical and retail marijuana stores permitted to deliver,
there will not be sufficient business opportunities for Delivery Transporters to successfully operate.

How can equity be reflected in marijuana licensing?

The City should adopt the State's definition of Social Equity as defined in House Bill 20-1424. It should prioritize and preference delivery applications for Social Equity Delivery Transporters, stores that are partnering with Social Equity Transporters, and stores that have submitted a Social Impact Plan to address diversity, equity, and inclusion within their businesses. The City should adopt The Color of Cannabis' proposed "One for One" permitting model, which would require one Social Equity Transporter permit to be reserved for every non-Social Equity Transporter permit issued. The City should waive license and application fees for Social Equity Delivery Transporters.

Is there anything else relevant to marijuana delivery licensing in Denver that the Work Group should consider?

- Denver already has a robust and available illegal delivery market. Not creating an equally robust and accessible regulated retail delivery market will result in continued illegal market activity.
- Delivery is a permit, attached to an existing license that requires background checks and approvals. Therefore, any need for approval of this delivery permit should be expedient and straightforward. Denver is able to implement delivery after a simple vote to opt-in. The MED has detailed rules outlining requirements for security, sales, and operating hours.
- Denver is able to immediately opt-in to medical delivery, adopt the MED requirements, and permit businesses to serve 11,000 patients in Denver immediately, and without delay. This plan would create an opportunity to have experience and lessons learned when rolling out retail delivery in 2021.
- Delivery does not allow for contactless "drop off." ID's of all individuals accepting the product will be checked. Not all alcohol delivery requires ID checking for deliveries, nor pharmaceutical delivery of even schedule 2 narcotics, making cannabis delivery in Denver by far the most secure delivery standard.
- Only existing medical and retail marijuana stores can sell marijuana products, so any implementation of additional rules for Delivery Transporters needs to carefully consider how to allow stores to also obtain Delivery Permits.
- Proper collection and remittance of taxes and fees is the responsibility of the business executing deliveries, including collecting taxes to remit to other municipalities. This should not be an additional burden on the City outside of normal auditing for compliance.
Hospitality

Should Denver opt in to allow for three different types of Marijuana Hospitality Businesses; including Marijuana Hospitality, Mobile Hospitality and Hospitality & Sales?

Yes, Denver should opt in to all three models of Marijuana Hospitality.

What should the equity considerations be for the three different types of Marijuana Hospitality Establishments?

Denver should prioritize Social Equity Applicants as defined by HB20-1424, as well as businesses that have Social Impact Plans addressing diversity, equity, and inclusion in their businesses.

What should be the hours of operation for the three different types of Marijuana Hospitality Establishments?

If Denver allows Hospitality Sales Establishments, they should have the same hours of operation as marijuana stores.

What location or proximity regulations should apply to Marijuana Hospitality Establishments and Hospitality & Sales Establishments?

If Denver allows Hospitality Sales Establishments, they should also share the 1000 foot location requirement of marijuana stores.

For Mobile Hospitality Establishments, should there be restrictions on when and where vehicles can stop, park, pickup and drop off patrons?

The City could consider similar requirements for permitting of tour buses and food trucks.

What methods of consumption should be allowed at the three different types of Marijuana Hospitality Establishments?

All methods of consumption should be allowed at all three types of Hospitality Establishments. In accordance with MED's hospitality model, Hospitality establishments should be exempt from the Colorado Clean Indoor Air Act [(C.R.S. 25-14-205(1)(l)].

Should outdoor consumption areas be allowed for Marijuana Hospitality Establishments
and Hospitality & Sales Establishments?

Yes. Each individual location should have the option and will be held accountable through public input, community engagement, and Good Neighbor Agreements.

Should there be any additional restrictions on sales limits in Hospitality & Sales Establishments?

If Denver allows Hospitality Sales, it should adopt the limits defined by MED Rules.

Should Denver permit Retail Food Establishments to operate Marijuana Hospitality Establishments, including restrictions for, but not limited to, hours of operation, methods of consumption, location restrictions and outdoor operations?

Yes, Retail Food Establishments, and other types of non-marijuana hospitality businesses, should also be allowed to operate Marijuana Hospitality Establishments.
Social Equity

What are the current inequities within the cannabis industry?

Colorado’s Amendment 64 did not provide an express opportunity for social equity preference in cannabis, and also enacted strict ownership and occupational licensing laws that prohibited people with criminal histories from participating in the regulated marijuana industry. Communities of color have been most impacted by the War on Drugs and have not had the kind of access and opportunities to enter and thrive as the cannabis industry has matured. The result is an industry that is largely owned and operated by white people. Additionally, access to capital, lack of banking, high startup and ongoing compliance costs, and high state and local taxes and fees all contribute to the ongoing inequity in the cannabis industry.

What should be the goals of a cannabis social equity program?

The primary goal of Denver’s Cannabis Social Equity program should be to promote diversity, equity and inclusion in the industry by increasing opportunities for ownership, management, and employment for people of color and especially those impacted by cannabis prohibition and the War on Drugs.

What does success look like for a cannabis social equity program?

Success in Denver’s Social Equity Program will be evidenced by people of color and especially those impacted by cannabis prohibition and the War of Drugs taking part in new and expanded opportunities within the industry in Denver, such as Social Equity Applicants obtaining permits and licenses to start new businesses in Denver, as well as increases in management and employment within existing marijuana businesses.

What criteria should Denver use to determine eligibility of an equity applicant?

Denver should adopt the definition of Social Equity Applicant in newly passed HB20-1424, and as finalized in MED permanent rulemaking this summer.

What should be the ownership requirements of a social equity business entity?

Ownership requirements for Social Equity Businesses in Denver should be adopted from HB20-1424, and as finalized in MED permanent rulemaking this summer.

What challenges specific to Denver might exist for individuals seeking to participate in the state's accelerator program?

Having the ability to notice eligible individuals of these new opportunities could be a challenge.
Given the current economic climate, what are possible funding ideas for a cannabis social equity program in Denver?

We understand there are economic challenges in the City; however, it is important that the City prioritize money collected from existing marijuana revenues specifically for a Social Equity Program in Denver’s marijuana industry. The City has collected more than $260 million in marijuana revenue since 2014, including a 2% tax increase in 2018 to fund Mayor Hancock’s Affordable Housing Initiative. If Social Equity in cannabis is a priority for the City, we hope it can be recognized in budgeting to assist new opportunities for the Social Equity businesses and community organizations.

What resources could established marijuana businesses provide to equity applicants to help them enter and be successful in the industry?

Established marijuana businesses can participate via partnerships with the City, with nonprofit and community organizations, or some combination of those to provide education, training, mentorship, and technical and professional resources to prospective and operating Social Equity businesses and community organizations. Many businesses can also provide financial and human capital to support the work new businesses and community organizations are conducting to help identify, educate, and train prospective Social Equity Applicants and employees who wish to enter or advance in the industry.

What incentives would make it worthwhile for established cannabis businesses to participate in an equity program established by the city?

Financial incentives such as tax credits and waived licensing and application fees for those businesses that participate in the City’s Social Equity program, or who have demonstrated their commitment to social equity via a Social Impact Plan, would be a very compelling incentive to achieve a high level of participation from established businesses in the new program. Additionally, a public designation identifying the business as a “Social Equity Partner” or “Social Equity Employer” would be a desirable benefit for businesses to participate.

Should Denver adopt the state’s language for a “social equity applicant”?

Yes. The Color of Cannabis was thorough in their research and stakeholder outreach in creating a definition for Social Equity Applicant, and this definition was broadly supported by other social equity, community and industry groups at the State level.

What program tools, services, and benefits should the City place highest priority on in the social equity program?

- 2021 lottery licenses
  - Only Social Equity Applicants as defined by HB20-1424 should be allowed to enter into the 2021 Lottery for new store and cultivation licenses above the existing license cap.
- Prioritized license processing on new license types
• New Transporter Delivery Permits and Hospitality Licenses should have prioritized processing.

• Financial assistance
  o Social Equity businesses should be eligible for financial assistance, such as waived application and licensing fees and access to flexible, low interest loans or grants created through a City Social Equity Fund.

• Modified application requirements
  o Some, but not all, application requirements could be modified. Community support for all license types and location requirements for stores should continue to be required.

• Workforce development, technical assistance, and business resources
  o The City could partner with nonprofit community organizations to host Social Equity Job Fairs with the specific intent of identifying those that may be eligible for, but need assistance with identifying opportunities within the industry.
  o The City could provide grants to those community nonprofits who are creating education and training programs for prospective business owners and employees.
  o The City should work with the industry in the 2021 legislative session to advocate for a comprehensive statewide expungement solution for cannabis convictions.
  o The City should waive ticket fees to the Marijuana Management Symposium for eligible Social Equity business owners and managers.

• Development of ancillary businesses
  o Ancillary businesses face some, but not all, of the same challenges that cannabis licensees face. The City should incorporate benefits and certifications that minority and women-owned businesses in other industries obtain. The Denver Office of Economic Development & Opportunity should create a list from the Certified Vendor Directory for ancillary businesses that are willing to work with cannabis businesses.

Which licenses should be included in the Social Equity Program?

All new permit and license types should have Social Equity components incorporated into them.

• 2021 store and cultivation lottery licenses should be exclusively available for Social Equity Applicants as defined by HB 20-1424.
• Delivery Transporters should be prioritized in licensing and awarded on a “one for one” basis as proposed by The Color of Cannabis.
• Hospitality Establishments should be prioritized in licensing and awarded on a “one for one” basis as proposed by The Color of Cannabis.
Miscellaneous Questions + Other Feedback

Should Denver align with the state’s updated rules (described in MED Rule Series 3-700) for signage and advertising?

Yes.

Recommendation on Modification of Premises related to COVID 19 and physical distancing in stores:

The City should develop a process to make permanent modified floor plans that have been established in order to promote public health and safety during COVID 19. Denver should provide a period of time for marijuana stores to submit MOP’s to be approved without stalling existing operations, so that through all subsequent phases of the City and State’s coronavirus responses patients and customers continue to feel safe in the retail environment.

Recommendation on MIG 2-Year license renewal:

We agree with the proposal from the Marijuana Industry Group that Denver should extend regular license renewals to every two years. The revolving annual license renewal process creates undue work on both licensees and Excise & Licenses staff. This change would offset the amount of work for Excise & Licenses resulting from the new license types and Social Equity Program.
Please be informed I would like the workgroup to address the following:

The licenses for stores and cultivations were capped in 2016 by the council. The bill was drafted with a cumulative cap as well as a cap of retail stores and cultivations. There has never been a lottery for new licenses to be issued to date.

I have been in the business since 2009 and have lost a retail outlet store due to unforeseen circumstances. (One of the uncapped store licenses was mine.) I own one store in an industrial area.

I would like to move my retail store license that is combined, (cumulative) with my cultivation in a very poor location for retail sales. The area is an industrial area with no foot traffic and is not on a main road either. The allowances are made to move a retail license to a new address but you must move a cultivation with it. This does not make sense. Industrial and Retail businesses are of two different categories. We also need to keep the cultivation in the industrial area to support the retail part of the business at its current location.

Joey Pena with the license dept. stated they were going to address the allowance of moving locations of the retail, without the cultivation licenses at the next meeting.

I would like to compete in the market with the large corporation as we were a pioneer in starting the industry and helping medical patients receive their medicine.

In order to survive the industry we needed to add the retail side of the business. The astronomical costs of the Denver Renewal fees, operating fees and taxes per year make it very difficult to sustain with the retail store in the current location. This is now especially true with the fight of the COVID-19 virus we are in.

I am a sole owner and a woman. I feel discriminated against by not being able to further our growth with this problem. The larger corporations have many Denver stores and grows that are at separate addresses. LIVWELL, NATIVE ROOTS, GREEN SOLUTIONS...ECT.

Thank you for your help in this matter.
Best Regards, Stay Safe and Healthy,

Virginia Foster
Mile High Wellness II, LLC
Denver Native.
To: Denver Department of Excise and Licensing

From: VS Strategies

Date: July 2, 2020

Subject: Denver’s Cannabis Social Equity Program

---

General Policy Recommendations

License-specific Programs: The cannabis industry is made up of multiple different types of licensed businesses. Rather than design a single program to promote equity and economic growth across the entire industry, policymakers should create a customized program for each license type that recognizes the unique challenges posed by its corresponding business model and the existing market conditions that affect it. The policy proposal below includes customized recommendations for each cannabis license type in Denver.

Staging the Program: The social equity program envisioned and discussed by stakeholders and city officials is ambitious and complex. It will take time to develop and fund different components, which cannot all be done at the same time. Current market conditions, combined with the COVID-19 crisis, allow for a staged rollout of the program to maximize its impact. Publicly funded support could be sequenced as follows:

- Prioritize the funding for new retail store locations and transporter licenses. These businesses have a greater chance of success, allowing them to repay loans more quickly so that funds could be lent to other equity candidates;

- Time the issuance of loans to hospitality establishments based upon conditions relating to COVID-19 and the broader trends in the hospitality industry; and

- Once there are sufficient funds for the initial round of retail and transport locations, place funds in reserve for the manufacturing grant program (see below).

Companion Program for Employees: The majority of Denver’s social equity programs will be focused on supporting entrepreneurs. The city could also create a low-cost program to help individuals seeking employment. The program could help a lot of people by including a few simple components:
- Free occupational licensing support when filling out the application
- Reduced fees for qualified applicants
- Admittance to the city’s compliance training program (see below)
- Creation of an online job board where social equity occupational licensees who complete the training course can list their resumes when seeking employment

**Program Component Outline**

This section outlines various policy options that the city can consider when designing its social equity program. These recommendations are based upon traditional economic development principles and input from stakeholders.

**Social Equity Fund:** There needs to be a dedicated and genuine funding stream to create the outcomes sought by policymakers, stakeholders, and community members. This fund can be used to mitigate capital barriers and to fund training programs, incubators, and public-private partnerships. The city should leverage a combination of sources for these funds, including some new sources of revenues, current marijuana taxes, and a scaling approach to license fees. There could also be an opportunity to secure state dollars, a current issue that advocates are working on at the state level. We suggest the following funding sources:

1. Dedicate a specific percentage of all marijuana tax dollars collected by the city (ex: 10%) to support the social equity fund for at least the next five years.
2. Implement a temporary social delivery fee to help create the capital needed for the social equity fund and shift the $1 state fee from law enforcement to the social equity fund.
3. Impose a tax or fee upon non-licensees that facilitate delivery transactions to ensure that all delivery market participants are financially supporting social equity.
4. Create a scaling license fee system that offers reduced fees for equity applicants and higher fees for existing licensees that are not actively supporting equity programs.
5. Allow the fund to apply for grants and receive donations.

**Revolving Loan Fund:** By definition, the most significant issue that must be addressed for social equity applicants is access to capital. Certain license types have lower barriers to entry and lower startup costs, making them a strong fit for a revolving loan fund because it will allow

---

1 Denver could also consider creating a Tax-Increment Financing Program to help spur private investment into social-equity-qualified businesses. This would delay the financial impact on the city for years, until these businesses are revenue producers and we have recovered from the COVID-19 economic crisis.
the city to recover its investment more quickly and redistribute capital to new entrepreneurs. This approach is probably better suited for transport licenses or incubates in the accelerator program than licenses with more expensive startup costs, like a cultivation facility.

**Grant Program:** In addition to a revolving loan fund for less costly licenses, the city should issue grants to help launch accelerator facilities under the state bill. The accelerator program has the potential to promote entrepreneurship in marginalized communities, provided we can identify potential "host" businesses or incubation facilities. The city should offer a one-time grant for an applicant to create a manufacturing incubation facility to help launch brands founded by new social equity entrepreneurs. A similar grant could be offered for cultivation facilities should there be sufficient funds be available, but manufacturing should be prioritized due to the greater long-term economic viability for Denver. Once these facilities are developed, the city can provide loans to incubates to promote entrepreneurship at costs substantially lower than necessary for them to start their own facilities. Those businesses can then graduate into their own facilities and will be in much better position to attract private investment as a developed brand with operating experience.

**Scaling License Fees:** The city can create a scaling license fee system that reduces fees on equity applicants during their initial years of operations. Discounts could also be awarded to non-equity licensees that meet specific community engagement standards and/or support social equity entrepreneurs. The city should try to coordinate with the state to provide waived or reduced fees for occupational licensing for employees of social equity licensees. Since this policy approach is recommended for all license types, it is not specifically outlined below and should be offered for all licenses for equity applicants with discounts scaled to the individual applicant's financial situation.

**Mentorship, Training, Business Development and Educational Support Programs:** The city has an opportunity to help lead or support various initiatives designed to help people from marginalized communities succeed in owning or working in the cannabis industry. The city could develop its own compliance training program, offering free attendance to social equity qualified persons and depositing all revenues (less costs) into the equity fund. In addition to city government, there are a wealth of resources in our community that could be activated or supported by city programs. Some examples include:

- Work with local community colleges to provide educational opportunities to work in the cannabis sector with tuition support from the equity fund;
- Partner with the Employers Council (formerly "Mountain States Employer's Council") to develop continuing education programs to help existing industry employees climb the corporate ladder and similarly make tuition support from the equity fund;
- Generate meaningful networking opportunities for social equity licensees and existing businesses through partnerships with industry associations and established industry participants;
• Offer social equity applicants active support from city staff in submitting business applications through online education, like webinars, and pre-submission review sessions to help candidates navigate the process; and

• Support local organizations, licensees and other businesses that are serving as mentors for social equity entrepreneurs.

License Preferences: The city can provide preferences and exclusive application periods for social equity applicants. Unlike the other program components to support entrepreneurs, license preferences provide greater opportunities for equity applicants by imposing market restrictions and will reduce competition. The more saturated and competitive the market, the more aggressively the city can intervene in the market without generating negative externalities that harm patients and consumers. License preferences will be a critical component of the city's social equity program but could be the most delicate aspect to balance. Some policy options employed below include:

• One-for-one program
• Exclusive application period
• Merit-based processes that favor community-engaged applicants (aka, "Scorecard")

Customized Proposals for Each License Type

New Cultivation Licenses

Supporting social equity entrepreneurs in the cultivation segment of the industry will be more complex than other areas. The costs associated with developing a facility are very high, making it difficult to finance through a revolving loan fund. Furthermore, these facilities will inevitably become less market competitive as legalization brings about larger scale investments and interstate commerce. This makes large public investments into cultivation riskier than in other segments of the industry. Therefore, this proposal focuses on licensing preferences, scaling license fees, and training opportunities; saving scarce public resources for other market segments.

• Licensing Preference: The cultivation market is already very robust and competitive, allowing the city to intervene aggressively in the market favoring social equity applicants. The following system would provide exclusivity and long-term advantages for potential social equity entrepreneurs. Each license application cycle, the city would award:

  o 75% of all licenses available exclusively for social equity applicants.

  ■ If there are insufficient applicants, then the remaining licenses are held until the following year.
If there are more qualified applicants than licenses, then a merit-based application process would be held to determine the awardees.

- The remaining 25% of all available cultivation licenses are held in abeyance for 90 days and exclusively available to applicant that wish to start a cultivation accelerator that qualifies under the state program. If there are insufficient accelerator applicants, then the remaining licenses are issued to:
  - Any remaining social equity applicants; and then
  - Non-equity applicants through a merit-based application process that favors community-engaged applicants.

- **License Graduation**: Should a cannabis cultivation incubator be developed in Denver, the city could provide a licensing preference for potential “graduates” of the facility when additional cultivation licenses become available in the future.

- **Training and Business Development Opportunities**: As noted above, there are a variety of training programs the city can help to offer, sponsor, or work in partnership with existing institutions to make them more widely available. Some of these would be well-suited for promoting entrepreneurship in the cannabis sector:
  - The compliance course offered by city staff for free to social equity applicants will help these businesses get started.
  - Partner with cannabis-focused law firms to create licensing workshops and support programs to help social equity candidates with the application process.
  - Partner with a local university like Metropolitan State to provide free or reduced cost business classes to social equity licensees.
  - Partner with industry associations and other businesses to host networking events where social equity cultivators can meet retailers that might purchase their products.
  - Offer loans or grants for social equity licensees to hire experienced cultivation consultants at discounted rates established through partnerships with the city.

**New Store Licenses**

Tailoring policies for retail licenses will also be tricky because many of the same characteristics apply to this market segment. The facilities are costly to build out (typically over $1 million) but not quite as costly as those for cultivation. There is still risk from increased competition, but again, it’s not as risky as cultivation. The MED intends to add a quasi-franchise model to the
accelerator program that could allow for easier pathways for private investment into retail stores. Therefore, despite the obstacles, a strong program could be constructed for retail stores that leverages several unique opportunities to promote greater equity in the market.

- **Licensing Preference:** The retail market is already very robust and competitive, allowing the city to intervene aggressively in the market favoring social equity applicants without significant externalities. The system should be adjusted in subsequent years based upon the successes of different models. During the initial application cycle, all licenses will be awarded to social equity applicants to ensure these candidates are able to participate in the delivery market. For subsequent issuances of new licenses, the city would award:
  
  - 75% of all licenses available exclusively for social equity applicants
    
    - If there are insufficient applicants, then the remaining licenses are held until the following year.
    
    - If there are more qualified applicants than licenses, then a merit-based application process would be held to determine the awardees.

  - The remaining 25% of all available retail licenses made available to any remaining social equity applicants and non-equity applicants through a merit-based application process that favors equity applicants and community-engaged applicants.

- **Revolving Loan Fund:** There are significant upfront costs for opening retail establishments, potentially exceeding one million dollars per facility. A loan fund will not be able to provide sufficient capital to develop all the social equity licenses that will become available. Still, a small amount of seed capital can provide additional negotiating leverage with investors for applicants and help reduce their reliance on outside capital. While there must be consideration of funds allocated to different license types, there should be some capital allocated to supporting these licensees.

- **Training and Business Development Opportunities:** The following programs could be leveraged for retail social equity licensees:

  Notes: Many programs in this area will overlap license types. Short descriptors of the following items will be used to convey these concepts again later in this proposal.

  - City compliance courses
  
  - Licensing workshops
  
  - Business classes with local universities
- Issue a grant to a private sector nonprofit organization that provides free or discounted training courses for social equity entrepreneurs.

- Networking events to facilitate connections with other equity licenses, such as cultivators, transporters and manufacturers.

- Partner with Employers Council to create a program to support the continuing education of employees that work in the retail sector of the cannabis industry to help them grow from bud tenders to managers to general managers and, eventually, prepare them to own their own business.

**New Manufacturing licenses**

The manufacturing sector in the cannabis industry is prime for growth and presents many opportunities for social equity applicants. Eventually, there will be a national market for manufactured cannabis products — there already is one with hemp — and Denver could have a significant share of those businesses and the jobs that come with them. Since there are no limitations on manufacturing licenses, the city can help foster entrepreneurship in the manufacturing sector through incubators, and successful operators could eventually secure their only facility without issue.

- **Grant Program:** As described above, a social equity manufacturing incubator could help promote entrepreneurship in marginalized communities for generations. The cost of developing a facility that could host multiple cannabis manufacturers will be very expensive, making it ill-suited for a loan program due to the lead time to recover the investment. Instead, a grant could require the incubator to operate as a nonprofit and exist to benefit the incubatees, not generate its own profits. Denver would likely only need a single well-funded and well-run facility to help create dozens of viable businesses over the next decade. However, it is unlikely that sufficient funding would come from the private sector, and even if funding were available, it would not operate to the benefit of the incubatees. A grant program is the best way for the city to help create this type of incubation facility, and this approach would likely be the best way to promote entrepreneurship in the manufacturing sector.

- **Host Incentives:** The original accelerator program envisioned social equity entrepreneurs hosted within existing facilities. Should the city be unable to fund a grant for a true incubator facility, then incentivizing existing manufacturers to host businesses is likely the next best alternative. This could also be done in combination with a smaller grant program to leverage private investment. The city could also consider a tax-increment financing deal that delay any upfront costs to the city in favor of reduced tax revenues in the future. Helping to promote incubation opportunities will substantially reduce barriers to entry for social equity manufacturing entrepreneurs and make these opportunities more viable.
• **Revolving Loans for Incubatees:** While funding an incubator could be quite expensive, providing initial capital for an incubatee is much more viable for a revolving loan fund. Denver could offer loans to social equity applicants that are selected by the incubator. The city could provide funding to incubatees in two tranches. First, it could make a small loan to an incubatee to get started inside an incubator. Once that loan is repaid and certain sales metrics are reached, the city could then issue a larger loan to the incubatee to help secure its own facility, thereby launching a new standalone business and opening up additional space in the incubator.

• **Training and Business Development Opportunities:** The following programs are likely best suited for social equity manufacturing licensees:
  
  - City compliance course
  - Licensing workshops
  - Business classes with local universities
  - Grants for private sector nonprofit organization training
  - Networking events
  - Partner with Employers Council

**Delivery Permits for Stores**

While there is a robust market for cannabis stores, a legal cannabis delivery market does not exist in Denver. This creates a complex set of issues that must be balanced in the social equity program for store delivery permits. The lack of an entrenched market makes delivery well-suited for a social equity program. Significant delays in issuing delivery permits will reduce access and increase prices for patients and customers during a time when more people want to have products delivered for safety reasons. The set of proposals below try to balance these concerns.

• **Revolving Loans:** A new social equity retail store licensee has a much greater chance of success if it is able to launch a delivery operation. Therefore, entrepreneurs awarded new retail store licenses under the above licensing preference who wish to conduct delivery operations should be provided with additional funding to establish delivery operations. The increased revenues from this service will be a worthwhile investment of limited public resources.

• **Licensing Preference:** The delivery market's complex policy priorities require a multi-layered policy intervention to provide access to patients and customers, while providing significant opportunities for social equity applicants.

  - As noted above, 100% of newly available retail store licenses will be awarded to social equity applicants in the first year and 75% or more of all future issuances.
While there are a limited number of current licensees that would qualify under the social equity definition, any current retail store licensees that could qualify should have their delivery application permits processed first. After general permitting has started, social equity candidates' applications shall also be prioritized over non-equity candidates regardless of when the application was received.

After all existing equity licensees have their permits processed, the city will shift to processing non-equity candidates and pause those applications upon receipt of a new equity-qualified applicant. The city could adopt a short delay between the initial pause to notify the public that the social equity preference window is closing.

- **Training and Business Development:** Since delivery is merely a license privilege for retailers, all of the programs suggested for retail stores above are applicable to these licenses.

**Delivery Permits for Transporters**

Transport licenses have the lowest barrier to entry for all marijuana licenses. They are by far the lowest cost to start and operate, only requiring a compliant vehicle to perform deliveries and computer to use METRC. Without the need for a licensed premise, a transporters largest costs are likely to be license fees that could be reduced for equity candidates. This would allow Denver to provide financial support to more applicants per dollar than any other license type. The city could provide significant licensing preferences to equity applicants without having significant market impacts because a store could default to handling delivery in-house if there were an insufficient number of transporters. This creates an opportunity for significant market intervention while having less impacts on patients and customers.

- **Revolving Loans:** Transporters should be among the top priorities for revolving loan funds. The startup costs for these businesses could be less than $100,000, which would make them about 10% or less of the cost of a retail license. Comparative costs for a cultivation or manufacturing facility would bring that percentage down even further. Loans should be available for other license types, but the distribution of resources should consider the low-cost nature of these businesses.

- **Licensing Preference:**
  - Delivery permits for transporter licenses should be issued on a one for one basis for at least a year or two before general licensing can begin. As noted, transporter delivery provides a strong opportunity for social equity because of the low barriers to entry. A combination of public and private resources should be sufficient to generate potential social equity entrepreneurs, especially if the city and state can offer reduce license fees.
Denver should allow transporters licensed in other jurisdictions to obtain a delivery permit to conduct operations within the city limits. This would expand the potential pool of applicants and encourage neighboring municipalities to adopt similar policies, creating benefits for Denver-based businesses. These licenses would also be subject to the one for one policy and treated no different than a business whose transporter license is issued by Denver.

- Social Equity Fee Exemption: Should the city elect to impose a delivery fee to support the social equity program, it could exempt or reduce the fee for deliveries from a social equity store or performed by a social equity transporter. This approach would raise funds, while tangibly incentivizing the use of equity transporters and the patronization of equity businesses.

- Training and education: The narrower scope of a transporter business should allow the city to create simple tailored support programs that do not involve the same complexity as other license types. This could include just a few core programs:
  
  - Compliance training;
  - Licensing support;
  - Partnership with a local educational institution for general business education and supply chain logistics management. There are several local universities that offer courses in this area, including the University of Denver. With many courses shifting online, there may be an opportunity to partner with one of these institutions to provide subsidized opportunities to audit specific classes that might help someone run a transportation business.

### Hospitality Licenses

Cannabis hospitality could be the most difficult license type for which to effectively design a social equity program because it was challenging to run a restaurant or other type of social venue prior to the COVID-19 crisis. The regulations should seek to minimize any increased costs, otherwise it could be even more risky to operate in the cannabis hospitality space. The industry already has high failure rates, and cannabis hospitality could be a boon to existing businesses struggling to find a lifeline during the pandemic, provided regulatory driven costs are managed and opportunity is abundant.

- Licensing Opportunities: In the long term, Denver should not cap the number of cannabis hospitality licenses that can be issued by the city. This would allow existing restaurants and other venues currently struggling in this environment to pursue new revenue streams. It would allow social equity entrepreneurs to participate in the market today and new entrepreneurs to enter the market in the future. A limitation on licenses would create barriers to entry for existing equity candidates and bar future candidates
from starting new businesses. There is no such restriction on licenses for on-site alcohol consumption licenses, and there is no reason to dissimilarly limit cannabis consumers.

- **Zoning and Setbacks Restrictions:** The zoning and setback requirements for current marijuana licenses in Denver are dramatically dissimilar to those for onsite alcohol consumption. This reduces the supply of available locations and invariably increases the costs associated with starting a facility. Furthermore, it will significantly limit the number of businesses that could be located in prime real estate locations and places where people congregate. Any specific concerns raised by cannabis consumption can be addressed by facility regulations and does not need to be more restricted than alcohol. Instead, Denver should try to provide as much opportunity as possible for existing businesses and future entrepreneurs to start hospitality establishments.

- **Licensing Preferences:** A balanced policy approach is critical to maximizing opportunities for social equity and supporting opportunities for existing businesses that are currently struggling due to COVID-19. Denver could create a program that provides this opportunity by offering an unlimited number of licenses but restricting them during the first year to applicants that meet the criteria outlined below. After the restriction expires, the city can still provide priority processing for all social equity applicants and review those applications first upon receipt. This could create a rolling preference for equity candidates that would exist in perpetuity.

  - Social equity qualified applicants; or
  
  - A non-social-equity applicant that contracts to mentor a social equity applicant for at least 2 years, with specific support services delineated.
Marijuana Licensing Work Group Meeting #1 - Delivery

Below are the discussion questions posed to the Marijuana Licensing Work Group on Thursday, May 14 regarding marijuana delivery. If you have thoughts on any of the discussion questions below, please provide input below and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group.

Opt-in to Marijuana Delivery

- The state began issuing permits for medical marijuana delivery on January 2, 2020, and will begin issuing permits for retail marijuana delivery on January 2, 2021.

Should Denver opt-in to marijuana delivery? If so, should it include retail marijuana delivery, medical marijuana delivery, or both?

Yes, Denver should opt-into both medical and retail delivery.

What should the timing and sequencing of retail and medical marijuana delivery roll-out look like?

Denver should allow medical delivery as soon as possible and move forward with adult-use delivery in January 2021 when it is allowed by state law. Delivery is an important way for patients and customers to access products, especially during this crisis.
Cross-Jurisdictional Delivery

- C.R.S. 44-10-501(11)(k)(I) – “An ordinance adopted pursuant to subsection (11)(k)(I) of this section may prohibit delivery of medical marijuana or medical marijuana products from a medical marijuana store that is outside a municipality's, county's, or city and county's jurisdictional boundaries to an address within its jurisdictional boundaries.” (The same provision exists for retail marijuana delivery.)
- State statute also requires a $1 surcharge to be placed on each delivery, which is remitted to the municipality where the licensed marijuana store is located for local law enforcement costs related to marijuana enforcement.
- Per Colorado's Online Sales Tax rules, the CO Dept. of Revenue will “require all businesses who sell goods to customers in their state to assess sales tax based on the customer's address, not the location of the business.”

Should Denver allow deliveries into the city from stores located outside the city?

Yes, Denver should allow deliveries from other jurisdictions and allow Denver businesses to deliver outside of city limits. Patients and customers should be able to choose the business they patronize, as they can with other commodities.

Should Denver have any different requirements for cross-jurisdictional deliveries?

The city should support Denver businesses and help promote local operators. However, it should not impose additional restrictions on businesses headquartered outside of Denver and treat those businesses equally, as it would in any other industry.
**Hours of Operation**

- MED Rule 3-245(A)(4) allows deliveries to be made only between the hours of 8:00 a.m. and midnight, and deliveries orders to be accepted 24 hours per day, 7 days per week.
- Denver retail and medical marijuana stores may operate between the hours of 8:00 a.m. and 10:00 p.m.

What should be the hours of operation for marijuana delivery in Denver?

Delivery should mirror store hours with the delivery completed prior to 10:00 p.m.

**Sales Limits**

- MED Rule 3-615(F)(8) allows for no more than the following quantities of medical marijuana to be delivered in a single business day:
  - 2 ounces of medical marijuana
  - 40 grams of medical marijuana concentrate
  - Medical marijuana products containing 20,000 mg of THC

- MED Rule 3-615(F)(8) allows for no more than the following quantities of retail marijuana to be delivered in a single business day:
  - 1 ounce of retail marijuana
  - 8 grams of retail marijuana concentrate
  - Retail marijuana products containing more than ten 80 milligram servings of THC

What should be the sales limits for marijuana delivery in Denver?

Sales limits should be the same as state law and consistent with storefronts.
Transporters

- MED Rule 3-615(E)(6) – Medical Marijuana Transporters and Retail Marijuana Transporters shall not take delivery orders but may deliver Regulated Marijuana on behalf of Medical Marijuana Stores and Retail Marijuana Stores pursuant to a contract with the Medical Marijuana Store or Retail Marijuana Store provided that the store also holds a valid delivery permit.

- Under state law, Medical and Retail Marijuana Transporters may not obtain delivery licenses until January 1, 2021.

Should Denver create a delivery license for Transporters?

Yes, this should be an option for businesses and has the lowest barrier to entry for any license type.

Safety & Security

- MED Rule 3-615(D)(6)(a) requires video surveillance to record at least the secured marijuana storage compartment and the front view (dash view) of the vehicle.

Should Denver consider any additional camera coverage?

No, this issue was considered by the state during a thorough process. The security requirements address many aspects of security in a comprehensive manner.

- MED Rule 3-615(D)(7) allows an enclosed delivery vehicle to hold up to $10,000.00 in retail value of marijuana, and allows a delivery vehicle that is not enclosed to hold up to $2,000.00 in retail value of marijuana.
What should be the limits in Denver for the amount of retail value of marijuana a delivery vehicle can hold?

Are there any other safety or security measures that Denver should consider implementing in order to protect employees, consumers, and the community?

No, additional security requirements would only increase barriers to entry. The state has adopted comprehensive regulations.

**Barriers to Entry**

What barriers to entry might exist for starting a marijuana delivery business?

Complex regulations and high security requirements create high compliance costs that exceed similar industries.
Equity in Marijuana Licensing

How can equity be reflected in marijuana licensing?

We support the inclusion of a social equity program that supports and promotes entrepreneurship and jobs for marginalized communities. Incentives and support mechanisms promote that goal while still permitting patients and customers to patronize the establishment of their choosing.

These programs should focus on reducing barriers to entry, assist in securing capital, reducing unnecessary regulations, and providing support training.

Additional Comments

Is there anything else relevant to marijuana delivery licensing in Denver that the Work Group should consider?

Please keep patients and consumers in mind when adopting regulations.
Marijuana Licensing Work Group Meeting #1 - Delivery

Below are the discussion questions posed to the Marijuana Licensing Work Group on Thursday, May 14 regarding marijuana delivery. If you have thoughts on any of the discussion questions below, please provide input below and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group.

Opt-in to Marijuana Delivery

- The state began issuing permits for medical marijuana delivery on January 2, 2020, and will begin issuing permits for retail marijuana delivery on January 2, 2021.

Should Denver opt-in to marijuana delivery? If so, should it include retail marijuana delivery, medical marijuana delivery, or both?

Yes. Both. Delivery and more directly the transporter license are pivotal to assisting the cannabis industry becoming more diverse and inclusive of equitable opportunities. Where new license priorities are concerned social equity requirements should be the focus. See below for an example.

What should the timing and sequencing of retail and medical marijuana delivery roll-out look like?

I see no issue to allow medical as soon as feasible. Ideally, the medical program would include an overlay of social equity. Potentially, the initial licenses can be given to those who 1) are willing to host an accelerator and provides an equity plan, 2) hires a transporter who qualifies as an equity licensee or 3) engages in mentorship irrespective of but
Cross-Jurisdictional Delivery

- C.R.S. 44-10-501(11)(k)(II) – "An ordinance adopted pursuant to subsection (11)(k)(I) of this section may prohibit delivery of medical marijuana or medical marijuana products from a medical marijuana store that is outside a municipality's, county's, or city and county's jurisdictional boundaries to an address within its jurisdictional boundaries." (The same provision exists for retail marijuana delivery.)
- State statute also requires a $1 surcharge to be placed on each delivery, which is remitted to the municipality where the licensed marijuana store is located for local law enforcement costs related to marijuana enforcement.
- Per Colorado's Online Sales Tax rules, the CO Dept. of Revenue will "require all businesses who sell goods to customers in their state to assess sales tax based on the customer's address, not the location of the business."

Should Denver allow deliveries into the city from stores located outside the city?  
Ideally, social equity reciprocity should be in place for jurisdictions willing to engage in cross-jurisdictional delivery. In any event, if cross-jurisdictional delivery is somehow an impediment to social equity it should not be allowed without caveats.

Should Denver have any different requirements for cross-jurisdictional deliveries?  
See above.
Hours of Operation

- MED Rule 3-245(A)(4) allows deliveries to be made only between the hours of 8:00 a.m. and midnight, and deliveries orders to be accepted 24 hours per day, 7 days per week.
- Denver retail and medical marijuana stores may operate between the hours of 8:00 a.m. and 10:00 p.m.

What should be the hours of operation for marijuana delivery in Denver?
No comment except to say late delivery on weekends could assist in limiting alcohol consumption and related safety concerns.

Sales Limits

- MED Rule 3-615(F)(8) allows for no more than the following quantities of medical marijuana to be delivered in a single business day:
  - 2 ounces of medical marijuana
  - 40 grams of medical marijuana concentrate
  - Medical marijuana products containing 20,000 mg of THC
- MED Rule 3-615(F)(8) allows for no more than the following quantities of retail marijuana to be delivered in a single business day:
  - 1 ounce of retail marijuana
  - 8 grams of retail marijuana concentrate
  - Retail marijuana products containing more than ten 80 milligram servings of THC

What should be the sales limits for marijuana delivery in Denver?
Similar to limits for dispensaries for adult use and medical.
Transporters

- MED Rule 3-615(E)(6) – Medical Marijuana Transporters and Retail Marijuana Transporters shall not take delivery orders but may deliver Regulated Marijuana on behalf of Medical Marijuana Stores and Retail Marijuana Stores pursuant to a contract with the Medical Marijuana Store or Retail Marijuana Store provided that the store also holds a valid delivery permit.
- Under state law, Medical and Retail Marijuana Transporters may not obtain delivery licenses until January 1, 2021.

Should Denver create a delivery license for Transporters?
Absolutely! A transporter license is the most accessible from a capital requirement perspective. Many states have required all transporters to be equity applicants. Denver should not only create this license but do so in a manner to

Safety & Security

- MED Rule 3-615(D)(6)(a) requires video surveillance to record at least the secured marijuana storage compartment and the front view (dash view) of the vehicle.

Should Denver consider any additional camera coverage?
No.

- MED Rule 3-615(D)(7) allows an enclosed delivery vehicle to hold up to $10,000.00 in retail value of marijuana, and allows a delivery vehicle that is not enclosed to hold up to $2,000.00 in retail value of marijuana.
What should be the limits in Denver for the amount of retail value of marijuana a delivery vehicle can hold?
I see no need to diverge from state regulations.

Are there any other safety or security measures that Denver should consider implementing in order to protect employees, consumers, and the community?
Some type of app could help provide a paper trail assisting with security concerns.

Barriers to Entry

What barriers to entry might exist for starting a marijuana delivery business?
Primarily access to capital and connecting with potential dispensaries. Legal assistance and related funding can assist here and with all opportunities provided to equity applicants. This question may differ depending on whether the business is delivery or transporter.
Equity in Marijuana Licensing

How can equity be reflected in marijuana licensing?
Priority licensing across all available licensing. A dedicated funding stream from jurisdictional revenues. Public and private partnerships concerning funding, mentorship and compliance assistance.

Additional Comments
Is there anything else relevant to marijuana delivery licensing in Denver that the Work Group should consider?
No.
Marijuana Licensing Work Group Meeting #1 - Delivery

Below are the discussion questions posed to the Marijuana Licensing Work Group on Thursday, May 14 regarding marijuana delivery. If you have thoughts on any of the discussion questions below, please provide input below and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group.

Opt-in to Marijuana Delivery

• The state began issuing permits for medical marijuana delivery on January 2, 2020, and will begin issuing permits for retail marijuana delivery on January 2, 2021.

Should Denver opt-in to marijuana delivery? If so, should it include retail marijuana delivery, medical marijuana delivery, or both?

Yes Denver should opt into both models with a focus and prioritization on Social Equity applicants receiving these licenses and endorsements.

What should the timing and sequencing of retail and medical marijuana delivery roll-out look like?

Denver should first define social equity based off the language recently proposed by the state. Then, Denver should consider a 1:1 distribution model that contemplates issuing one social equity license for every non-social equity license. Considering that larger chain companies have consolidated most of the dispensary market and it will be a while before new licenses issued through the Denver lottery (presumably to social equity applicants) come online, it is imperative that emerging companies - particularly those that are minority owned - have an opportunity to take advantage of this emerging market.
Cross-Jurisdictional Delivery

- C.R.S. 44-10-501(11)(k)(l) – “An ordinance adopted pursuant to subsection (11)(k)(l) of this section may prohibit delivery of medical marijuana or medical marijuana products from a medical marijuana store that is outside a municipality's, county's, or city and county's jurisdictional boundaries to an address within its jurisdictional boundaries.” (The same provision exists for retail marijuana delivery.)
- State statute also requires a $1 surcharge to be placed on each delivery, which is remitted to the municipality where the licensed marijuana store is located for local law enforcement costs related to marijuana enforcement.
- Per Colorado's Online Sales Tax rules, the CO Dept. of Revenue will “require all businesses who sell goods to customers in their state to assess sales tax based on the customer's address, not the location of the business.”

Should Denver allow deliveries into the city from stores located outside the city?
Yes Denver should allow delivery from localities outside the city, if they use a social equity transporter licensed within the city of Denver. Again, because there is limited opportunity within Denver for a social equity or minority owned dispensary to engage in delivery, transporter licenses are the most opportune market access for these businesses.

Should Denver have any different requirements for cross-jurisdictional deliveries?
No. Because if Denver uses these licenses as primary access points to implement social equity, the barriers to entry even for companies outside Denver, should not be overly prohibitive.
Hours of Operation

- MED Rule 3-245(A)(4) allows deliveries to be made only between the hours of 8:00 a.m. and midnight, and deliveries orders to be accepted 24 hours per day, 7 days per week.
- Denver retail and medical marijuana stores may operate between the hours of 8:00 a.m. and 10:00 p.m.

What should be the hours of operation for marijuana delivery in Denver?
The hours for delivery should reflect the hours of operation of the dispensary from which the product was delivered no matter where the dispensary is located.

Sales Limits

- MED Rule 3-615(F)(8) allows for no more than the following quantities of medical marijuana to be delivered in a single business day:
  - 2 ounces of medical marijuana
  - 40 grams of medical marijuana concentrate
  - Medical marijuana products containing 20,000 mg of THC
- MED Rule 3-615(F)(8) allows for no more than the following quantities of retail marijuana to be delivered in a single business day:
  - 1 ounce of retail marijuana
  - 8 grams of retail marijuana concentrate
  - Retail marijuana products containing more than ten 80 milligram servings of THC

What should be the sales limits for marijuana delivery in Denver?
The allowable sales for delivery should be in line with the maximum allowed singular transaction purchases in store. The singular transaction limits should be reflective of existing medical or adult use maximums.
Transporters

- MED Rule 3-615(E)(6) - Medical Marijuana Transporters and Retail Marijuana Transporters shall not take delivery orders but may deliver Regulated Marijuana on behalf of Medical Marijuana Stores and Retail Marijuana Stores pursuant to a contract with the Medical Marijuana Store or Retail Marijuana Store provided that the store also holds a valid delivery permit.
- Under state law, Medical and Retail Marijuana Transporters may not obtain delivery licenses until January 1, 2021.

Should Denver create a delivery license for Transporters?
Yes. These are the most opportune entry points for Social Equity licensees until the caps under Denver are lifted and Social Equity applicants can begin to build their own dispensary business. However, because that will take a few years and significant amount of capital, it is imperative that Denver opt into transporter licenses for delivery and that they be prioritized to Social Equity licensees and minority business owners in order to fully expand diversity in Denver. Currently the dispensary owned market is dominated by large white-owned chains and that market is quickly consolidating now that publicly traded companies are rolling up the market.

Safety & Security

- MED Rule 3-615(D)(6)(a) requires video surveillance to record at least the secured marijuana storage compartment and the front view (dash view) of the vehicle.

Should Denver consider any additional camera coverage?
Denver should not mandate anything more than what is already required by the state via MED rule nor should the city make additional mandates than what is required by companies that currently deliver alcohol.

- MED Rule 3-615(D)(7) allows an enclosed delivery vehicle to hold up to $10,000.00 in retail value of marijuana, and allows a delivery vehicle that is not enclosed to hold up to $2,000.00 in retail value of marijuana.
What should be the limits in Denver for the amount of retail value of marijuana a delivery vehicle can hold?
Denver should adhere to the limits set by rule per MED

Are there any other safety or security measures that Denver should consider implementing in order to protect employees, consumers, and the community?
Denver should consider an identifiable emblem for delivery drivers that can be recognized by law enforcement, but not too recognizable to the general public. This is to ensure driver safety and prevent harassment from law enforcement and the public that may put drivers at risk of their safety of lives.

**Barriers to Entry**

What barriers to entry might exist for starting a marijuana delivery business?
Considering that transporter licenses are the most accessible entry point for Social Equity licensees and minority business owners, it is imperative that Denver consider low licensing fees. Additionally, either through marijuana tax revenue or via fees assessed to existing licensees that dominate the current market, Denver should consider developing an interest free loan program to capitalize entrepreneurs entering this space.
**Equity in Marijuana Licensing**

How can equity be reflected in marijuana licensing?

Equity can be reflected in licensing through:
- Prioritizing Social Equity Applicants with a 1:1 distribution model for new and existing license classes
- Opening up existing grant programs that assist minority business owners in other industries to minority cannabis business owners
- Developing an interest free loan program for Social Equity applicants to capitalize their new businesses
- Requiring cannabis businesses that have amassed multiple licenses in certain Denver neighborhoods to include community impact programs as part of their license renewal process or assess additional renewal fees onto those licenses that go to specific programs that benefit those communities
- Identify distressed assets or dormant license in the cannabis industry and offer them to Social Equity applicants.

**Additional Comments**

Is there anything else relevant to marijuana delivery licensing in Denver that the Work Group should consider?
To Whom It May Concern,

My name is Charlie Adams and I am a retired professional athlete, a businessperson, and a medical cannabis patient. I have lived in the Denver Tech Center for about 10 years and in the greater Denver area since joining the Denver Broncos in 2002.

I understand Colorado's state government has authorized local governments to create cannabis delivery programs and Denver is considering doing so. I applaud city officials for taking on this important issue and strongly support the establishment of a cannabis delivery program.

I use medical cannabis to alleviate pain associated with injuries I sustained during my time playing college and professional football, as well as the several surgeries I underwent to address them. I know firsthand the type of relief medical cannabis can provide, and I believe patients should have legal, safe, and reliable access to whichever products work best for them.

While I am proud to live in a city where medical cannabis is legal and well-regulated, I still have concerns about accessibility. While city residents can have prescription and over-the-counter medications (and even alcohol) delivered to their homes, they still cannot have cannabis products delivered. This is particularly problematic for patients who are immobile and/or do not live near a cannabis retailer (or a retailer that carries the specific products they need).

Cannabis is a critical health care product for many people, and I strongly believe access to health care is a human right. Therefore, access to cannabis is also a human right, and mobility should not be required to exercise it.

In addition to improving accessibility, such a program would also have the benefit of improving privacy for patients and other consumers. There are people out there who could benefit from medical cannabis but avoid doing so because they fear professional or personal repercussions if they are publicly seen visiting a cannabis dispensary. This was the case for me — I initially avoided becoming a patient because I worried fans or potential business associates might find out I am a cannabis consumer.

Our city's laws should not force people, especially medical patients, to access cannabis in public when they could instead receive it privately via delivery from a licensed business. I strongly urge Denver officials to work swiftly to create a sensible cannabis delivery system so that residents can begin benefitting from such services as soon as possible.

Sincerely,

Charlie Adams
7593 E. Technology Way #104
Denver, CO 80237
Marijuana Licensing Work Group Meeting #1 - Delivery

Below are the discussion questions posed to the Marijuana Licensing Work Group on Thursday, May 14 regarding marijuana delivery. If you have thoughts on any of the discussion questions below, please provide input below and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group.

Opt-in to Marijuana Delivery

- The state began issuing permits for medical marijuana delivery on January 2, 2020, and will begin issuing permits for retail marijuana delivery on January 2, 2021.

Should Denver opt-in to marijuana delivery? If so, should it include retail marijuana delivery, medical marijuana delivery, or both?

Yes. Both.

Delivery is the "new" thing for everything imaginable and cannabis should not be excluded. Consumers want the convenience.

What should the timing and sequencing of retail and medical marijuana delivery roll-out look like?

It should not take longer than six months to roll-out a delivery program. It is a business model that can be easily implemented into existing businesses and also easily launched.
Cross-Jurisdictional Delivery

- C.R.S. 44-10-501(11)(k)(l) — “An ordinance adopted pursuant to subsection (11)(k)(l) of this section may prohibit delivery of medical marijuana or medical marijuana products from a medical marijuana store that is outside a municipality's, county's, or city and county's jurisdictional boundaries to an address within its jurisdictional boundaries.” (The same provision exists for retail marijuana delivery.)
- State statute also requires a $1 surcharge to be placed on each delivery, which is remitted to the municipality where the licensed marijuana store is located for local law enforcement costs related to marijuana enforcement.
- Per Colorado's Online Sales Tax rules, the CO Dept. of Revenue will “require all businesses who sell goods to customers in their state to assess sales tax based on the customer's address, not the location of the business.”

Should Denver allow deliveries into the city from stores located outside the city?

Yes. Again this is a matter of competition and consumers who live in Denver should be allowed to patron stores of their choosing outside of the city/county.

Should Denver have any different requirements for cross-jurisdictional deliveries?

No. It adds costly regulations. There are no restrictions or issues on transporting products across jurisdictions.
Hours of Operation

- MED Rule 3-245(A)(4) allows deliveries to be made only between the hours of 8:00 a.m. and midnight, and deliveries orders to be accepted 24 hours per day, 7 days per week.
- Denver retail and medical marijuana stores may operate between the hours of 8:00 a.m. and 10:00 p.m.

What should be the hours of operation for marijuana delivery in Denver?

They should correlate to store hours, so 8 am - 10 am.

Sales Limits

- MED Rule 3-615(F)(8) allows for no more than the following quantities of medical marijuana to be delivered in a single business day:
  - 2 ounces of medical marijuana
  - 40 grams of medical marijuana concentrate
  - Medical marijuana products containing 20,000 mg of THC

- MED Rule 3-615(F)(8) allows for no more than the following quantities of retail marijuana to be delivered in a single business day:
  - 1 ounce of retail marijuana
  - 8 grams of retail marijuana concentrate
  - Retail marijuana products containing more than ten 80 milligram servings of THC

What should be the sales limits for marijuana delivery in Denver?

The limits should match MED rules.
Transporters

- MED Rule 3-615(E)(6) – Medical Marijuana Transporters and Retail Marijuana Transporters shall not take delivery orders but may deliver Regulated Marijuana on behalf of Medical Marijuana Stores and Retail Marijuana Stores pursuant to a contract with the Medical Marijuana Store or Retail Marijuana Store provided that the store also holds a valid delivery permit.
- Under state law, Medical and Retail Marijuana Transporters may not obtain delivery licenses until January 1, 2021.

Should Denver create a delivery license for Transporters?

Yes also next year.

Safety & Security

- MED Rule 3-615(D)(6)(a) requires video surveillance to record at least the secured marijuana storage compartment and the front view (dash view) of the vehicle.

Should Denver consider any additional camera coverage?

No. METRC will track any discrepancies. No need to violate consumer privacy when ordering from home.

- MED Rule 3-615(D)(7) allows an enclosed delivery vehicle to hold up to $10,000.00 in retail value of marijuana, and allows a delivery vehicle that is not enclosed to hold up to $2,000.00 in retail value of marijuana.
What should be the limits in Denver for the amount of retail value of marijuana a delivery vehicle can hold?

The same as the MED rules.

Are there any other safety or security measures that Denver should consider implementing in order to protect employees, consumers, and the community?

Yes. Drivers should be required to carry mace or a taser if not allowed to carry a weapon. This is like delivering pharmaceuticals or money.

**Barriers to Entry**

What barriers to entry might exist for starting a marijuana delivery business?

Costs to become compliant.
Equity in Marijuana Licensing

How can equity be reflected in marijuana licensing?

A certain percentages of licenses should be made available to POC and people directly harmed by the war on drugs.

Active outreach to recruit POC into cannabis from other industries with incentives.

Additional Comments

Is there anything else relevant to marijuana delivery licensing in Denver that the Work Group should consider?
Marijuana Licensing Work Group Meeting #1 - Delivery

Below are the discussion questions posed to the Marijuana Licensing Work Group on Thursday, May 14 regarding marijuana delivery. If you have thoughts on any of the discussion questions below, please provide input below and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group.

Opt-in to Marijuana Delivery

- The state began issuing permits for medical marijuana delivery on January 2, 2020, and will begin issuing permits for retail marijuana delivery on January 2, 2021.

Should Denver opt-in to marijuana delivery? If so, should it include retail marijuana delivery, medical marijuana delivery, or both?

Yes, Denver should opt-in to delivery for both retail and medical marijuana.

What should the timing and sequencing of retail and medical marijuana delivery roll-out look like?

Denver should allow both medical and retail marijuana delivery as soon as possible. This means implementing medical marijuana delivery as soon as the city can practically move forward and then implementing retail delivery for transporters and stores on January 2, 2021 when it becomes allowed by state law.
Cross-Jurisdictional Delivery

- C.R.S. 44-10-501(11)(k)(I) – “An ordinance adopted pursuant to subsection (11)(k)(I) of this section may prohibit delivery of medical marijuana or medical marijuana products from a medical marijuana store that is outside a municipality’s, county’s, or city and county’s jurisdictional boundaries to an address within its jurisdictional boundaries.” (The same provision exists for retail marijuana delivery.)
- State statute also requires a $1 surcharge to be placed on each delivery, which is remitted to the municipality where the licensed marijuana store is located for local law enforcement costs related to marijuana enforcement.
- Per Colorado’s Online Sales Tax rules, the CO Dept. of Revenue will “require all businesses who sell goods to customers in their state to assess sales tax based on the customer’s address, not the location of the business.”

Should Denver allow deliveries into the city from stores located outside the city?

Yes, Denver should allow deliveries from other jurisdictions and allow Denver businesses to deliver outside of city limits. Patients and customers should be able to choose the business they patronize, as they can with other products. Denver businesses should be allowed to take advantage of the broader market outside the city and compete in an unrestricted free market.

Should Denver have any different requirements for cross-jurisdictional deliveries?

Denver should ensure that any business operating within its jurisdiction should be held to the same high standards that all Denver licensees must meet.
Hours of Operation

- MED Rule 3-245(A)(4) allows deliveries to be made only between the hours of 8:00 a.m. and midnight, and deliveries orders to be accepted 24 hours per day, 7 days per week.
- Denver retail and medical marijuana stores may operate between the hours of 8:00 a.m. and 10:00 p.m.

What should be the hours of operation for marijuana delivery in Denver?

Delivery should mirror store hours with the delivery completed prior to 10pm.

Sales Limits

- MED Rule 3-615(F)(8) allows for no more than the following quantities of medical marijuana to be delivered in a single business day:
  - 2 ounces of medical marijuana
  - 40 grams of medical marijuana concentrate
  - Medical marijuana products containing 20,000 mg of THC
- MED Rule 3-615(F)(8) allows for no more than the following quantities of retail marijuana to be delivered in a single business day:
  - 1 ounce of retail marijuana
  - 8 grams of retail marijuana concentrate
  - Retail marijuana products containing more than ten 80 milligram servings of THC

What should be the sales limits for marijuana delivery in Denver?

Sales limits should be equal to storefronts.
Transporters

- MED Rule 3-615(E)(6) – Medical Marijuana Transporters and Retail Marijuana Transporters shall not take delivery orders but may deliver Regulated Marijuana on behalf of Medical Marijuana Stores and Retail Marijuana Stores pursuant to a contract with the Medical Marijuana Store or Retail Marijuana Store provided that the store also holds a valid delivery permit.
- Under state law, Medical and Retail Marijuana Transporters may not obtain delivery licenses until January 1, 2021.

Should Denver create a delivery license for Transporters?

Yes, Denver should create a Transporter delivery license. Storefronts should be given the opportunity to hire Transporters to complete deliveries on their behalf.

Safety & Security

- MED Rule 3-615(D)(6)(a) requires video surveillance to record at least the secured marijuana storage compartment and the front view (dash view) of the vehicle.

Should Denver consider any additional camera coverage?

No, the state has adopted comprehensive security requirements. Imposing additional requirements at the local level could create differing requirements in neighboring jurisdictions. This will create complexities for operators operating in multiple jurisdictions.

- MED Rule 3-615(D)(7) allows an enclosed delivery vehicle to hold up to $10,000.00 in retail value of marijuana, and allows a delivery vehicle that is not enclosed to hold up to $2,000.00 in retail value of marijuana.
What should be the limits in Denver for the amount of retail value of marijuana a delivery vehicle can hold?

The limits for the amount of marijuana in a delivery vehicle should be consistent with state regulations.

Are there any other safety or security measures that Denver should consider implementing in order to protect employees, consumers, and the community?

See above

Barriers to Entry

What barriers to entry might exist for starting a marijuana delivery business?

Capital is a primary barrier, as marijuana businesses are still not able to access the traditional banking system. This blocks them from obtaining small business loans or accessing programs from the federal government.
Equity in Marijuana Licensing

How can equity be reflected in marijuana licensing?

As relates to delivery, the city can provide financial support and licensing preferences for new retail marijuana store licenses. It can also help finance new transporter licenses. As an industry, we can work to help build training and mentorship programs in collaboration with non-profits organizations and public programs.

Additional Comments

Is there anything else relevant to marijuana delivery licensing in Denver that the Work Group should consider?

While some dispensaries and retail marijuana stores will want to use third-party transporters, others will want to do in-house delivery. All storefronts should be able to choose whether to do so in-house or by contracting with delivery services.
Marijuana Licensing Work Group Meeting #1 - Delivery

Below are the discussion questions posed to the Marijuana Licensing Work Group on Thursday, May 14 regarding marijuana delivery. If you have thoughts on any of the discussion questions below, please provide input below and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group.

**Opt-in to Marijuana Delivery**

- The state began issuing permits for medical marijuana delivery on January 2, 2020, and will begin issuing permits for retail marijuana delivery on January 2, 2021.

Should Denver opt-in to marijuana delivery? If so, should it include retail marijuana delivery, medical marijuana delivery, or both?

What should the timing and sequencing of retail and medical marijuana delivery roll-out look like?
Cross-Jurisdictional Delivery

- C.R.S. 44-10-501(11)(k)(l) – “An ordinance adopted pursuant to subsection (11)(k)(l) of this section may prohibit delivery of medical marijuana or medical marijuana products from a medical marijuana store that is outside a municipality’s, county’s, or city and county’s jurisdictional boundaries to an address within its jurisdictional boundaries.” (The same provision exists for retail marijuana delivery.)

- State statute also requires a $1 surcharge to be placed on each delivery, which is remitted to the municipality where the licensed marijuana store is located for local law enforcement costs related to marijuana enforcement.

- Per Colorado’s Online Sales Tax rules, the CO Dept. of Revenue will “require all businesses who sell goods to customers in their state to assess sales tax based on the customer’s address, not the location of the business.”

Should Denver allow deliveries into the city from stores located outside the city?

Should Denver have any different requirements for cross-jurisdictional deliveries?
Hours of Operation

- MED Rule 3-245(A)(4) allows deliveries to be made only between the hours of 8:00 a.m. and midnight, and deliveries orders to be accepted 24 hours per day, 7 days per week.
- Denver retail and medical marijuana stores may operate between the hours of 8:00 a.m. and 10:00 p.m.

What should be the hours of operation for marijuana delivery in Denver?

Sales Limits

- MED Rule 3-615(F)(8) allows for no more than the following quantities of medical marijuana to be delivered in a single business day:
  - 2 ounces of medical marijuana
  - 40 grams of medical marijuana concentrate
  - Medical marijuana products containing 20,000 mg of THC
- MED Rule 3-615(F)(8) allows for no more than the following quantities of retail marijuana to be delivered in a single business day:
  - 1 ounce of retail marijuana
  - 8 grams of retail marijuana concentrate
  - Retail marijuana products containing more than ten 80 milligram servings of THC

What should be the sales limits for marijuana delivery in Denver?
Transporters

- MED Rule 3-615(E)(6) – Medical Marijuana Transporters and Retail Marijuana Transporters shall not take delivery orders but may deliver Regulated Marijuana on behalf of Medical Marijuana Stores and Retail Marijuana Stores pursuant to a contract with the Medical Marijuana Store or Retail Marijuana Store provided that the store also holds a valid delivery permit.
- Under state law, Medical and Retail Marijuana Transporters may not obtain delivery licenses until January 1, 2021.

Should Denver create a delivery license for Transporters?

Safety & Security

- MED Rule 3-615(D)(6)(a) requires video surveillance to record at least the secured marijuana storage compartment and the front view (dash view) of the vehicle.

Should Denver consider any additional camera coverage?

- MED Rule 3-615(D)(7) allows an enclosed delivery vehicle to hold up to $10,000.00 in retail value of marijuana, and allows a delivery vehicle that is not enclosed to hold up to $2,000.00 in retail value of marijuana.
What should be the limits in Denver for the amount of retail value of marijuana a delivery vehicle can hold?

Are there any other safety or security measures that Denver should consider implementing in order to protect employees, consumers, and the community?

**Barriers to Entry**

What barriers to entry might exist for starting a marijuana delivery business?
Equity in Marijuana Licensing

How can equity be reflected in marijuana licensing?

Additional Comments

Is there anything else relevant to marijuana delivery licensing in Denver that the Work Group should consider?
Marijuana Licensing Work Group Meeting #1 - Delivery

Below are the discussion questions posed to the Marijuana Licensing Work Group on Thursday, May 14 regarding marijuana delivery. If you have thoughts on any of the discussion questions below, please provide input below and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group.

Opt-in to Marijuana Delivery

- The state began issuing permits for medical marijuana delivery on January 2, 2020, and will begin issuing permits for retail marijuana delivery on January 2, 2021.

Should Denver opt-in to marijuana delivery? If so, should it include retail marijuana delivery, medical marijuana delivery, or both?

We believe that delivery poses a greater opportunity to divert marijuana to individuals under the age of 21. If Denver decides to opt-in to delivery, strict enforcement of age restrictions and penalties for violations should be instituted.

What should the timing and sequencing of retail and medical marijuana delivery roll-out look like?
Cross-Jurisdictional Delivery

- C.R.S. 44-10-501(11)(k)(I) — “An ordinance adopted pursuant to subsection (11)(k)(I) of this section may prohibit delivery of medical marijuana or medical marijuana products from a medical marijuana store that is outside a municipality’s, county’s, or city and county’s jurisdictional boundaries to an address within its jurisdictional boundaries.” (The same provision exists for retail marijuana delivery.)
- State statute also requires a $1 surcharge to be placed on each delivery, which is remitted to the municipality where the licensed marijuana store is located for local law enforcement costs related to marijuana enforcement.
- Per Colorado’s Online Sales Tax rules, the CO Dept. of Revenue will “require all businesses who sell goods to customers in their state to assess sales tax based on the customer’s address, not the location of the business.”

Should Denver allow deliveries into the city from stores located outside the city?

No. Allowing deliveries from outside the city limits poses challenges to enforcement if the licensee is not located within the city of Denver.

Should Denver have any different requirements for cross-jurisdictional deliveries?
Hours of Operation

- MED Rule 3-245(A)(4) allows deliveries to be made only between the hours of 8:00 a.m. and midnight, and deliveries orders to be accepted 24 hours per day, 7 days per week.
- Denver retail and medical marijuana stores may operate between the hours of 8:00 a.m. and 10:00 p.m.

What should be the hours of operation for marijuana delivery in Denver?
Smart Colorado recommends that the delivery hours not be extended past the hours that already are in place for dispensaries.

Sales Limits

- MED Rule 3-615(F)(8) allows for no more than the following quantities of medical marijuana to be delivered in a single business day:
  - 2 ounces of medical marijuana
  - 40 grams of medical marijuana concentrate
  - Medical marijuana products containing 20,000 mg of THC
- MED Rule 3-615(F)(8) allows for no more than the following quantities of retail marijuana to be delivered in a single business day:
  - 1 ounce of retail marijuana
  - 8 grams of retail marijuana concentrate
  - Retail marijuana products containing more than ten 80 milligram servings of THC

What should be the sales limits for marijuana delivery in Denver?
A centralized database based on delivery address should be created and monitored by the city of Denver. While state law prohibits a company from more than one delivery per day per address, there is no centralized control mechanism that prevents deliveries from multiple sources on the same day.

This loophole could set up an opportunity for black market sales outside of the regulated market, especially to minors.
Transporters

- MED Rule 3-615(E)(6) – Medical Marijuana Transporters and Retail Marijuana Transporters shall not take delivery orders but may deliver Regulated Marijuana on behalf of Medical Marijuana Stores and Retail Marijuana Stores pursuant to a contract with the Medical Marijuana Store or Retail Marijuana Store provided that the store also holds a valid delivery permit.
- Under state law, Medical and Retail Marijuana Transporters may not obtain delivery licenses until January 1, 2021.

Should Denver create a delivery license for Transporters?

Safety & Security

- MED Rule 3-615(D)(6)(a) requires video surveillance to record at least the secured marijuana storage compartment and the front view (dash view) of the vehicle.

Should Denver consider any additional camera coverage?

We recommend that a photograph of the ID presented be maintained by the licensee for audit and quality purposes of driver compliance. This is a best practice in liquor delivery and this should be mandatory for marijuana as well.

Smart Colorado recommends camera coverage of the sale transaction as a diversion to under age sales.

- MED Rule 3-615(D)(7) allows an enclosed delivery vehicle to hold up to $10,000.00 in retail value of marijuana, and allows a delivery vehicle that is not enclosed to hold up to $2,000.00 in retail value of marijuana.
What should be the limits in Denver for the amount of retail value of marijuana a delivery vehicle can hold?

Are there any other safety or security measures that Denver should consider implementing in order to protect employees, consumers, and the community?

Strict enforcement including penalties and disclosure of any under age sale violations should be a top priority.

No cash tipping of the delivery person should be allowed to deter underage sales. There should be no financial incentive for the delivery person to “look the other way” if presented with a fraudulent ID.

**Barriers to Entry**

What barriers to entry might exist for starting a marijuana delivery business?
Equity in Marijuana Licensing

How can equity be reflected in marijuana licensing?

Additional Comments

Is there anything else relevant to marijuana delivery licensing in Denver that the Work Group should consider?
Outside advertising of delivery services should be strictly prohibited including billboards, outside signage on vehicles, bus stops, etc.

We recommend that the City present a report one year after the implementation date (should delivery of marijuana commence), allowing for elected officials to evaluate the impacts to youth diversion and societal impacts.
Marijuana Licensing Work Group Meeting #2 – Hospitality

Below are the discussion questions posed to the Marijuana Licensing Work Group on Thursday, May 28 regarding marijuana hospitality establishments. If you have thoughts on any of the discussion questions below, please provide input below and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group.

Should Denver opt in to allow for three different types of Marijuana Hospitality Businesses; including Marijuana Hospitality, Mobile Hospitality and Hospitality & Sales?
Yes. The more opportunity for licensing the more opportunity for equity.

What should the equity considerations be for the three different types of Marijuana Hospitality Establishments?
The state definition is a solid baseline from which Denver could add to from a jurisdictional perspective. Priority licensing can ensure hospitality is a space where equity applicants are promoted. There may be opportunities for jurisdictions to get creative concerning zoning and citywide regulations.
What should be the hours of operation for the three different types of Marijuana Hospitality Establishments?

No comment except to say marijuana hospitality establishment can limit alcohol consumption and related public safety concerns.

What methods of consumption should be allowed at the three different types of Marijuana Hospitality Establishments?

Vaping and edibles as well as combustible in places that qualify.

What location or proximity regulations should apply to Marijuana Hospitality Establishments and Hospitality & Sales Establishments?

Residential concerns and the proximity regulations in place regarding school and childcare facilities should lead the regulatory framework here as well.
For Mobile Hospitality Establishments, should there be restrictions on when and where vehicles can stop, park, pickup and drop off patrons?

I would look towards tour and gambling bus regulations for direction here. This in light with proximity concerns for residential and school/daycare regulations.

Should outdoor consumption areas be allowed for Marijuana Hospitality Establishments and Hospitality & Sales Establishments?

Yes to a large degree. It's understandable if this was limited to a certain degree.

Should there be any additional restrictions on sales limits in Hospitality & Sales Establishments?

No.
Should Denver permit Retail Food Establishments to operate Marijuana Hospitality Establishments, including restrictions for, but not limited to, hours of operation, methods of consumption, location restrictions and outdoor operations?

Yes.

Anything else relevant to Marijuana Hospitality Licensing in Denver that the Work Group should consider?
Marijuana Licensing Work Group Meeting #2 – Hospitality

Below are the discussion questions posed to the Marijuana Licensing Work Group on Thursday, May 28 regarding marijuana hospitality establishments. If you have thoughts on any of the discussion questions below, please provide input below and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group.

Should Denver opt in to allow for three different types of Marijuana Hospitality Businesses; including Marijuana Hospitality, Mobile Hospitality and Hospitality & Sales?

Yes

What should the equity considerations be for the three different types of Marijuana Hospitality Establishments?

Denver should first define social equity based off the language recently proposed by the state. Denver should consider additional provisions that address impacted communities and income levels that reflect accurately the diversity in the community. Then, Denver should consider a 1:1 distribution model that contemplates issuing one social equity license for every non-social equity license. Considering that larger chain companies have consolidated most of the dispensary market and it will be a while before new licenses issued through the Denver lottery (presumably to social equity applicants) come online, it is imperative that emerging companies - particularly those that are minority owned - have an opportunity to take advantage of this emerging market.
What should be the hours of operation for the three different types of Marijuana Hospitality Establishments?

The hours of operation should reflect the hours of operation in an equivalent non-marijuana hospitality business. For example, tourism company hours should reflect those allowed for alcohol tourism. The hours for a cannabis coffee shop should reflect the hours for a coffee shop that allows the consumption of alcohol.

What methods of consumption should be allowed at the three different types of Marijuana Hospitality Establishments?

The methods of consumption should be all methods and varieties that are allowed via state law and rule.

What location or proximity regulations should apply to Marijuana Hospitality Establishments and Hospitality & Sales Establishments?

Denver should be as flexible with setback as currently allowed by state law and rule. These license classes offer an expedient entry into the market for Social Equity licensees. They should be allowed as much opportunity to exist and succeed as possible.

Denver must reconsider the 1000 ft setback for all marijuana licenses. They do not decrease saturation in neighborhoods, in fact it had quite the opposite effect: saturating our most vulnerable communities while affluent neighborhoods have more control. Currently, it is near impossible to find a location within those setbacks - especially with the cap in place. Even with a lottery option going to Social Equity Licensees, it would cost millions of dollars to invest in a location to either acquire existing license and location or wait out other licenses to either go dormant or be subject to revocation.
For Mobile Hospitality Establishments, should there be restrictions on when and where vehicles can stop, park, pickup and drop off patrons?

Vehicles for Mobile Hospitality establishments should be subject to the same restrictions and privileges that vehicles cater to bars or weddings other "party" or tourism vehicles are subjected to.

Should outdoor consumption areas be allowed for Marijuana Hospitality Establishments and Hospitality & Sales Establishments?

Yes

Should there be any additional restrictions on sales limits in Hospitality & Sales Establishments?

Denver should not be more restrictive that what is currently allowed and mandated via rule through the state
Should Denver permit Retail Food Establishments to operate Marijuana Hospitality Establishments, including restrictions for, but not limited to, hours of operation, methods of consumption, location restrictions and outdoor operations?

Yes

Anything else relevant to Marijuana Hospitality Licensing in Denver that the Work Group should consider?
July 1, 2020

Ashley Kilroy
Co-Chair Denver Marijuana Licensing Work Group
Executive Director of Excises and Licenses
Department of Excise and Licenses

Molly Duplechian
Co-Chair Denver Marijuana Licensing Work Group
Deputy Director of Policy
Department at Excise and Licenses

Dear Ms. Kilroy, Ms. Duplechian and Members of the Work Group,

I write with regard to the implementation of HB 19-1230, Marijuana Hospitality Establishments and its public health implications. Ensuring that Denver residents and visitors have equal opportunity to live an optimally healthy life is the most important role for Denver’s public health community, including the Colorado School of Public Health. Particularly for young people, it is paramount that the City of Denver consider public health and safety in considering opting-in to allow for marijuana hospitality, hospitality and sales, and delivery businesses. In this letter I address four areas for consideration: 1) preventing youth use, 2) addressing impaired driving, 3) requiring these new marijuana businesses to obtain a local license, and 4) ensuring that the consequences of these new businesses, laws and regulations are tracked and measured to ensure they are not unintentionally advancing institutional racism and inequity.

Substantial evidence shows that youth marijuana use can be detrimental to a young person’s development, both socially and physically. The safeguards put in place by Amendment 64 and state statute serve as a starting point. However, there is risk that marijuana hospitality establishments and potentially delivery of purchases could inadvertently cause an increase in marijuana use among our youth and young adults. Increasing the number of marijuana businesses in Denver will expand availability and increase youth’s exposure to marijuana. Research shows that these two factors (increased availability and exposure) impact youth perceptions of risk associated with using marijuana, making it seem less risky.

The 2017, Healthy Kids Colorado Survey (HKCS) estimated that 19.4 percent of Colorado high school students and 5.2 percent of middle school students reported using marijuana in the past 30 days. While 30-day marijuana use has remained stable among Colorado’s middle and high school students, [4.4 percent in 2011 for middle school and 21.2 percent in 2005 for high school students] these rates are some of the highest in the United States. In addition, information presented to the workgroup on May 28, 2020 indicates that the data from the soon to be released HKCS may show an increase in marijuana use among...
Denver's young people. This new information will be critical and should be fully evaluated and understood before moving forward.

Also, it is well known that certain populations in Colorado continue to experience disparities in marijuana use based on age, sex, race/ethnicity, and sexual orientation among both adults and adolescents, these disparities are a path to health inequities. The City of Denver should take steps to ensure that existing health disparities are addressed and not worsened, and that further disparities are not created.

As discussed during the workgroup sessions there are safeguards that can be implemented to try to reduce the negative public health impact on our young people of increased availability and exposure to marijuana. In an effort to maximize protections for youth and young adults, we strongly urge the city to consider zoning and density to lessen potential negative impacts. Research shows that young people who live in neighborhoods with more medical marijuana dispensaries use marijuana more frequently than their peers and have more-positive views about the drug. The lessons learned from mitigating negative public health impacts of alcohol and tobacco offer much insight. Specifically, I urge the City to implement buffer-zones around schools and other youth serving organizations; and to have an intentional plan that prioritizes the health of our young people. Consideration is needed on the form and number of new marijuana businesses. In addition, residents of the neighborhoods where these new marijuana businesses will be located need to be given a strong voice, equal to that of businesses, during the process.

Impaired driving is a specific concern. Recent marijuana use causes acute impairment of judgement, motor coordination, and reaction time. Studies have found a direct relationship between blood THC concentration and impaired driving ability. It is of the utmost importance that by increasing the number of marijuana businesses in Denver we do not put those who use Denver's roadways at increased risk. There is much to learn from our partners in alcohol prevention about how to successfully use policy interventions to reduce impaired driving. We strongly urge the City of Denver to consider all available options to ensure Denver's roadways are safe. Please see the one-page overview document from the school's Center for Public Health Practice related to reducing impaired driving.

A key component of the marijuana hospitality, hospitality and sales, and delivery discussion should be a requirement to obtain a local license. Requiring a local license allows local authorities to protect the health and safety of their communities by ensuring accountability of those engaged in the distribution and sale of marijuana. License suspension and/or revocation, as well as monetary fines, are effective enforcement mechanisms, and licensing authority is a potent regulatory tool. A local marijuana hospitality, hospitality and sales, or delivery license can provide marijuana education, ensure compliance with state and local laws and establish meaningful penalties for marijuana retailers.
Finally, I applaud the City of Denver for prioritizing equity in conversations related to these new businesses. Expanding the scope of that discussion to ensure that Denver has a full understanding of how the increase in marijuana business impacts the public health of Black, Indigenous, and People of Color communities would be an important next step. It is critical that these new businesses, laws and regulations do not unintentionally advance health inequities or structural and institutional racism.

I urge the City to consider measuring and tracking the impact of these new business and laws. Some ideas for what can be measured and tracked include: youth use and initiation within groups defined by race and ethnicity, location and impact of new marijuana business, the equitable enforcement of marijuana laws and regulations, the diversity of marijuana business ownership and employment.

As I am sure you are aware, the action that Denver takes will lead the State in relation to how these new marijuana businesses are implemented. It’s important to get it right from the start. Moving ahead cautiously with public health and safety as top priorities will help ensure that Denver and the state avoid unintended consequences. The Colorado School of Public Health is available to you as a resource as you make this challenging set of decisions.

Sincerely,

Jonathan M. Samet, M.D., M.S.
Dean and Professor
Colorado School of Public Health
Local Marijuana Hospitality, Hospitality and Sales and Delivery Businesses Licensing

Marijuana use can be detrimental to a young person's social and physical development. It is also well understood that marijuana use can cause impaired driving. As Colorado continues its discussion around allowing for marijuana hospitality, hospitality and sales and delivery businesses, a key component of that discussion should be a requirement of these types of businesses to obtain a local license in addition to the minimum state standards. Creating a locally controlled licensing system is a proven method and represents a critical component to any local marijuana hospitality policy. Tobacco prevention research shows that meaningful penalties for retailers that do not follow the law paired with increased inspections lead to reduced sales to young people. With a local marijuana hospitality, hospitality and sales or delivery license, a community can provide marijuana education, ensure compliance with state and local laws and establish meaningful penalties for marijuana retailers.

Key Facts:

States that have legalized retail marijuana are using US alcohol policies as a model for regulating retail marijuana, which prioritizes business interests over public health. To protect public health, marijuana should be treated like tobacco, not as the US treats alcohol.¹

Licensing empowers communities to better respond at a local level to the changing landscape of marijuana issues. Moreover, licensing creates a level playing field among all businesses.

"As with tobacco retailers, state and local governments have an interest in controlling the number, location, concentration and types of marijuana establishments in each community. License suspension or revocation, as well as monetary fines, are effective enforcement mechanisms, and licensing authority is a potent regulatory tool."²

Licensing is a proven approach to increasing and enforcing restrictions on illegal sales and other known youth-targeted promotional, product placement and pricing tactics.³

We know policy is an effective tool for prevention efforts. So what policies might assist with mitigating potential negative public health and safety marijuana use?

- This type of policy has been shown to be the most effective policy at reducing illegal sales and other known youth-targeted promotional, product placement and pricing tactics by merchants and thus should be considered in the context of marijuana enforcement.⁴

Local retail licensing programs that include retailer fees high enough to pay for enforcement
Policy suggestions continued:

<table>
<thead>
<tr>
<th>Enforcement includes monitoring compliance with multiple aspects of the law (code enforcement, training of employees)</th>
<th>Local license ensures a local community is able to enforce and increase compliance with all components of state and local laws, reduces in appropriate access to products, ensures that the bad actors are not allowed to continue operation, promotes responsibility among retailers and respects community culture.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enforcement programs must include revocation and suspension of licenses</td>
<td>If a business fails its duty to comply with local, state, and/or federal laws, its license can be suspended or revoked, prohibiting the business from allowing for the consumption, the sale or the delivery of marijuana until the license is reinstated. The process of applying for and obtaining a license can help ensure licenses are distributed equitably. Having a local license also legitimizes the process by ensuring business owners are committed to being law abiding. Importance of local license cannot be overstated because it provides a list of local businesses, which can then be enforced by local enforcement.</td>
</tr>
</tbody>
</table>

Works Cited

Impaired Driving and Marijuana Hospitality, Hospitality and Sales and Delivery Businesses

The consequences of impaired driving are immense in terms of economic and more importantly, human costs. Preventing impaired driving is an important effort that all communities should work to address.

Key Facts:

Prevention strategies aimed at reducing impaired driving have demonstrated the positive effect that ride sharing programs have on reducing the incidence of this behavior.\(^1\)

Moreover, research has shown that perceptions around ride sharing programs must be improved to ensure the public utilize these services.\(^2\)

Availability of free parking has also been noted to be a barrier to the success of impaired driving prevention efforts.\(^3\)

We know policy is a proven tool for prevention efforts, so what policies might assist with reducing impaired driving incidents?

At a minimum, policies that have the potential to assist with reducing impaired driving include:

- Require increased DUI/DWUI enforcement efforts
  
  According to research, this type of enforcement is most effective when paired with public education and advocacy campaigns.\(^5\)

- Require local businesses to notify law enforcement when a patron is clearly too impaired to operate a motor vehicle.
  
  Business owners can play a critical role in reducing impaired driving events before they occur.

- Creation of parking provisions to allow free options for business patrons.
  
  Free parking options could be provided on highly social days such as Friday – Sunday.
Works Cited


Prevention of Youth Marijuana Use when Considering New Marijuana Business

It is well understood that youth marijuana use can be detrimental to a young person's development both socially and physically.¹ As such, prevention efforts to mitigate the use of marijuana among young people should be a priority in our communities.

Key Facts:

Research underscores the impact that pervasive advertising has on the perceptions of young people which have been demonstrated to create a positive association between marketing and the use of marijuana use among young people.²

The density and number of marijuana dispensaries in a community have been directly correlated with increased youth marijuana use.⁴ Results from these studies have created policy implications that suggest limiting the number of marijuana outlets in a community may be sufficient enough to restrain levels of marijuana use.⁴,⁶,⁷

We know policy is an effective tool for prevention efforts. Building on the State policy such as requiring a minimum age of 21 to purchase marijuana, your community can take additional action to prevent exposure to and consumption of marijuana by young people.

At a minimum, policies that have the potential to assist with reducing youth marijuana use include:

Restriction of the time, place and manner that marijuana businesses are able to advertise in a community.

- Limiting youth exposure will reduce positive perceptions that youth can develop around marijuana use.²

Through local licensing and enforcement, restrict the time, place and manner of hospitality establishment sales.

- Local license ensures a local community is able to enforce and increase compliance with the sale of certain products. Reduces access to products. Ensures that the bad actors aren't in your community. Ensures responsibility among retailers. Respect community culture
Policy suggestions continued:

Limitation of the number of marijuana hospitality and dispensaries in a community.

- This type of policy can take many forms including the creation of buffer zones limiting the number of dispensaries that can operate within a designated distance from one another.

Address zoning to ensure that young people aren’t exposed near places where youth frequent.

- This type of provision can be applied to schools, daycare facilities, rec centers, libraries, parks, and playgrounds.

Works Cited


Marijuana Licensing Work Group Meeting #2 – Hospitality

Below are the discussion questions posed to the Marijuana Licensing Work Group on Thursday, May 28 regarding marijuana hospitality establishments. If you have thoughts on any of the discussion questions below, please provide input below and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group.

Should Denver opt in to allow for three different types of Marijuana Hospitality Businesses; including Marijuana Hospitality, Mobile Hospitality and Hospitality & Sales?

Yes to stay competitive

What should the equity considerations be for the three different types of Marijuana Hospitality Establishments?

Percentage of licenses reserved for POC and people harmed by the war on drugs.
What should be the hours of operation for the three different types of Marijuana Hospitality Establishments?

The same as restaurants and bars.

What methods of consumption should be allowed at the three different types of Marijuana Hospitality Establishments?

Smoking, vaporization and edibles

What location or proximity regulations should apply to Marijuana Hospitality Establishments and Hospitality & Sales Establishments?

500 ft setbacks with the ability for the business to petition community members if less than 500 ft.
For Mobile Hospitality Establishments, should there be restrictions on when and where vehicles can stop, park, pickup and drop off patrons?

No

Should outdoor consumption areas be allowed for Marijuana Hospitality Establishments and Hospitality & Sales Establishments?

Yes

Should there be any additional restrictions on sales limits in Hospitality & Sales Establishments?

Product must be consumed on site.
Should Denver permit Retail Food Establishments to operate Marijuana Hospitality Establishments, including restrictions for, but not limited to, hours of operation, methods of consumption, location restrictions and outdoor operations?

Yes

Anything else relevant to Marijuana Hospitality Licensing in Denver that the Work Group should consider?
Marijuana Licensing Work Group Meeting #2 – Hospitality

Below are the discussion questions posed to the Marijuana Licensing Work Group on Thursday, May 28 regarding marijuana hospitality establishments. If you have thoughts on any of the discussion questions below, please provide input below and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group.

Should Denver opt in to allow for three different types of Marijuana Hospitality Businesses; including Marijuana Hospitality, Mobile Hospitality and Hospitality & Sales?

What should the equity considerations be for the three different types of Marijuana Hospitality Establishments?
What should be the hours of operation for the three different types of Marijuana Hospitality Establishments?

What methods of consumption should be allowed at the three different types of Marijuana Hospitality Establishments?

What location or proximity regulations should apply to Marijuana Hospitality Establishments and Hospitality & Sales Establishments?
For Mobile Hospitality Establishments, should there be restrictions on when and where vehicles can stop, park, pickup and drop off patrons?

Should outdoor consumption areas be allowed for Marijuana Hospitality Establishments and Hospitality & Sales Establishments?

Should there be any additional restrictions on sales limits in Hospitality & Sales Establishments?
Should Denver permit Retail Food Establishments to operate Marijuana Hospitality Establishments, including restrictions for, but not limited to, hours of operation, methods of consumption, location restrictions and outdoor operations?

Anything else relevant to Marijuana Hospitality Licensing in Denver that the Work Group should consider?
Memo to Denver Excise and License:

Thank you for the opportunity to serve as a member of the 2020 Marijuana workgroup and to comment on Denver’s determination whether to opt-in to marijuana hospitality businesses per its local control under HB 19-1230 and how Denver would implement it.

Smart Colorado is a non-partisan nonprofit organization focused on protecting kids as marijuana becomes commercialized and increasingly available. We have thousands of members throughout the state and many that are Denver residents.

First and foremost, Smart Colorado believes that Denver should skip it, and not license hospitality businesses. Indoor smoking and vaping of marijuana presents unmanageable risk in the unknown era of the pandemic respiratory disease COVID19 and the ongoing EVALI outbreak of “e-cigarette, or vaping, product use-associated lung injury.” Until there is a vaccine, or longer in a state like Colorado where vaccine compliance is low, masking and social distancing are the primary strategies approved by public health experts. This cannot be accomplished while smoking or vaping in a public setting.

We recommend that Denver Excise and License (DE&L) and Mayor Hancock consult with Denver Public Health and Environment on the risk presented from implementing a public smoking and vaping business model during a respiratory illness pandemic. Late breaking developments in Colorado include the closing of bars due to the spread of COVID 19. Governor Polis stated in his announcement “there is not a way that we have found for them [bars] to be a reasonably safe part of people's lives…” If alcohol, a liquid, cannot be safely consumed in public, certainly public consumption of marijuana presents an even greater risk.

If, however, Denver decides to proceed with licensing hospitality businesses, Smart Colorado’s concerns over implementation fall into three broad categories: exposure of children and teens to marijuana use and commercialization; public safety risks from public consumption; and careful monitoring of the industry.

A. Limit Exposure of Denver Kids to Marijuana

Colorado continues to have one of the highest youth use rates in the country and the 2017 Healthy Kids Colorado Survey showed a statistically significant increase in high school students who usually use processed, distilled THC products by dabbing or eating. Smart Colorado has seen preliminary figures from the 2019 Denver survey that indicate this trend is
continuing and accelerating. This is especially concerning as budget shortfalls both at the state and City of Denver will impact youth prevention programs for the foreseeable future.

The science of the health impacts (both mental and physical) to adolescents is clear. The U.S. Surgeon General recently issued a statement confirming that no amount of marijuana use during adolescence is known to be safe. The state of Colorado has a substantial interest in reducing the number of children and adolescents who are exposed to marijuana and marijuana advertising, promotion and marketing.

A California study found that adolescents that reported higher than average exposure to marijuana advertising also tended to report greater marijuana use and adolescents that reported increasing exposure to marijuana ads over the seven-year study period also reported increases in their marijuana use.

There are several ways that Denver can limit exposure to kids.

1. Maintain marijuana free zones.

The rule that governs designated consumption areas should be replicated for hospitality businesses: 1,000 feet from schools, preschools, daycare centers, city-owned outdoor pools and recreation centers.

We also propose a rule restricting hospitality businesses 1,000 feet from public parks. If outdoor smoking is permitted, we recommend a 500 foot setback from residential use/zoning.

2. Limit outlet density

We support a rule that would cap, or phase in, social consumption licenses. As of June 11, 2020, the city of Denver reported 170 adult-use stores. Under the state law, each licensee can seek a social consumption license. That could double sales outlets in the city. We know alcohol and tobacco outlet density impacts youth use of those products and there is no reason to assume marijuana outlets would be any different.

Where there is more marijuana commercialization there is more youth use. Research out of California shows that young people aged 18-22 who live in neighborhoods with more sales outlets and storefront signage use marijuana more frequently than their peers and have a more positive view of the drug. The perception of harm from marijuana use continues to drop among surveyed students in Colorado. A low perception of harm is a key indicator of future use.

3. Proper Signage

We recommend main entrance signage to help families with children to identify and avoid businesses that allow on-site marijuana use. Signs should be limited in size and restricted in location.
4. Limit industry advertising: no outdoor or billboard advertising

In 2019, the Colorado General Assembly expanded outdoor advertising for the industry in the Colorado Marijuana Code to allow billboard advertising. Denver has the power to maintain current restrictions on outdoor advertising and should do so.

An expansion in outdoor advertising is not necessary because the industry has experienced a remarkable growth rate in annual sales without the benefit of outdoor advertising.

Since the outdoor advertising restriction was implemented in 2014, the marijuana industry in Colorado has grown from $680 million annual sales to $1.5 billion in annual sales.

![State of Colorado Marijuana Sales Graph](image)

B. Restrict Products to Ensure Public Safety

1. Prohibit the sale and social consumption of marijuana edibles

Denver has the ability to prohibit the sale of marijuana edibles and other marijuana products that go through the digestive system. Indeed, Denver can even restrict the potencies of products available through Marijuana Hospitality Businesses. C.R.S. 44-12-409(2)(b) permits local governments to establish "additional or more stringent requirements" than state law.
The state law providing for hospitality businesses and through which Denver has local control to opt-in does not even specifically mention marijuana edibles. Rather the bill addresses "Retail Marijuana Product" which can include skin and body products, and audited products such as nasal sprays, metered dose inhalers and rectal and vaginal suppositories.

The science is clear that marijuana edibles have both delayed effects and long lasting effects that will make it impossible for licensees to monitor impairment of patrons.

Active THC intended for oral consumption presents unique safety issues due to delayed impairment. Below is a graph that shows peak blood levels of THC from smoked and oral marijuana. Peak THC blood levels occur quickly, less than 30 minutes after smoking or vaping marijuana, whereas it may take over 2 hours for THC blood levels to peak after oral ingestion.

The Colorado Department of Public Health and Environment provides cautionary statements in its downloadable factsheet "Retail Marijuana: Methods of Use" that MED should consider during this rulemaking process.
METHOD: Marijuana-infused edibles or drinks

HOW IT WORKS: THC extract from marijuana is added to food or drink to be digested.

TIME TO TAKE EFFECT: 90 minutes to 4 hours to feel effect. Effects can last up to 8 hours.

HEALTH EFFECTS:
Since the body slowly digests edibles like regular food, it can take longer to feel the effect. It may not be safe to eat or drink additional servings right away. Use caution when consuming more than one serving.

https://drive.google.com/file/d/159AnG2j5EZjYvcs_XdAla4bHyAjsl_B/view?usp=drivesdk

A University of Colorado study found that marijuana edibles are more likely than smoked marijuana to result in Emergency Department visits for acute psychiatric symptoms and intoxication.

Citizens typically have not reported issues from the public consumption of marijuana edibles whereby most complaints have arisen from the public smoking of marijuana. Prohibiting marijuana edibles in marijuana hospitality businesses will not significantly detract from the impact of hospitality businesses and will better protect the public health and safety of kids and communities by limiting marijuana products that have a delayed impairment time.
2. **Reduce sales limits**

The authorized sales amounts of marijuana are dangerously high. These sales amounts are not the equivalent of a single serving. State regulations set sales limits at 2 grams of bud and ½ gram of concentrate. Those sales limits are the equivalent of 392 mg of THC and 343 mg of THC, respectively (based on average potencies of 19.6% THC in bud and 68.6% THC in concentrates). Research studies have observed impairment at 1/10 that amount (approximately 35 mg of THC).

Non-edible Colorado products have unlimited THC, the psychoactive ingredient in marijuana, and unlike alcohol there is no standard serving, nor standard potency, for smoked, vaped or dabbed marijuana. These large quantities will encourage overconsumption and intoxication, limiting the ability of the budtender to monitor for impairment.

Denver should require that purchasable amounts of marijuana in hospitality businesses are the equivalent of a glass of wine, a pint of beer or a cocktail containing 1.5 oz of alcohol. The state has failed to regulate sales amounts for safe on-site consumption.

C. **Monitor Social Consumption**

1. **Track adverse events through mandatory reporting by licensees**

   We support a rule that would ensure that all adverse events occurring on the Licensed Premises be reported to Denver E&L within 48 hours. Under state rules, the Licensee is required to report all criminal activity to the Colorado Marijuana Enforcement Division. However, it is also important to capture violent conduct that may not rise to the level of criminality, as well as medical occurrences related to the consumption of marijuana.

   Therefore, we propose a reporting requirement for any "activity requiring an in-person response from law enforcement, firefighters, emergency medical service providers, or any other public safety personnel."

2. **Local enforcement of regularly scheduled checks of age restrictions**

   We recommend that Denver develop and fund a comprehensive plan to prevent underage sales and social use that would include regular enforcement checks. A study has shown that the effects of enforcement accrue to individual businesses and not the industry as a whole, and that enforcement effects decay over three months.

   Since retail sales began in 2014, the industry has done a good job with ID checks and we anticipate that the same will hold true for social consumption, especially with the reinforced messaging that will come from a comprehensive plan to prevent underage sales.
Marijuana Licensing Work Group #3 – Equity

Below are the discussion questions posed to the Marijuana Licensing Work Group on Thursday, June 11, regarding a marijuana equity program. If you have thoughts on any of the discussion questions below, please provide input below and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group.

What are the current inequities within the cannabis industry?

What should be the goals of a cannabis social equity program?
To provide incentives for current licensees to engage in equity and provide equitable opportunities. The priorities here involve 1) transporter licensing, 2) accelerator licensing and 3) broader funding, mentorship, legal fees and compliance assistance. This is most easily achieved by overlaying equity principles and priority licensing over all available license opportunities.
What does success look like for a cannabis social equity program?
An industry that triples its diversity at the ownership level within two years of the accelerator license coming online. This should be achieved primarily from the accelerator, hospitality and transporter levels. In a decade, industry diversity should reach nearly 50% or more. Moreover, the cannabis industry should become an industry leader in regards to inclusivity and equitable opportunity.

What criteria should Denver use to determine eligibility of an equity applicant?
The state definition should be altered based on the current socioeconomic reality of the city of Denver and surrounding jurisdictions. Councilwomen CdeBaca or Black can help lead the charge here. Denver is now an expensive city to live in and many equity applicants may not live in the city.

What tools, services, and benefits would be valuable to individuals who qualify for Denver's cannabis social equity program?
Legal fees, funding assistance, mentorship and compliance assistance.
What should be the ownership requirements of a social equity business entity?
The social equity applicant should own 51% of the business and maintain IP unless they decide to contract otherwise.

What challenges specific to Denver might exist for individuals seeking to participate in the state’s accelerator program?
Primarily the lack of current licensees willing to host accelerator licensees. The city needs to prioritize providing benefits to potential hosts. A grant program for hosts and any assistance current licensees deem beneficial should be considered.

Given the current economic climate, what are possible funding ideas for a cannabis social equity program in Denver?
There must be a dedicated revenue source from jurisdictional revenue for the city to truly engage in this effort. The social equity program could benefit from any efforts to reallocate police funding or any savings realized from the COVID pandemic. It's understandable that COVID has detrimentally impacted the general fund but I'm sure travel and event line items have benefitted. Let's look here and get creative to find a funding stream.
What resources could established marijuana businesses provide to equity applicants to help them enter and be successful in the industry?
Mentorship and compliance assistance. We also need to incentivize the establishment to engage in the accelerator program.

What incentives would make it worthwhile for established cannabis businesses to participate in an equity program established by the city?
Licensing fee relief concerning price and duration, recognition as an equity partner and tax breaks.
Marijuana Licensing Work Group #3 – Equity

Below are the discussion questions posed to the Marijuana Licensing Work Group on Thursday, June 11, regarding a marijuana equity program. If you have thoughts on any of the discussion questions below, please provide input below and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group.

What are the current inequities within the cannabis industry?

Upwards of 95% of the license holders in CO and in Denver are white, not representative of the demographics of our state’s population. Colorado policy fell short when it did not center equitable access for our medical marijuana program back in 2009. Reparative policy efforts need to be made to correct it.

This industry came at a very high cost for black and brown communities, over many years that cannabis was weaponized, which included over policing, political disregard and oppression. These policies funded the prison industrial complex and caused the destruction of community infrastructure, wealth building, and community resources.

The social equity policies under consideration should include the following
1) repair for the harms of the drug war (expungement, prison release for nonviolent cannabis crimes, and prison re-entry community services).
2) the creation of pathways (with support) to participate in the legal industry, including designation of licenses for social equity applicants, and marijuana tax dollars spent to provide financial support and business mentorship.
3) community (population-based) benefits, the whole community was damaged by the WOD. Gentrification prevention. land trusts. built environment-sidewalks. bike paths.

What should be the goals of a cannabis social equity program?

To remove barriers of participation in the regulated industry, to provide resourced and supported pathways for participation. The program should have baseline data, set goals for participation, and revise strategies until the targets of participation are met. Those closest to the issues should be critical participants of this effort.
What does success look like for a cannabis social equity program?

We have black and brown social equity cannabis business owners that match the population demographics of our community in Denver. These business licenses represent all levels of license types and continue to develop new strategies to have an equitable cannabis sector.

What criteria should Denver use to determine eligibility of an equity applicant?

Use the criteria in HB20-1424 just signed by Governor Polis.

What tools, services, and benefits would be valuable to individuals who qualify for Denver’s cannabis social equity program?

Access to capital, business support similar to other business/workforce support programs. This effort needs to be purposeful and focused upon. The policies that got us here were funded by our tax dollars. Our tax dollars (marijuana) should be used to correct these errors. Lives cannot be restored. Families and communities will not be de-traumatized, but we can support this reparative policy with fervor.
What should be the ownership requirements of a social equity business entity?

51% ownership by an social equity business entity

What challenges specific to Denver might exist for individuals seeking to participate in the state's accelerator program?

Finding a willing Incubator business, a lack of incentives for an Incubator to participate, an absence of pathways to create these relationships. Incubator businesses will be nervous about liability; protections should be established, legal support for clarity of the components of an accelerator/incubator relationship—mediation and navigation should be available.

Given the current economic climate, what are possible funding ideas for a cannabis social equity program in Denver?

Marijuana tax dollars--diverted from policing to repairative policies like this one.
What resources could established marijuana businesses provide to equity applicants to help them enter and be successful in the industry?

Colocation, R&D, marketing, cannabis business experience, compliance, etc., and most importantly time, talent and treasure (could be shared income opportunities for both participants that are not exploitive of the accelerator business.

What incentives would make it worthwhile for established cannabis businesses to participate in an equity program established by the city?

Credit for community engagement that is heralded and acknowledged, and tax incentives.
Marijuana Licensing Work Group #3 – Equity

Below are the discussion questions posed to the Marijuana Licensing Work Group on Thursday, June 11, regarding a marijuana equity program. If you have thoughts on any of the discussion questions below, please provide input below and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group.

What are the current inequities within the cannabis industry?

There is a lack of representation of people of color in the industry as owners and as employees.
High barrier to entry namely costs.
Discrimination against cannabis activists who speak out against the industry.
Access to lawmakers

What should be the goals of a cannabis social equity program?

To create pathways towards management and ownership of licensed cannabis businesses.
To ensure the process is free of discrimination.
Access to lawmakers and regulators.
Training programs and technical support.
What does success look like for a cannabis social equity program?

Success looks like more than 30% of cannabis business owners and managers are members of a protected class and people who have been harmed by the war on drugs.

What criteria should Denver use to determine eligibility of an equity applicant?

Eligibility should be:

Income - this has to be more than just below the poverty level. What other income carriers are there? Single parenthood for example.

Living in opportunity zones for more than five years.

Proof of harms caused by drug war policies: Parents in prison, illegal raids and civil asset forfeiture, police harassment and brutality.

I truly believe that this needs to be more broad and inclusive instead of narrow.

What tools, services, and benefits would be valuable to individuals who qualify for Denver's cannabis social equity program?

Technical training and assistance via grant programs. This must disclude those currently working as a stakeholder to ensure that there is no preferential treatment, or, there needs to be a very transparent selection process.

Business loans and grants from marijuana sales' revenue.
What should be the ownership requirements of a social equity business entity?

A social equity business entity should have at least 51% ownership being someone who was directly harmed by the war on drugs.

What challenges specific to Denver might exist for individuals seeking to participate in the state’s accelerator program?

Lack of real estate.
Lack of interest from companies wanting to host a social equity candidate which can be addressed with incentives such as tax liability reductions and lower renewal fees and other perks and recognition for being a socially responsible business in Denver. Maybe create a certificate program that companies can show other states in which they are competing for license.
Lack of available licenses.

Given the current economic climate, what are possible funding ideas for a cannabis social equity program in Denver?

I think that funding can come from cannabis sales revenues and fees even if new laws need to be passed to make that possible. This way everyone pays into the program.
What resources could established marijuana businesses provide to equity applicants to help them enter and be successful in the industry?

It is not in the best interest of the industry to help create more competition unless the social equity candidate becomes a franchisee of the accelerator business. This will not be ok. There needs to be an independent RFP process to have experts compete to provide technical support.

What incentives would make it worthwhile for established cannabis businesses to participate in an equity program established by the city?

A certificate program that designates the company as a socially responsible business in Denver that the mayor hands out at a special ceremony. This also enables companies to be more competitive for marijuana licensing in other states.

Tax breaks

Breaks on renewal fees
Marijuana Licensing Work Group #4 – Equity & Miscellaneous Licensing Topics

Below are the discussion questions posed to the Marijuana Licensing Work Group on Thursday, June 25, regarding a marijuana equity program. If you have thoughts on any of the discussion questions below, please provide input below and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group.

Equity

1. House Bill 20-1424 created a definition and criteria for social equity licensees. It changed the term “accelerator licensee” to “social equity licensee” in the Colorado Marijuana Code and alters the qualifications to the following:

   - Colorado resident
   - Not subjected to an action against their license
   - Demonstrates one of the following:
     - Resided 15+ years, from 1980 to 2010 in an opportunity zone or disproportionately impacted area;
     - Applicant or immediate family was arrested, convicted or suffered civil asset forfeiture due to a MJ offense;
     - Does not exceed household income to be defined by MED.
   - Social Equity licensee(s) must hold 51% or more ownership of the license

Should Denver adopt this same language for a “social equity applicant”?

Yes for consistency purposes the state definition should be the baseline. That said Denver should look to customize based on specific jurisdictional socio economic realities of the city and surrounding municipalities. This should be done in an effort to not only capture the intended demographic but provide flexibility in licensing suitability for qualified candidates. The program should not wither due to a lack of qualified candidates based on the state definition.
2. Please rank the below program tools, services, and benefits from 1 – 8 based on how you believe they should be prioritized, with 1 being the highest priority and 8 being the lowest priority:

3. Prioritized license distribution or processing (including new license types and licenses released under lottery)

5. Modified application requirements (such as proof of possession of the premises, proof of financial capability, location requirements, etc.)

4. Workforce development (such as training, mentorship programs, job fairs, etc.)

1. Technical assistance (such as legal clinics, business plan development, accounting, etc.)

2. Financial assistance (such as low-interest loans, fee reduction or deferment, etc.)

6. Business resources (such as business-to-business networking events, seminars)

7. Development of ancillary businesses

8. Other: ____________________________

3. Please explain why you selected your top two priorities.
   These are the nuts and bolts to launch equity endeavors.
4. Which cannabis licenses should be included in the Cannabis Social Equity program? Please explain your choices below.
   a. New Hospitality Licenses
   b. New Delivery Licenses, including Transporters
   c. Store and Grow licenses released under lottery
   d. All other types of cannabis licenses (MIPs & Labs)
   e. Please explain your answer: ________________________________

D. The more we overlay equity across all opportunities the more we infuse equity into the industry.

5. How does the existing licensing framework affect implementation of a successful equity program? Consider: caps on storefront and cultivation locations, lottery requirements, zoning requirements, application requirements, proximity restrictions, community engagement plans, evidence of community support, etc.

Priority licensing intersects with the existing framework in all the manners listed above. The city will need to have the willingness to change current practices whenever practicable. A review of current practices and how they are not conducive to equity is well within reason.
6. Given the current economic climate, what are possible ideas for funding a cannabis social equity program in Denver?

See prior answers concerning a dedicated tax revenue stream. Also, given the political climate private and public partnerships should be more available. Diversion, inclusion and equity are hot topics at the moment. Many industries are giving to racial justice issues and the social equity program should be high on the list.

7. What resources could established marijuana businesses provide to equity applicants to help them enter and be successful in the industry?

See prior answers from the third worksheet.

8. What incentives would make it worthwhile for established cannabis businesses to participate in an equity program established by the city? (e.g. through a mentorship program, as an accelerator-endorsed licensee, etc.)

See prior answers.
9. Should Denver align with the state’s rules (described in MED Rule 2-255(d)) requiring transition permits for a medical or retail marijuana cultivation facility to move from one location to another over a period of 180 days?

No comment.

10. Should Denver align with the state’s updated rules (described in MED Rule Series 3-700) for signage and advertising? Updates to the rules include allowances for outdoor advertising and exemptions for branding.
Bob Lorimer

Not sure if this is the appropriate area to comment on the issues but I have the following.

Interesting input and discussion so far for a complex issue but one of the inescapable facts of this and any business issue is funding/ money. The entry costs that are required to start up an MMJ business anywhere are enormous but an overlooked fact is that there are numerous facilities that have been previously built out, up and running but have subsequently ceased operations and no longer usable as such.

These are facilities that could be literally up and running in a matter of days or weeks vs the months and sometimes years of building out a legal facility that often takes several hundred dollars PSF to make a compliant building, yet these building are sitting unused as built because of changes in City ordinance have since rendered them unusable for their built purpose.

The ordinance referenced is the one requiring a 1000' space from residential areas. If you look at the maps of areas that meet this qualification, you'll find that Denver has pretty much run out of areas that meet this qualification. From speaking with numerous public agencies, nobody can really explain what the justification or rational was for it other than they had to come up with a number. The interesting part is that number applies only to MMJ while Hemp distances are only 500'. Obviously, the two products are pretty much grown and processed the same and are even visually very similar.

If Denver wants to get serious about creating opportunity for socially equitable programs, they need to get serious about all of the impediments to implementation including their own shortcomings in the regulatory process.

Not all will agree with or appreciate it, but in reality, the MMJ business was a huge contributor to bringing Denver out of our last downturn and has proven to be a great job and tax provider which hopefully, everyone can agree that in the current climate, we'll need all the help we can get.

Thanks, Bob
Marijuana Licensing Work Group #4 – Equity & Miscellaneous Licensing Topics

Below are the discussion questions posed to the Marijuana Licensing Work Group on Thursday, June 25, regarding a marijuana equity program. If you have thoughts on any of the discussion questions below, please provide input below and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group.

**Equity**

1. **House Bill 20-1424** created a definition and criteria for social equity licensees. It changed the term “accelerator licensee” to “social equity licensee” in the Colorado Marijuana Code and alters the qualifications to the following:

   - Colorado resident
   - Not subjected to an action against their license
   - Demonstrates one of the following:
     - Resided 15+ years, from 1980 to 2010 in an opportunity zone or disproportionately impacted area;
     - Applicant or immediate family was arrested, convicted or suffered civil asset forfeiture due to a MJ offense;
     - Does not exceed household income to be defined by MED.
   - Social Equity licensee(s) must hold 51% or more ownership of the license

Should Denver adopt this same language for a “social equity applicant”?

Yes with considerations that address communities unique to Denver in regard to "disproportionately impacted area" and "opportunity zones"
2. Please rank the below program tools, services, and benefits from 1 – 8 based on how you believe they should be prioritized, with 1 being the highest priority and 8 being the lowest priority:

1. Prioritized license distribution or processing (including new license types and licenses released under lottery)
2. Modified application requirements (such as proof of possession of the premises, proof of financial capability, location requirements, etc.)
3. Workforce development (such as training, mentorship programs, job fairs, etc.)
4. Technical assistance (such as legal clinics, business plan development, accounting, etc.)
5. Financial assistance (such as low-interest loans, fee reduction or deferment, etc.)
6. Business resources (such as business-to-business networking events, seminars)
7. Development of ancillary businesses
8. Allowing cannabis minority business owners to access existing minority grant and loan programs

3. Please explain why you selected your top two priorities.

1) Prioritized license distribution or processing (including new license types and licenses released under lottery)

Being able to enter the market with autonomy is critical, especially for those who have been targeted by racist policies and prohibited from participation in the industry. As the market is quickly consolidating under white-owned publicly traded companies, it becomes increasingly more difficult for those who more systemically disadvantaged to enter into the market. In order to right the wrongs of the drug war with the greatest long term value—which is the opportunity for wealth creation—these licenses need to be accessed first and primality by those who have suffered the most from the drug war.

2) Financial assistance (such as low-interest loans, fee reduction or deferment, etc.)

Financial access is already difficult in the cannabis industry. And it is increasingly more difficult to attain for people of color and those who come from disadvantaged communities. Not only were people and communities harmed by the racist policies of the drug war, the targeted systemic racism of legal cannabis regulation, but they also suffered decades of racist “red-lining” policies that kept people of color from being able to access financial services. Given that competition for capital in the cannabis market is incredibly fierce and that the state and city were complicit in the regulations that systemically oppressed people from accessing the market, it is imperative that there be grant or loan programs funded through marijuana tax revenue or licensing fees assessed to large scale current market participants or fees attached to publicly traded acquisitions and dedicated to Social Equity licensees and minority owned businesses.
4. Which cannabis licenses should be included in the Cannabis Social Equity program? Please explain your choices below.
   a. New Hospitality Licenses
   b. New Delivery Licenses, including Transporters
   c. Store and Grow licenses released under lottery
   d. All other types of cannabis licenses (MIPs & Labs)
   e. Please explain your answer: 

   All of them. Excluding certain licenses in favor of others sends a message that Social Equity applicants are only "worth" a certain license type.

5. How does the existing licensing framework affect implementation of a successful equity program? Consider: caps on storefront and cultivation locations, lottery requirements, zoning requirements, application requirements, proximity restrictions, community engagement plans, evidence of community support, etc.

   The barriers to entry in regard to capitalization, onerous background checks, high licensing fees, and any requirements that limit the number of licenses are backdoor methods of discrimination to those who qualify as Social Equity Applicants.

   Regarding the caps and zoning requirements: The cap was put in place to protect neighborhoods from over saturation, but it didn't do that and instead reinforced discrimination. Zoning and proximity restrictions have continued to force businesses to find locations in saturated neighborhoods.

   The cap meant that black and brown people never had the chance to get licenses for stores or grows. Denver's cap means Social Equity applicants - today - can't get new business licenses and current minority business owners can't expand their businesses. The cap and the proximity restrictions are two of the biggest barriers to entry for black and brown business owners; even if black and brown business owners have a license, it's almost impossible to move it. It's almost impossible to find locations that aren't within 1,000 feet of schools, drug and alcohol treatment facilities, childcare facilities or recreation centers. If Denver keeps onerous proximity restrictions, it's going to be just as hard to find a space for a hospitality business.
6. Given the current economic climate, what are possible ideas for funding a cannabis social equity program in Denver?

Marijuana companies were deemed "essential" during COVID and in some cases saw an increase in revenue, using tax dollars from those sales could fund programs. Particularly excise taxes from cultivation operations that are located primarily in communities of color could be used to fund programs and projects to build those communities up. Additionally, licensing fees assessed to large scale current market participants who practice "stacking" of licenses or fees attached to publicly traded acquisitions should be dedicated to fund loan programs Social Equity licensees and minority owned businesses.

7. What resources could established marijuana businesses provide to equity applicants to help them enter and be successful in the industry?

Mentorship and participation in the Accelerator program

8. What incentives would make it worthwhile for established cannabis businesses to participate in a comprehensive equity program established by the city? (e.g. through a mentorship program, as an accelerator-endorsed licensee, etc.)

If additional fees to fund loan programs are assessed as proposed above, companies participating in a comprehensive equity program, those fees could be reduced or if they are not subject to those fees they could be given tax credits.
**Miscellaneous Licensing Topics**

9. Should Denver align with the state’s rules (described in MED Rule 2-255(d)) requiring transition permits for a medical or retail marijuana cultivation facility to move from one location to another over a period of 180 days?

   Yes

10. Should Denver align with the state’s updated rules (described in MED Rule Series 3-700) for signage and advertising? Updates to the rules include allowances for outdoor advertising and exemptions for branding.

   Yes
Marijuana Licensing Work Group #4 – Equity & Miscellaneous Licensing Topics

Below are the discussion questions posed to the Marijuana Licensing Work Group on Thursday, June 25, regarding a marijuana equity program. If you have thoughts on any of the discussion questions below, please provide input below and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group.

Equity

1. House Bill 20-1424 created a definition and criteria for social equity licensees. It changed the term “accelerator licensee” to “social equity licensee” in the Colorado Marijuana Code and alters the qualifications to the following:

   • Colorado resident
   • Not subjected to an action against their license
   • Demonstrates one of the following:
     - Resided 15+ years, from 1980 to 2010 in an opportunity zone or disproportionately impacted area;
     - Applicant or immediate family was arrested, convicted or suffered civil asset forfeiture due to a MJ offense;
     - Does not exceed household income to be defined by MED.

   Social Equity licensee(s) must hold 51% or more ownership of the license

   Should Denver adopt this same language for a “social equity applicant”?

   YES, I recommend Denver adopts the same criteria developed collaboratively and led by State.

2. Please rank the below program tools, services, and benefits from 1 – 8 based on how you believe they should be prioritized, with 1 being the highest priority and 8 being the lowest priority:

   _6_ Prioritized license distribution or processing (including new license types and licenses released under lottery)
2. Modified application requirements (such as proof of possession of the premises, proof of financial capability, location requirements, etc.)

4. Workforce development (such as training, mentorship programs, job fairs, etc.)

3. Technical assistance (such as legal clinics, business plan development, accounting, etc.)

1. Financial assistance (such as low-interest loans, fee reduction or deferment, etc.)

5. Business resources (such as business-to-business networking events, seminars)

7. Development of ancillary businesses

__ Other: Potential change of law at state level to automatically expunge records__

3. Please explain why you selected your top two priorities.

***Because we learned that barriers to entry such as restrictive, complex regulations and lack of financial assistance were the 2 categories mostly (and negatively) affecting social equity applicants and preventing them from joining the regulated markets. It is precisely to achieve justice and equality that organizations like NCIA, in the last ten years, support and represent the legal cannabis industry towards federal policy reforms like descheduling the plant, seeking banking access and fairer taxation for all. Programs (and policy) that support the uplifting of people disproportionately affected by the war on drugs (and their families) will bring the greatest results if the business model itself is sound and sets these licensees up for success through funding and management tools for their businesses to thrive.

4. Which cannabis licenses should be included in the Cannabis Social Equity program? Please explain your choices below. **ALL LISTED BELOW UNDER a.**
   a. New Hospitality Licenses
   b. New Delivery Licenses, including Transporters
   c. Store and Grow licenses released under lottery
   d. All other types of cannabis licenses (MIPs & Labs)

   e. Please explain your answer: I don't believe limiting or capping licenses ever works in favor of social equity, provided barriers of entry are also addressed, which is the goal of this work group.

5. How does the existing licensing framework affect implementation of a successful equity program? Consider: caps on storefront and cultivation locations, lottery requirements, zoning requirements, application requirements, proximity restrictions,
community engagement plans, evidence of community support, etc.

N/A. I feel that this was discussed at length during meetings. Zoning needs to be less restrictive, regulations simplified while using social equity lenses.

6. Given the current economic climate, what are possible ideas for funding a cannabis social equity program in Denver?

I do not recommend the creation of a new tax for Social Equity (*see below statement on behalf of NCIA). I recommend that State tax at 15% at retail for adult markets be fully designated to social equity (instead of going to RTD or science funds, for example). I recommend the city of Denver re-designates half (50%) of its tax revenue out of the adult markets to Social Equity. Businesses create funds and mentorship programs to support the work. Foundations invest as well. Everyone pitches in.

Industry Funding for Restorative Justice and Community Reinvestment

NCIA completely supports the use of cannabis taxes for restorative justice and reinvestment programs, even up to all revenue beyond that required to sustain the regulatory costs.

*HOWEVER, additional taxes will create more barriers for entry and hurt business sustainability, and will push more transactions into the unregulated market. This will decrease the funds available for justice programs and create situations in which unregulated legacy operators are more likely to be arrested.

The cannabis industry should NOT be the sole source of funds for these programs. It is dangerous for the long-term sustainability of social programs to be completely dependent on revenue from an economically volatile agricultural/commercial commodity market operating under uncertain legal, political, and regulatory conditions.

Restorative justice programs should be provided immediate funding from state general budgets so they don't have to wait for new markets to become operational.

7. What resources could established marijuana businesses provide to equity applicants to help them enter and be successful in the industry?

Mentorship and Technical Training, Access to People/Entities with Capital, Sharing of Facilities with MED approval for training purposes (Sunset Initiative), NCIA's Scholarship program. For more: https://thecannabisindustry.org/ncias-social-equity-scholarship-program/
8. What incentives would make it worthwhile for established cannabis businesses to participate in an equity program established by the city? (e.g. through a mentorship program, as an accelerator-endorsed licensee, etc.)

See number 7.

Miscellaneous Licensing Topics

9. Should Denver align with the state's rules (described in MED Rule 2-255(d)) requiring transition permits for a medical or retail marijuana cultivation facility to move from one location to another over a period of 180 days?

Yes, per recommendation of the legal experts on this work group. Ultimately, we need a federal regulatory framework to allow for the industry and social equity reparation programs to see its full untapped potential.

10. Should Denver align with the state's updated rules (described in MED Rule Series 3-700) for signage and advertising? Updates to the rules include allowances for outdoor advertising and exemptions for branding.

Yes, per recommendation of the legal experts on this work group. Ultimately, we need a federal regulatory framework to allow for the industry and social equity reparation programs to see its full untapped potential.
Marijuana Licensing Work Group #4 – Equity & Miscellaneous Licensing Topics

Below are the discussion questions posed to the Marijuana Licensing Work Group on Thursday, June 25, regarding a marijuana equity program. If you have thoughts on any of the discussion questions below, please provide input below and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group.

**Equity**

1. **House Bill 20-1424** created a definition and criteria for social equity licensees. It changed the term “accelerator licensee” to “social equity licensee” in the Colorado Marijuana Code and alters the qualifications to the following:
   - Colorado resident
   - Not subjected to an action against their license
   - Demonstrates one of the following:
     - Resided 15+ years, from 1980 to 2010 in an opportunity zone or disproportionately impacted area;
     - Applicant or immediate family was arrested, convicted or suffered civil asset forfeiture due to a MJ offense;
     - Does not exceed household income to be defined by MED.
   - Social Equity licensee(s) must hold 51% or more ownership of the license

Should Denver adopt this same language for a “social equity applicant”?

Yes
2. Please rank the below program tools, services, and benefits from 1 – 8 based on how you believe they should be prioritized, with 1 being the highest priority and 8 being the lowest priority:

1. Prioritized license distribution or processing (including new license types and licenses released under lottery)

2. Modified application requirements (such as proof of possession of the premises, proof of financial capability, location requirements, etc.)

3. Workforce development (such as training, mentorship programs, job fairs, etc.)

4. Technical assistance (such as legal clinics, business plan development, accounting, etc.)

5. Financial assistance (such as low-interest loans, fee reduction or deferment, etc.)

6. Business resources (such as business-to-business networking events, seminars)

7. Development of ancillary businesses

8. Other: _________________________

3. Please explain why you selected your top two priorities.

I'm not as knowledgeable about the other options, but I believe strongly that social equity applicants should be prioritized. I also believe that having financial assistance would be beneficial and reduce some of the barriers that have existed in the past.
4. Which cannabis licenses should be included in the Cannabis Social Equity program? Please explain your choices below.
   a. New Hospitality Licenses
   b. New Delivery Licenses, including Transporters
   c. Store and Grow licenses released under lottery
   d. All other types of cannabis licenses (MIPs & Labs)
   All
   e. Please explain your answer: ________________________________

I have concerns about the delivery and hospitality licenses in regards to youth access and perception. However, if these licenses become available it makes sense that they should all be included in the Social Equity program.

5. How does the existing licensing framework affect implementation of a successful equity program? Consider: caps on storefront and cultivation locations, lottery requirements, zoning requirements, application requirements, proximity restrictions, community engagement plans, evidence of community support, etc.

Zoning requirements are a major concern, given that most MJ dispensaries and cultivation sites end up in certain neighborhoods.
6. Given the current economic climate, what are possible ideas for funding a cannabis social equity program in Denver?

I like the idea that was mentioned during our session about funds that could be freed up from a restructure of police departments. Other possible option would be to include an additional tax to the purchase of marijuana.

7. What resources could established marijuana businesses provide to equity applicants to help them enter and be successful in the industry?

8. What incentives would make it worthwhile for established cannabis businesses to participate in an equity program established by the city? (e.g. through a mentorship program, as an accelerator-endorsed licensee, etc.)
Miscellaneous Licensing Topics

9. Should Denver align with the state’s rules (described in MED Rule 2-255(d)) requiring transition permits for a medical or retail marijuana cultivation facility to move from one location to another over a period of 180 days?

10. Should Denver align with the state’s updated rules (described in MED Rule Series 3-700) for signage and advertising? Updates to the rules include allowances for outdoor advertising and exemptions for branding.
Marijuana Licensing Work Group #4 – Equity & Miscellaneous Licensing Topics

Below are the discussion questions posed to the Marijuana Licensing Work Group on Thursday, June 25, regarding a marijuana equity program. If you have thoughts on any of the discussion questions below, please provide input below and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group.

**Equity**

1. **House Bill 20-1424** created a definition and criteria for social equity licensees. It changed the term “accelerator licensee” to “social equity licensee” in the Colorado Marijuana Code and alters the qualifications to the following:
   - Colorado resident
   - Not subjected to an action against their license
   - Demonstrates one of the following:
     - Resided 15+ years, from 1980 to 2010 in an opportunity zone or disproportionately impacted area;
     - Applicant or immediate family was arrested, convicted or suffered civil asset forfeiture due to a MJ offense;
     - Does not exceed household income to be defined by MED.

Should Denver adopt this same language for a “social equity applicant”?

Drizly believes Denver should adopt the same language for social equity with one caveat; Denver should retain discretion to deem any applicant a “social equity licensee” who does not meet the stated criteria. If after careful consideration, it is deemed that an applicant does not meet the above standards but otherwise embodies or reflects the goals of the social equity program, Denver should have the ability to grant that applicant a social equity license.

Uniformity in laws is ideal especially when you are dealing with the issue of social equity licenses. Without uniformity social equity applicants may be limited in their ability to grow a statewide business. For example, several municipalities may choose to create transporter licenses as social equity licenses. If the states has a patchwork of social equity definitions, one entity may qualify for social equity in one city but not another. In short, social equity transporter applicants will be hurt by limitations created by each jurisdiction that might produce different requirements. An applicant might be deemed social equity in one city but not another and therefore their business will be limited. A statewide standard would enable social equity applicants to operate a business across the state.

Lastly, it is important for the City of Denver to retain discretion to grant social equity
2. Please rank the below program tools, services, and benefits from 1 – 8 based on how you believe they should be prioritized, with 1 being the highest priority and 8 being the lowest priority:

2. Prioritized license distribution or processing (including new license types and licenses released under lottery)
5. Modified application requirements (such as proof of possession of the premises, proof of financial capability, location requirements, etc.)
3. Workforce development (such as training, mentorship programs, job fairs, etc.)
4. Technical assistance (such as legal clinics, business plan development, accounting, etc.)
1. Financial assistance (such as low-interest loans, fee reduction or deferment, etc.)
6. Business resources (such as business-to-business networking events, seminars)
7. Development of ancillary businesses
Other: _________________________

3. Please explain why you selected your top two priorities.

Access to capital is the largest hurdle for starting any new business especially in light of the Covid 19 pandemic. Without capital, new businesses cannot commence operations and equity applicants who are typically new business owners have traditionally been denied access to capital. This access to capital is also limited and complicated because applicants are entering a field that is federally illegal.

License priority is also key especially in an area with quota licensing. As discussed at the Working Group, in quota areas, licenses can later be sold and they are very valuable in markets where no new licenses may be issued.
4. Which cannabis licenses should be included in the Cannabis Social Equity program? Please explain your choices below.
   a. New Hospitality Licenses
   b. New Delivery Licenses, including Transporters
   c. Store and Grow licenses released under lottery
   d. All other types of cannabis licenses (MIPs & Labs)

   e. Please explain your answer: _________________________________

   We believe that because Delivery/Transporter licenses require less capital, no office space and minimal equipment they are excellent opportunities for new business owners and social equity programs.

5. How does the existing licensing framework affect implementation of a successful equity program? Consider: caps on storefront and cultivation locations, lottery requirements, zoning requirements, application requirements, proximity restrictions, community engagement plans, evidence of community support, etc.
6. Given the current economic climate, what are possible ideas for funding a cannabis social equity program in Denver?

7. What resources could established marijuana businesses provide to equity applicants to help them enter and be successful in the industry?

Mentoring and networking circles would be helpful for equity applicants who tend to be first time business owners.

8. What incentives would make it worthwhile for established cannabis businesses to participate in an equity program established by the city? (e.g. through a mentorship program, as an accelerator-endorsed licensee, etc.)
Miscellaneous Licensing Topics

9. Should Denver align with the state's rules (described in MED Rule 2-255(d)) requiring transition permits for a medical or retail marijuana cultivation facility to move from one location to another over a period of 180 days?

10. Should Denver align with the state's updated rules (described in MED Rule Series 3-700) for signage and advertising? Updates to the rules include allowances for outdoor advertising and exemptions for branding.
Marijuana Licensing Work Group #4 – Equity & Miscellaneous Licensing Topics

Below are the discussion questions posed to the Marijuana Licensing Work Group on Thursday, June 25, regarding a marijuana equity program. If you have thoughts on any of the discussion questions below, please provide input below and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group.

Equity

1. **House Bill 20-1424** created a definition and criteria for social equity licensees. It changed the term “accelerator licensee” to “social equity licensee” in the Colorado Marijuana Code and alters the qualifications to the following:
   - Colorado resident
   - Not subjected to an action against their license
   - Demonstrates one of the following:
     - Resided 15+ years, from 1980 to 2010 in an opportunity zone disproportionately impacted area;
     - Applicant or immediate family was arrested, convicted or suffered civil asset forfeiture due to a MJ offense;
     - Does not exceed household income to be defined by MEO.

   Should Denver adopt this same language for a “social equity applicant”?

2. Please rank the below program tools, services, and benefits from 1 – 8 based on how you believe they should be prioritized, with 1 being the highest priority and 8 being the lowest priority:

   Prioritized license distribution or processing (including new license types and licenses released under lottery)
   Modified application requirements (such as proof of possession of the premises, proof of financial capability, location requirements, etc.)
   Workforce development (such as training, mentorship programs, job fairs, etc.)
   Technical assistance (such as legal clinics, business plan development, accounting, etc.)
   Financial assistance (such as low-interest loans, fee reduction or deferment, etc.)
   Business resources (such as business-to-business networking events, seminars)
   Development of ancillary businesses
   Other: ____________________________
3. Please explain why you selected your top two priorities.

#1 - Equity applicants should have priority for processing and distribution. With the store and cultivation market saturated, there are limited new opportunities so they should have priority.

#2 - I'm not sure what the modifications for the application could be made, but if there are obstacles that legitimate equity applicants cannot overcome, modifications should be considered.

4. Which cannabis licenses should be included in the Cannabis Social Equity program? Please explain your choices below.
   a. New Hospitality Licenses
   b. New Delivery Licenses, including Transporters
   c. Store and Grow licenses released under lottery
   d. All other types of cannabis licenses (MIPs & Labs)

   e. Please explain your answer: __________ a, b, c, d_____________________

Again, with limited opportunities for store/cultivation licenses, priority should be given to equity applicants for each of these to ensure that they can get their "feet in the door."

5. How does the existing licensing framework affect implementation of a successful equity program? Consider: caps on storefront and cultivation locations, lottery requirements, zoning requirements, application requirements, proximity restrictions, community engagement plans, evidence of community support, etc.

Again, with market saturation for stores/cultivation, the opportunities will be in these new licenses. As has already been demonstrated the distance requirements around hospitality have been so restricted so as to prevent any desirable locations. Distance requirements will need to change.

6. Given the current economic climate, what are possible ideas for funding a cannabis social equity program in Denver?

   A store operator suggested to me that a $1 fee be added to every retail transaction to fund the equity program. He believes that his customers would support this. I think this is a good idea. Current MJ tax revenue is either restricted or needed in our General Fund which is currently experiencing greatly decreased revenue. There are a lot of competing interests for General Fund $$.

7. What resources could established marijuana businesses provide to equity applicants to help them enter and be successful in the industry?
Mentoring, partnering, investing.

8. What incentives would make it worthwhile for established cannabis businesses to participate in an equity program established by the city? (e.g. through a mentorship program, as an accelerator endorsed licensee, etc.)

I don’t think they need incentives as I think they all want to be a part of the success of an equity program. I think they’d appreciate some recognition for everything they have done and continue to do and some appreciation from the administration.

Miscellaneous Licensing Topics

9. Should Denver align with the state’s rules (described in MED Rule 2-255(d)) requiring transition permits for a medical or retail marijuana cultivation facility to move from one location to another over a period of 180 days?

Don’t know.

10. Should Denver align with the state’s updated rules (described in MED Rule Series 3-700) for signage and advertising? Updates to the rules include allowances for outdoor advertising and exemptions for branding.

Yes
Good evening Bia.
I must say that the four zoom meetings were needed and it gave me hope that we will be heard and action will be implemented sooner than later.

1. Cost to enter into the business is way too expensive and then the fees that come at you from the city and state puts a crimp in our profits and hinders our forward momentum.

2. I would like to see a person of the Black race on your leadership group that would keep us informed on results.

3. We talked a lot about rules, zoning and citizen input and I understand, but Blacks we left out of the first three quarters of the game and now we are only getting a few minutes playing time. We score but not enough playing time to take us to the championship. Let those who are qualified
get in the game so that we all can win. I tried to invest $100 thousand dollars of my savings and know one wanted to talk to me. That first meeting we had at 5 Points I spoke with 6 companies and received a card, only one person called me back. I gave comments and heard a lot of talk, but I kept hearing roadblocks to getting things moving along.

3. The 4th meeting was a little tense and I know all of us on the zoom felt it. I asked a simple question: If ten qualified people were eligible for a spot to open six should be BLACK. I neve got a direct answer. It seems to me that if you really want us in the business efforts should be made to increase our numbers quickly. What could possibly be the reason why that would not happen?

In closing I want to see this inclusion happen and not just be lip service. I understand a process is necessary, but delays in taking action is not what we need right now. As we speak I discovered that a
non minority business just acquired another cannabis business and its happening all the time. The city and the state should help us with funding, business knowledge and zoning areas that are ready for us to occupy.

I thank you all for your time and the effort you put into this dialog.

QUESTION: Will we be receiving an official certificate to put on our wall regarding our contribution toward this effort?

Love you guys!
Be safe!

----- Original Message -----
From: Campbell, Bia - EXL Program Administrator
Marijuana Licensing Work Group #4 – Equity & Miscellaneous Licensing Topics

Below are the discussion questions posed to the Marijuana Licensing Work Group on Thursday, June 25, regarding a marijuana equity program. If you have thoughts on any of the discussion questions below, please provide input below and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group.

**Equity**

1. **House Bill 20-1424** created a definition and criteria for social equity licensees. It changed the term “accelerator licensee” to “social equity licensee” in the Colorado Marijuana Code and alters the qualifications to the following:

   - Colorado resident
   - Not subjected to an action against their license
   - Demonstrates one of the following:
     - Resided 15+ years, from 1980 to 2010 in an opportunity zone or disproportionately impacted area;
     - Applicant or immediate family was arrested, convicted or suffered civil asset forfeiture due to a MJ offense;
     - Does not exceed household income to be defined by MED.

   - Social Equity licensee(s) must hold 51% or more ownership of the license

Should Denver adopt this same language for a “social equity applicant”?

Yes
2. Please rank the below program tools, services, and benefits from 1 – 8 based on how you believe they should be prioritized, with 1 being the highest priority and 8 being the lowest priority:

3. Prioritized license distribution or processing (including new license types and licenses released under lottery)
2. Modified application requirements (such as proof of possession of the premises, proof of financial capability, location requirements, etc.)
5. Workforce development (such as training, mentorship programs, job fairs, etc.)
4. Technical assistance (such as legal clinics, business plan development, accounting, etc.)
1. Financial assistance (such as low-interest loans, fee reduction or deferment, etc.)
6. Business resources (such as business-to-business networking events, seminars)
7. Development of ancillary businesses
__ Other: _______________________________________________________

3. Please explain why you selected your top two priorities.

Access to capital is the number one barrier to entry in cannabis. This includes real estate.
4. Which cannabis licenses should be included in the Cannabis Social Equity program? Please explain your choices below.
   a. New Hospitality Licenses
   b. New Delivery Licenses, including Transporters
   c. Store and Grow licenses released under lottery
   d. All other types of cannabis licenses (MIPs & Labs)
   e. Please explain your answer: _________________________________

   All of the above. This should be as open as possible to close the disparity gap.

5. How does the existing licensing framework affect implementation of a successful equity program? Consider: caps on storefront and cultivation locations, lottery requirements, zoning requirements, application requirements, proximity restrictions, community engagement plans, evidence of community support, etc.

   All of the above mentioned licensing framework holds back the implementation of social equity because of lack of available and affordable real estate, lack of available licenses to purchase and the capital to purchase them.
6. Given the current economic climate, what are possible ideas for funding a cannabis social equity program in Denver?

Funding can come from cannabis sales revenue after the amount allotted for schools is used up. No one should be able to earmark cannabis funds until social equity funds have been dispersed.

7. What resources could established marijuana businesses provide to equity applicants to help them enter and be successful in the industry?

Real estate space

8. What incentives would make it worthwhile for established cannabis businesses to participate in an equity program established by the city? (e.g. through a mentorship program, as an accelerator-endorsed licensee, etc.)

A certificate program that designates the company as a socially responsible business in Denver that the mayor hands out at a special ceremony. This also enables companies to be more competitive for marijuana licensing in other states.

Tax breaks

Breaks on renewal fees
Miscellaneous Licensing Topics

9. Should Denver align with the state’s rules (described in MED Rule 2-255(d)) requiring transition permits for a medical or retail marijuana cultivation facility to move from one location to another over a period of 180 days?

Yes

10. Should Denver align with the state’s updated rules (described in MED Rule Series 3-700) for signage and advertising? Updates to the rules include allowances for outdoor advertising and exemptions for branding.

Yes
Name: Tyler B

Marijuana Licensing Work Group #4 – Equity & Miscellaneous Licensing Topics
Below are the discussion questions posed to the Marijuana Licensing Work Group on Thursday, June 25, regarding a marijuana equity program. If you have thoughts on any of the discussion questions below, please provide input below and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group.

Equity
1. House Bill 20-1424 created a definition and criteria for social equity licensees. It changed the term “accelerator licensee” to “social equity licensee” in the Colorado Marijuana Code and alters the qualifications to the following:
   • Colorado resident
   • Not subjected to an action against their license
   • Demonstrates one of the following:
     o Resided 15+ years, from 1980 to 2010 in an opportunity zone or disproportionately impacted area;
     o Applicant or immediate family was arrested, convicted or suffered civil asset forfeiture due to a MJ offense;
     o Does not exceed household income to be defined by MED.
   • Social Equity licensee(s) must hold 51% or more ownership of the license
Should Denver adopt this same language for a “social equity applicant”?

   No, I think the requirements should be less time living in opportunity zones because that is an unreasonable time frame to live in one place, and a longer time frame would allow a wider group of affected people and future potentially affected people to have a chance.

2. Please rank the below program tools, services, and benefits from 1 - 8 based on how you believe they should be prioritized, with 1 being the highest priority and 8 being the lowest priority:
   _5_ Prioritized license distribution or processing (including new license types and licenses released under lottery)
   _7_ Modified application requirements (such as proof of possession of the premises, proof of financial capability, location requirements, etc.)
   _4_ Workforce development (such as training, mentorship programs, job fairs, etc.)
   _1_ Technical assistance (such as legal clinics, business plan development, accounting, etc.)
   _2_ Financial assistance (such as low-interest loans, fee reduction or deferment, etc.)
   _6_ Business resources (such as business-to-business networking events, seminars)
   _3_ Development of ancillary businesses
   _8_ Other: Established license holders providing B2B help and consultation
3. Please explain why you selected your top two priorities.

*Because access to capital and education are the 2 biggest factors that people in low-income areas face the most, adding further trouble to start-up businesses. Increasing the number of lottery tickets and license types is equally as important to add more diversity in the industry because it would give people more opportunity to succeed with a new creative brand/business, but it doesn’t matter how many types/# of licenses there are if people don’t have the business knowledge and easier entrance fees to be able to run it efficiently.*

4. Which cannabis licenses should be included in the Cannabis Social Equity program? Please explain your choices below.

A. New Hospitality Licenses
B. New Delivery Licenses, including Transporters
C. Store and Grow licenses released under lottery
D. All other types of cannabis licenses (MIPs & Labs)

*E. Please explain your answer. All of the above*

*If the program is meant to be equitable it would only make sense to allow people the choice of any and all license types that exist or will exist in the future.*

5. How does the existing licensing framework affect the implementation of a successful equity program? Consider caps on storefront and cultivation locations, lottery requirements, zoning requirements, application requirements, proximity restrictions, community engagement plans, evidence of community support, etc.

*I think the lottery and some of the location requirements make it a lot harder because even if you find the perfect place you have to wait on a lottery that everyone is sitting in, while someone with enough capital could just buy a license if they have enough money.*

6. Given the current economic climate, what are possible ideas for funding a cannabis social equity program in Denver?

*The reappropriation of funding from the police departments in Colorado I think would be a great act of 3 out of the 4 types of justice - Distributive, Restorative, Retributive, and Procedural. Given the current state of the world and Denver, giving back in this way would be a huge step forward for social justice. Who better to fix the social gaps and damage from the War on Drugs than the people that caused it?*

7. What resources could be established marijuana businesses provide to equity applicants to help them enter and be successful in the industry?

*Mentoring and charitable donations or educational events to help lift the community up.*
8. What incentives would make it worthwhile for established cannabis businesses to participate in an equity program established by the city? (e.g. through a mentorship program, as an accelerator- endorsed licensee, etc.)

A free license giveaway, like delivery, etc...

Miscellaneous Licensing Topics

9. Should Denver align with the state's rules (described in MED Rule 2-255(d)) requiring transition permits for a medical or retail marijuana cultivation facility to move from one location to another over a period of 180 days?

Yes.

10. Should Denver align with the state's updated rules (described in MED Rule Series 3-700) for signage and advertising? Updates to the rules include allowances for outdoor advertising and exemptions for branding.

Yes.