

Grand County Clerk and Recorder Marijuana License Review

To: Grand County Board of County Commissioners
From: Sara L. Rosene, Grand County Clerk and Recorder
Date: July 12, 2016
Re: Retail Marijuana Cultivation Facility (the term “retail marijuana” is commonly known as “recreational marijuana”) and Medical Marijuana Optional Premise Cultivation
Applicant: Igadl, Ltd. dba Igadl
David Saturelli, Owner
Location: 72399 US Highway 40, Unit C, Tabernash, CO 80478
Zone District: Business
Applicable
Regulations: Resolution No. 2014-1-26, Ordinance #14, and Ordinance #14-1
Request: The Applicant is requesting renewal of Retail Marijuana Cultivation Facility (the term “retail marijuana” is commonly known as “recreational marijuana”) and Medical Marijuana Optional Premise Cultivation.

Discussion:

Grand County Board of County Commissioners passed Resolution No. 2014-1-26, Ordinance #14, and Ordinance #14-1 to exercise the authority of the County of Grand to allow state licensed marijuana establishments to exist in unincorporated Grand County in accordance with applicable state laws and regulations as well as the additional local licensing requirements and other restrictions. This regulation and ordinances were adopted pursuant to constitutional and statutory authority as well as the county’s authority under its police power in order to preserve the public health, safety, and general welfare.

There are six licenses in the building located at 72399 US Highway 40. Each license stands on its own, but I am asking the Board to consider similar licenses together. In this case, the similar licenses are a Retail Marijuana Cultivation Facility Medical Marijuana Optional Premise Cultivation.

The applicant for these Retail Marijuana Cultivation Facility and Medical Marijuana Optional Premise Cultivation Licenses is Igadl, Ltd. dba Igadl. David Saturelli is the Owner. The current location is in the old Highland Lumber building at 72399 US Highway 40, Unit C, Tabernash, CO 80478. The building is owned by Highland Investment, Co. LLC and is leased to Igadl, Ltd. The lease expires September 1, 2019.

Applications for renewal of Retail Marijuana Cultivation Facility and Medical Marijuana Optional Premise Cultivation licenses are submitted to the State of Colorado Marijuana Enforcement Division. Once the State review is complete, only the conditional license is remitted to the local authority.

During the review process, the County Clerk’s Office makes courtesy notification to all landowners, taxing districts, hospitals, and towns within 1,000 of the proposed license location.

After the final review, the Clerk and Recorder schedules a public hearing to be heard by the Board of County Commissioners.

“Retail Marijuana Cultivation Facility” has the same meaning as “marijuana cultivation facility” as defined in section 16(2)(h) of article XVIII of the state constitution. “Marijuana cultivation facility” means an entity licensed to cultivate,

prepare, and package marijuana and sell marijuana to retail marijuana stores, to marijuana product manufacturing facilities, and to other marijuana cultivation facilities, but not to consumers.”

“Optional premises” means the premises specified in an application for a medical marijuana center license with related grow facilities in Colorado for which the licensee is authorized to grow and cultivate marijuana for a purpose authorized by section 14 of article XVIII of the state constitution.

“Optional premises cultivation operation” means a person licensed pursuant to article 43.3 title 12, C.R.S., to operate a business as described in section 12-43.3-403”

The items required on Renewal Application are reviewed below and the Exhibits, Comments, and Petitions can be found at <http://www.co.grand.co.us/720/Applications-in-Process>.

Exhibit A: Cover Letter: The cover letter shall give an overview of the business plan for the license. It should describe the products and services to be provided by the business including an indication of whether or not the applicant proposes to engage in the retail sale of food for human consumption (including marijuana infused products). The cover letter for renewal applications shall also include a written description of any changes in the business plan, the marijuana management plan, the security plan, or the waste disposal plan since the previous application.

The letter has been provided and the following are necessary to complete this requirement:

- 1. Correct license plates for the water truck that hauls the water from Grand Lake. (The incorrect plate type was issued by Grand County Motor Vehicle.)***
- 2. Proof that waste is removed by a certified waste disposal company.***

Exhibit B: Copy of State Application: For new retail applications the state will forward a copy of the application to the Local Authority. For new medical applications, the applicant must submit a copy. For all renewals, the applicant must submit a copy.

The State Application has been supplied and the Community Development Department provided a review regarding the modification premises. Please see Exhibit O.

Exhibit C: Trade Name Registration
The requirement has been satisfied.

Exhibit D: Certificate of Good Standing from the Colorado Secretary of State
The requirement has been satisfied.

Exhibit E: Entity Documents (by-laws, articles of incorporation, operating agreement, partnership agreement, as applicable)
The requirement has been satisfied.

Exhibit F: Documents Demonstrating Legal Possession of Property: Please include the deed and/or lease for the property. If the property is leased, include written consent of all owners to lease property to a marijuana establishment)
The lease has been provided. It appears in Item No. 33 of the lease that “upon abandonment of the premises, Landlord may, without being obligated to do so and without terminating the Lease, take possession of the Premises.” If there is any marijuana product on the premises, the Landlord cannot enter without an individual who has a valid badge from the Marijuana Enforcement Division.

It is also noted that the units in the building have been renumbered. There is no longer a Unit A and it is now referred to as Unit D.

Exhibit G: Diagram of Premise: Floor plan of the proposed premise drawn to scale on 8-1/2" x 11" paper, showing the layout of the establishment and the principal uses of each section of the floor area. Please include dimensions, security cameras, and separate pages for each floor/level. Limited access areas and restricted access areas should be labeled as such.

This requirement has been satisfied and it is noted that additional cameras have been added to the building.

Exhibit H: Financial Documents: Include copies of notes, security instruments, and financial obligations. Provide an explanation of the funding sources that will be used for the business. Provide a list of operating and investment accounts at financial institutions.

This requirement has been satisfied.

Exhibit I: Copies of any Inspections, Violations, Orders to Show Cause, Summary Suspension or Administrative Hold issued by the Local Authority or Marijuana Enforcement Division in the last 12 months (for renewals only) as well as an explanation as to how any issues have been resolved.

The Grand County Community Development Department made contact with Mr. Michel by phone, email, and letter requesting removal of a "snow fence" and engineered plans for any fabricated enclosure on the rear of the building. It is not clear if this requirement has been met.

Exhibit J: Current Colorado Sales Tax License: For renewals, the applicant shall include a letter from the Department of Revenue or other evidence that all applicable excise taxes and/or sales taxes have been paid during the previous license term.

Information provided but clarification is needed with regard to which type of sales or excise tax license is needed for each type of marijuana license.

Exhibit K: Security Plan indicating how the establishment will comply with requirements related to monitoring and securing the licensed premise as required by law. Please include a copy of the Burglar Alarm Monitoring Contract.

This requirement has been satisfied.

Exhibit L: Copy of Application Fees Submitted to the State for the County
Not applicable.

Exhibit M: Copy of Application and License Fees Submitted to the County
The requirement has been satisfied.

Exhibit N: Grand County Marijuana Business License Application, Memorandum of Understanding Form, Owners and Managers Form and Affidavit of Lawful Presence Form.

The requirement has been satisfied but need additional clarification as identified in Exhibit J.

Exhibit O: Grand County Department of Community Development Marijuana License Review: An update will be required if it is over six months old.

Project Name: Highland Investment Co. LLC (Igadi)
Construction Code: Type III B
Occupancy Code: F1
Code Requirement: Reference 903.2.4 Group F-1

An automatic sprinkler system shall be provided throughout all buildings containing a Group F-1 occupancy where one of the following conditions exists:

- 1. A Group F-1 fire area exceeds 12,000 square feet.**
- 2. A Group F-1 fire area is located more than three stories above grade plane.**
- 3. The combined area of all Group F-1 fire areas on all floors, including any mezzanines, exceeds 24,000 square feet.**

Allowable Building Heights and Areas (without fire suppression system) – Reference 504.1 (2009 IBC)
Area, Building Definition – The area included within surrounding exterior walls (or exterior walls and fires walls) exclusive of vent shafts and courts. Areas of the building not provided with surrounding walls shall be included in the building area if such areas are included within the horizontal projection of the roof or floor above. Reference 502.1 (2009 IBC)

Allowable Height: 55 ft.
Allowable Area: 12,000 sq. ft. per story
Current building occupancy by Igadl (exclusive of Trestle Tools)

Height: 34 ft. –Peter Rempel, Grand County
Level 1: 9,402 sq. ft. – Highland Investment application figure
9,153 sq. ft. – Peter Rempel, Grand County

Level 2: 1,998 sq. ft. – Highland Investment application figure
1,962 sq. ft. – Peter Rempel, Grand County

Proposed building occupancy by Igadl (inclusive of space formerly leased to Trestle Tools)

Level 1: 11,852 sq. ft. – Highland Investment application figure
11,603 sq. ft. – Peter Rempel, Grand County
Level 2: 1,998 sq. ft. – Highland Investment application figure
1,962 sq. ft. – Peter Rempel, Grand County

Notes: Openings shall have a minimum dimension of not less than 30 inches. Such openings shall be accessible to the fire department from the exterior and shall not be obstructed in a manner that firefighting or rescue cannot be accomplished from the exterior. Reference 903.2.11.1

When openings in a story are provided on only one side and the opposite wall of such story is more than 75 feet from such openings, the story shall equipped throughout with an approved automatic sprinkler system, or openings as specified above shall be provided on at least two sides of the story. Reference 903.2.11.2

The existing third level is designated as attic space. This level is not allowed for habitable space or storage in this occupancy. Peter Rempel, Grand County Plan Analysis on Dec. 10, 2014.

Analysis: The proposed expansion of Igadl to include the space currently leased by Trestle Tools will include the entire building, as it exists presently. That expansion will increase the square foot of the building area (as defined by IBC 2009) to 11,852 sq. ft. (Highland Investment) or 11,603 sq. ft. (Peter Rempel, Grand County).

The expanded area is less than the 12,000 sq. ft. minimum which would trigger the requirement for an automatic sprinkler system.

Recommendation: Based on the initial review of the proposal by Igadl to increase its operation on the first level to 11,852 sq. ft. it does not appear that an automatic sprinkler system will be required. (2009 International Building Code)

From the information that we have, it does appear that a building permit will be required to make the proposed changes, including the increased utilization of space by Igadl. It is our request that Highland Investment (Igadl) present a complete and final set of floor plans, as prepared by an architect. This set of floor plans shall include the additional space and uses as well as a new code analysis that includes all of the proposed changes and uses for the entire building.

Initial Analysis by Peter Rempel and Larry Banman

From Interim County Manager Ed Moyer:

Grand County and Tabernash Meadows Water and Sanitation District (TMWSD) jointly own the Tabernash Water Treatment Facility (WWTF) pursuant to an intergovernmental agreement. TMWSD operates and maintains both the WWTF and the Community Collection System, which is subject to their District Rules & Regulations. TMWSD required both Igadl and RM Concepts install monitoring manholes, pursuant to said Rules & Regulations, which would be inspected quarterly by TMWSD thereafter. The construction of the monitoring manholes was a requirement and condition that was made part of their building permits/initial licensure process.

TMWSD inspects said manholes at least quarterly and said inspection costs are billed and paid by Grand County. Therefore, Grand County must bill Igadl and RM Concepts to recapture these costs.

Exhibit P: Letter from Applicant Detailing Previous/Current Marijuana Licenses Held: If the applicant has held previous licenses, include a letter from the Marijuana Enforcement Division or other evidence stating that the applicant has not violated any State Regulations during any previous licensed term at any establishment owned or operated by the applicant or any of its affiliated business entities. If the applicant has violated any State or Local Regulations during any previous term, the applicant shall provide a detailed description of all violations and how the applicant has satisfactorily corrected and mitigated any such violations. If the applicant has not held any previous licenses, a letter stating such will be accepted.

This requirement has been satisfied.

Exhibit Q: Copy of Supplemental Information Provided to the State. If the state did not require supplemental information, the applicant shall submit a letter stating such.

This requirement has been satisfied – no supplemental documentation.

Exhibit R: State of Colorado Conditional Marijuana License

This requirement has been satisfied.

Exhibit S: Map of 1000 foot buffer around the proposed premise. The applicant will need to indicate the land use for each property within the 1000 foot buffer. This should include a letter stating that there are no schools, churches, child care establishments, or alcohol/drug treatment facilities within the 1000 foot buffer. The letter should indicate the proximity of the property to the nearest school, church, child care establishment, alcohol or drug treatment facility as well as to any other marijuana establishment.

This requirement has been satisfied.

Exhibit T: Map of the 2 Mile Radius. Please indicate any marijuana establishments already licensed within the 2-mile radius.

This requirement has been satisfied.

Exhibit U: Grand County Assessor's Property Record and Schedule Number

This requirement has been satisfied.

Exhibit V: Proof of Property Taxes Paid

This requirement has been satisfied. The 2015 taxes are paid.

Exhibit W: Applicant's Marijuana Management Plan. This should detail the training program for employees and staff that shall contain, at a minimum, educational and operation standards on the prevention of sale or distribution of marijuana products to anyone under the age of twenty-one (21) years old. Such plan should detail any efforts being made or proposed to be made by the applicant to educate the community or otherwise participate in community outreach regarding the topic of underage marijuana use. In addition, the plan should outline the waste disposal plan for the business.

Applicant has agreed to assist the Clerk and Recorder in creating inspection checklists for six marijuana license types. The goal is to create a detailed inspection list for each license.

Applicant has sponsored a number of events in the community.

See Exhibit A for requirement regarding waste disposal plan.

Exhibit X: Copy of Marijuana Occupational License Applications provided to the State and Copies of Badges and valid ID for Current Employees (including Affidavit of Lawful Presence for each owner). Applications, badges and IDs must be submitted for new employees within 30 days of employment. All employees must be fingerprinted by CBI.

All badges provided have been verified with the Marijuana Enforcement Division of the Colorado Department of Revenue.

It is not clear how many employees are working at Igadl. The Clerk and Recorder must be provided a complete list.

Comments

The Grand County Clerk and Recorder has received most of the documentation required by Grand County Resolution No. 2014-1-26 and Ordinance Nos. 14 and 14-1. The fees required by law and statute have been remitted.

All standard language and conditions of the Grand County Resolution No. 2014-1-26 and Ordinance Nos. 14 and 14-1 shall be made part of any approved license.

Recommendation

If, after taking testimony at the public hearing, the Board of Commissioners approves the license, the Clerk and Recorder recommends that a license be issued after the following items have been completed:

1. Correct license plates for the water truck that hauls the water from Town of Grand Lake. (The incorrect plate type was issued by Grand County Motor Vehicle.)
2. Clarification is needed with regard to which type of sales or excise tax license is need for each type of marijuana license.
3. Based on the initial review of the proposal by Igadl to increase its operation on the first level to 11,852 sq. ft. it does not appear that an automatic sprinkler system will be required. (2009 International Building Code) From information provided, it does appear that a building permit will be required to make the proposed changes, including the increased utilization of space by Igadl. The Community Development requests that Highland

Investment (Igadl) present a complete and final set of floor plans, as prepared by an architect. This set of floor plans shall include the additional space and uses as well as a new code analysis that includes all of the proposed changes and uses for the entire building.

4. Any and all Tabernash Meadows Water and Sanitation District (TMWSD) fees billed to Grand County in conjunction with required services or inspections performed for Igadl, be paid in full within 30 days of being invoiced and any current outstanding invoices be paid in full to Grand County prior to issuance of any marijuana license or license renewal.
5. Evidence that applicant is in Compliance with Marijuana Rules M307 and R307 regarding the disposal of any marijuana waste.
6. Provide a complete list of current employees (including contract employees) and update the list throughout the year to the County Clerk and Recorder.
7. Provide compliance with the requirements of Grand County Community Development regarding the “snow fence.” If the fence has been removed, confirmation must be provided by Community Development. If a fabricated enclosures will be added, evidence of that from Community Development must be provided.