To: Director Kilroy, Denver Department of Excise & Licenses
From: Shannon Fender, Director of Public Affairs, Native Roots Cannabis Co.
Date: October 6, 2020
Re: Marijuana Licensing Work Group Written Comments

Should Denver adopt the state's language for Social Equity Applicant?

Yes, Denver should adopt the state's language for Social Equity Applicant. HB 20-1424 and the subsequent rulemaking was thoroughly reviewed and vetted by interested parties including members of Denver's own working group, state and local regulators, industry stakeholders, and prospective social equity applicants. Further, it makes sense for the state's largest and most diverse jurisdiction to adopt this language in order to promote consistent social equity regulations in other Colorado jurisdictions that want to implement social equity programs.

In order to support Social Equity Applicants, one proposal is to reserve certain licenses exclusively for Social Equity Applicants for a time period. Under this proposal, which licenses should be reserved?

Denver should reserve all of the licenses in the 2021 license lottery exclusively for Social Equity Applicants. Denver should prioritize and preference Social Equity Applicants for all other permits and license types, but not mandate or disallow participation for other applicants for any period of time.

In order to support Social Equity Licensees, one proposal is to distribute certain licenses exclusively to Social Equity Licensees for a time period, with a sunset review at the end of the time period. What is the right timeline to ensure the success of Social Equity Licensees? Please explain your selection in the space provided below.

Denver should reserve all of the licenses in the 2021 license lottery exclusively for Social Equity Applicants. After the lottery occurs and licenses are issued, Denver should consider the process prior to future decision and allocation of new lottery licenses.

Denver should prioritize and preference Social Equity Applicants for all other permits and license types, but not mandate or disallow participation for other applicants for any period of time.

Particular attention should be paid to delivery ***<u>permits</u>, which are not a separate license type*** *and are a permission on existing medical and retail stores and transporter licensees. Should Denver opt in to a delivery, it should allow all state-regulated businesses with a delivery permit to conduct deliveries.*

Success of a delivery program serving patients and adult consumers in Denver requires that stores desiring to facilitate sales for delivery also be allowed to obtain a permit, whether they conduct deliveries on their own or with the help of a 3rd party transporter. Denver should not mandate the use of transporters and should instead provide incentives for stores to use them. Denver should further adopt the "one for one" proposal by The Color of Cannabis for transporter permits.

Finally, while we do not encourage Denver to create two different sets of rules for delivery, if necessary, special attention should be paid to medical patients and their ability to access their medicine from their preferred medical store. The current argument that patients should go and seek out a caregiver to access medical deliveries puts an onerous burden on the patient and is currently not serving this special population.

What are ideas to fund a cannabis social equity program in Denver or support the social equity licensees?

Funding is a problem and the city, the state, and nonprofit groups, and industry stakeholders must all play a part in creating a social equity fund.

Denver's role *- Since 2014, the City has collected more than $290 million in marijuana taxes, and during that time, the industry has hardly taken any position on how those funds should be appropriated. Last year the city spent $11.2 million on affordable housing after Mayor Hancock in 2018 asked for support on a 2% marijuana tax increase to fund this priority issue, which the industry did not oppose. The city also spent $3.1 million on opioid interventions and more than $8.9 million on capital projects. Over the years the city has prioritized these and other initiatives ahead of social equity and we believe that it is the time to revisit those priorities and elevate the social equity program for funding.*

In addition to reallocating marijuana tax dollars from other programs such as those listed above, the city should relocate the existing $1 delivery fee mandated by the state to the social equity fund. We also support the concepts that The Color of Cannabis and the Marijuana Industry Group have suggested as several ways in which the city could identify a small portion of existing tax dollars to start a social equity fund. When the budget outlook improves, the city should pledge to dedicate tax dollars to the social equity fund ahead of the other initiatives it has funded in the past.

The industry's role *- Private partnerships between established industry licensees, nonprofit organizations, and prospective social equity licensees is necessary to implement a strong social equity program. However, it is apparent to us that in this challenging economic environment, the city needs additional support.*

Should the city decide to prioritize and fund a social equity program by finding and reallocating existing marijuana tax revenues, then Native Roots supports the collection of new social equity fees to meet the city's contribution, so long as those new fees are specifically earmarked for the social equity fund. The below suggestions are contingent upon the city's commitment to prioritizing social equity through existing revenues and we do not support leveraging new fees on businesses unless the city is able to do its part in prioritizing a social equity fund.

- *Existing marijuana businesses in Denver could be asked to pay a mandatory or voluntary social equity fee starting in 2021 which will be specifically designated to a social equity fund.*
    - *If mandatory, the city could waive this fee by accepting social equity or social impact plans that specifically addresses diversity, equity, and inclusion within their companies and within the communities in which they operate.*

    - *If voluntary, the city could issue a marketing tool or badge similar to the state that designates the business as a "social equity partner."*
- *New hospitality licenses could pay a modest, non-refundable social equity fee at the time of application. Social equity applicants should be exempt from this fee.*
- *Existing businesses applying for a delivery permit could pay a modest, non-refundable social equity fee. Social equity transporters should be exempt from this fee.*
- *An additional $1 special social equity delivery fee could be added on to match the $1 reallocated state delivery fee, doubling its impact.*

Finally, Native Roots is committed to working with The Color of Cannabis and members of the Colorado General Assembly ahead of and during the 2021 legislative session to identify opportunities for the state to create and fund a social equity grant program using marijuana tax dollars.

If licenses are available only to social equity applicants for a period of time, how should the cap and lottery be addressed?

Denver should maintain the cap on store and cultivation licenses and hold a lottery for distribution of available licenses in 2021. However, it should implement strict requirements to enter the lottery to ensure only social equity applicants are eligible to enter the lottery and receive a license.

What additional safeguards would be effective to prevent diversion through delivery sales?

As provided for in state rules, marijuana delivery is the most highly regulated delivery system in Colorado, including alcohol and prescription drugs. The city should adopt the MED's regulations and not place additional restrictions on businesses. Specifically to the discussion at the MLWG, Denver should NOT prohibit cash tipping for delivery drivers, and allow businesses to set additional requirements only as they see fit.

What tools should be utilized to reduce density and concentration of businesses that allow for sales?

There should be a 1,000 foot setback requirement for any business that is completing marijuana sales, whether it is for stores or hospitality establishments. Needs and desires hearings are a good way for neighborhoods to self regulate what is best for them, and hospitality establishments should be required to go through the same process for needs and desires as stores are.

Should any of the hospitality business models or parts of these business models be prohibited or limited to address similar time, place and manner regulations in place for stationary businesses?

The same time, place, and manner restrictions should be applied to all types of hospitality establishments as permitted in the state's marijuana code.

Which devices should be prohibited in hospitality establishments to appropriately balance safety concerns with providing options for methods of consumption?

Denver should not prohibit any specific devices from being used and allow businesses the ability to choose which consumption methods they will allow. If particular communities have concerns over specific devices, this can be addressed through the public hearing process.

<u>Miscellaneous Questions + Other Feedback</u>

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 utilize the Request to Amend Floor Plan process to include permanent changes that were implemented to promote public health and safety during COVID 19. Utilizing this process over the MOP process would fast track approvals and not overly burden Denver with an additional inspection as the changes can be verified at the yearly inspection. This would also ensure that businesses are able to continue existing operations with our disruption and 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 Excises & Licenses staff. This change would offset the amount of work for Excise & Licenses resulting from the new license types and Social Equity Program.

From: CdeBaca, Candi - CC Member District 9 Denver City Council
To: Campbell, Bia - EXL Program Administrator; Borchers, Abbey - EXL Policy Analyst; Pena, Joseph - EXL CA2308 Administrator II; Rogers, Erica N. - EXL Policy Analyst
Cc: Calderon, Lisa - CC Senior City Council Aide; Zeise, Brea - CC YA2245 City Council Aide
Subject: Re: Marijuana Licensing Work Group - Deadline reminder
Date: Thursday, July 9, 2020 6:47:36 PM
Attachments: image001.png
image002.png
image003.png
image004.png
image005.png
image006.png
image007.png

Hi E&L Team,

Wanted to touch base with you all about next steps as you all form you proposal to pitch to community. I have conducted several stakeholder meetings with individuals and groups to discuss priorities related to defining a social equity applicant, benefits for social equity applicants and support for the few current BIPOC licensees. Below is a list of the overwhelming priorities we have heard from 2,400 individuals identify via social media, one-on-ones, polls, and focus groups we have conducted via our own office.

I am wondering if you all would be willing to speak to a small (5-10ppl) focus group of current and prospective BIPOC licensees or business owners in Denver and a few hoping to become licensees? Please advise.

Top Priorities in Defining Social Equity Applicant in Denver:

1. Must call out race specifically
2. Should define “disproportionately impacted” areas more completely (i.e. impacted by what?)
3. Creating a point value for each criterion that will assist in prioritization of candidates for SEL

Top Barriers to Equity & Entry into the industry:

1. Zoning
2. Financial/access to capital
3. Application barriers

Top tools/benefits needed in order of ranking by stakeholders (exclusively POCs):

1. Social equity vision must be defined! Not just applicant. What would social equity LOOK LIKE? POCs own X% of licenses to reflect a) population size, b) incarceration rate for MJ during WOD, c) etc.
2. Prioritization of SEL applicants based on harm caused by the war on drugs
3. Zoning changes to address inequitable and discriminatory zoning
4. Disallow sales of licenses, licenses are scarce/capped and should go back into the pool to be accessible by equity applicants
5. Financial tools (grants, low/no cost loans, facilities, reduced permit fees, deferment, etc)
6. Technical assistance

7. Modified application processes

In peace and dignity,

Candi

Candi CdeBaca, MSW
Councilwoman
Denver City Council ★ District 9
2855 Tremont Place, Unit 201
Denver, CO 80205
P: 720-337-7709
District9@denvergov.org

Connect with us!

Dear MLWG Members,

As a reminder, the final Marijuana Licensing Work Group (MLWG) meeting was Thursday, June 25, and the **deadline for public comments on all topics is 5 p.m., Thursday, July 2**. To date, very few work group members have submitted written comments, and we would appreciate your written comments for the public record.

Denver wants to hear your voice and consider your input, so please submit your comments to marijuanainfo@denvergov.org or email them to me at bia.campbell@denvergov.org by 5 p.m., Thursday, July 2.

All resources for the work groups - including agendas, presentations, minutes, worksheets and recordings - can be found on our webpage. All written comment worksheets are attached. The worksheets are just a suggested format for your convenience; please feel free to email comments in whatever format you prefer.

If you have comments, questions or concerns or if you would like us to reach out to any specific stakeholder you believe we have not yet heard from, please don't hesitate to reach out and let us know.

Best,

Ana Bia Campbell | Public Affairs Program Administrator
Office of Marijuana Policy **–** EXL
City and County of Denver
720.865.2741 Phone | 772.485.2791 Cell
Bia.Campbell@denvergov.org

THE COLOR OF CANNABIS

MEMORANDUM

Date: July 14, 2020
To: Denver Department of Excise and Licenses
From: Sarah Woodson, Executive Director
Re: Marijuana Licensing Work Group: Delivery, Hospitality and Social Equity Program

---

SHOULD DENVER OPT-IN TO ALLOW FOR MARIJUANA HOSPITALITY BUSINESSES?

Yes, Denver should opt-in to allow for three different types of Marijuana Hospitality Businesses, including Marijuana Hospitality, Mobile Hospitality, and Hospitality & Sales businesses. These new license types will allow for more social equity licenses to enter the market. Equity considerations should be made regarding license distribution, fees, and proximity setbacks for all three hospitality license types.

All hospitality license types should be issued on a one-for-one basis to social equity licensees and non-social equity licensees. When a non-social equity hospitality license is granted, a social equity hospitality license will also be set aside indefinitely until it is awarded to a social equity licensee. This would ensure that in the event of a future moratorium or cap on hospitality licenses, licenses would still be available and would be given to equity applicants only. This would also encourage partnerships between equity and non-equity applicants, and the state's and city's equity framework should preserve the equity applicant's ownership and control over the license. Fees associated with the hospitality business licenses should be waived for social equity licensees. A one-for-one licensing distribution would create real equity for hospitality by creating a 50% to 50% ratio of licensing distribution for hospitality businesses in the city of Denver.

Hours of operation for the three different types of Marijuana Hospitality Establishments should be in alignment with the hours of operations for tavern establishments in the city of Denver. Each establishment should be given the flexibility to create good neighbor agreements that outline their hours of operations in the window of 7 a.m. to 2 a.m.. Methods of consumption should also be taken into consideration when thinking about the hours of operation.

Marijuana hospitality businesses must allow all forms of consumption. Combustible consumption must be permitted in marijuana hospitality. This type of consumption is critical to a hospitality business's viability. Not having legal, regulated spaces where locals and tourists can consume using the most traditional methods, such as combustibles, would continue to jeopardize public health and safety as people will continue to consume in public.

There should be a plan submitted by Mobile Hospitality Establishments that outlines when and where vehicles can stop, park, pick up, and drop off patrons. Dropping off, picking up, stopping, or parking in front of schools should not be permitted during school hours.

Outdoor consumption should be allowed for Marijuana Hospitality Establishments and Hospitality & Sales Establishments in alignment with the current I-300 rules. However, patrons should be able to smoke in any space of the outdoor consumption area, not just in a designated consumption area in the outdoor consumption area.

Denver should permit Retail Food Establishments to operate Marijuana Hospitality Establishments. However, creating a designated consumption area inside the establishment for consumption only, which would be the case under I-300, is not practical or suitable for marijuana hospitality businesses. It would be comparable to running a tavern and only allowing patrons to consume in a designated space. Designating space for consumption in marijuana hospitality and sales establishments should be optional and not required.
Mobile marijuana hospitality businesses already have designated spaces for consumption, as patrons consume on a bus or in the confines of the vehicle. Therefore, again, designated consumption spaces are unnecessary and restrict business models and business viability.

WHAT LOCATION OR PROXIMITY REGULATIONS SHOULD APPLY TO MARIJUANA HOSPITALITY ESTABLISHMENTS AND HOSPITALITY & SALES ESTABLISHMENTS?

The current setbacks for daycare facilities in I-300 should be reduced from 1,000 feet to 500 feet. There should be no distance restriction between an existing marijuana retail store and the marijuana hospitality business. A marijuana hospitality business being next to a retail store is beneficial to the businesses, patrons, and public health and safety.

With regards to sales limits of micro sales for the marijuana hospitality sale business, there should be an increase in sales for flower, to an eighth of an ounce, (or 3.54688 grams). The current flower limit on the state level is two grams per person per sale. One sale is limited per person, and looping is prohibited. Patrons of these business types are spending an average of 3 hours per visit. Allowing the sale of only two grams of flower in a three-hour period is comparable to having a two-drink maximum at an alcohol establishment. Business viability is being restricted by setting such low limits for flower sales. It is our recommendation to increase sales for flowers to an eighth of an ounce, (which would be equal to3.54688 grams.)

RETAIL MARIJUANA AND MEDICAL MARIJUANA DELIVERY RECOMMENDATIONS

Denver should opt-in to both medical and retail delivery. In doing so, patients will have access to medical marijuana, and social equity licensees will have an opportunity to participate in a new delivery market. Participating in delivery will also benefit public health and safety during and after the COVID-19 pandemic, as it continues to give patients and consumers the ability to access product without requiring them to visit a sales location.

Retail delivery should start on January 1, 2021. Medical delivery can start upon the passing of a social equity ordinance in 2020, or on January 1, 2021, whichever comes first. We would like to encourage Denver's Department of Excise and Licenses and the Denver City Council to work together as efficiently and effectively as possible to fast-track a social equity program. Fast-tracking the program will benefit all parties that would like to see medical and retail delivery in Denver go live in 2020 and 2021.

CROSS-JURISDICTION DELIVERY

Cross-Jurisdiction delivery should not be permitted for the first 12-24 months. To create funding for the social equity program, all deliveries should remain within Denver. The state statute that 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, should be reallocated into a social equity fund for grants and low-interest loans. In addition, Denver should match each mandated$1 surcharge and also remit the payments to a social equity fund for grants and low-interest loans.

Allowing delivery outside of Denver would not financially benefit the city, particularly at a time when agency budgets in the city are drastically reduced. Keeping all funds in the city will be imperative to funding a social equity program. Keeping all tax revenue in the city is the most fiscally sound delivery roll-out.

THE COLOR OF CANNABIS

Hours of operation

Denver retail and medical marijuana stores may operate between the hours of 8:00 a.m. and 10:00 p.m. Delivery should also be allowed during this window. For the safety of the store and the delivery/transporter services, the last delivery should depart the premises no later than 9:00 p.m. Delivery orders should be accepted 24 hours per day, 7 days per week.

Sales & Delivery Limits

- The sales and delivery limits in Denver should align with: MED Rule 3-615(F)(8) which allows for no more than the following medical quantities 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) allowing 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

We would like to note that MED Rule 3-615(E)(6), which prohibits transporters with delivery permits from taking delivery orders, is not an equitable policy. This policy does not allow a delivery business to operate in its maximum profitability scale. This policy requires the profits of the delivery services to be contingent upon the sales of the retail store.

Colorado was late to pass delivery and therefore had examples of more equitable delivery models that allow for non-retail store delivery. A delivery business would not be required to own a store to deliver. This would allow the delivery business to control the delivery and the profitability of the delivery. Social equity licenses have excelled in this type of model. While we understand that this would require a statutory change, we would like Excise and Licenses to consider this type of model for social equity candidates only in the future. We would ask that the department began to engage in conversations with industry, community groups and policy makers to advocate for this change to state lawmakers in 2021.

SHOULD DENVER CREATE A DELIVERY LICENSE FOR TRANSPORTERS

Creating a separate delivery license for transporters is an unnecessary action that may slow down the delivery roll-out. To deliver medical and retail marijuana products, a business would be required to obtain a transport license and a delivery permit. Both should be issued on a one for-one basis to social equity licensees and non-social equity licensees. When a non-social equity transporter license and a delivery permit is granted, a transporter license and delivery permit will also be set aside indefinitely for a social equity licensee (until granted). Fees associated with the transporter license and the delivery permit should be waived on a state and city level for social equity licensees. A one-for-one licensing distribution would create true equity for delivery by creating a 50% to 50% ratio of licensing distribution in the city of Denver for transporter licenses and delivery permits.

SAFETY/ SECURITY/ DELIVERY LIMITS

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

Considering this new license type may be owned and operated by people of color, it is imperative that if a delivery driver encounters law enforcement in any manner (i.e, a traffic stop, or delivery to the front door of a guarded building), the driver has personal identification (i.e. a badge) and vehicle identification (i.e. vehicle registration) that law enforcement in the City of Denver is aware of and can easily identify.

Creating a Denver delivery badge that drivers are required to have visible on their person should be taken into consideration. The city should also consider having all delivery companies, regardless of their size, register vehicles in a database that allows an officer in a traffic stop to know that they are engaging with a marijuana delivery service driver.

This is a pro-active and much need step to ensure that drivers are not profiled and are able to run their businesses without fear of interacting with law enforcement.

Denver should align with the state on delivery limits, specifically MED Rule 3-615(D)(7), which 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 per trip.

THE COLOR OF CANNABIS

EQUITY

The current inequities in the Colorado market, specifically Denver, revolve around market maturity, saturation, and a licensing distribution ordinance that includes a lottery. Federal legalization and access to capital will always be the most considerable inequities in the industry.

The goal for a robust cannabis social equity program in Denver would be for Denver to create a policy that removes a lottery, and provides a 50% to 50% licensing distribution ratio for delivery and hospitality permits and licenses.

Also, reducing setbacks for hospitality and the remaining retail locations is imperative to a successful program. The location proximity restriction for retail stores should be decreased for daycare facilities to 500 feet. Having a retail store 500 feet away from daycare facilities will not increase use or negatively impact children attending these facilities. Changes regarding location proximity and setbacks would open up more locations for the program. Also, currently, the rules do not allow for any more sites in the top five saturated neighborhoods. This should be reduced to the top three highly saturated neighborhoods. This would also allow a better opportunity for a successful program. In addition to granting 100% of licenses for the remaining retail locations and providing grants and low-interest loans to social equity candidates, these efforts could result in Denver's Social Equity Program a 10%-20% increasing keys badges by 10%-20%, which would substantially increase black and brown ownership by 100%.

Also, equity owners that receive grants should be required to hire social equity applicants and or provide a community responsibility plan that involves working with organizations and or contributing to organizations that work on any type of equity in marginalized communities.

Denver should align with the HB20-1424 equity applicant criteria. However, Denver can require more than one of the requirements to be met for social equity applicants. Denver can also determine its own income qualifications. Also, Denver can create priority processing for people that meet more than one of the criteria. This is a method used to create a roll out that, would provide the most negatively impacted communities with licensing priority, without using race as a qualification. Cities like Chicago and LA have rolled out programs in a similar manner.

An applicant that meets all criteria would receive preference in application processing over an applicant that does not fit all the requirements. These rollouts are usually 90-120 days. During this period, non-social equity candidates can not apply.

This roll-out would work in alignment with a one-for-one licensing distribution policy. During the priority processing period, non-social equity licenses would be sat aside, in the same manner, creating a 50% to 50% ratio of licensing distribution.

Tier 1- Roll-out

Licensing will go to social equity candidates only, that meet all three of the criteria.

Tier 2- Roll-out

Licensing will go to social equity candidates only, that meet two of the criteria.

Tier 3- Roll out

Licensing will go to social equity candidates only, that meet one of the criteria, or have less than 51% social equity ownership.

Many cities have application clinics for their social equity roll-outs. However, these clinics are very arbitrary in nature. They review the information listed on city websites with regard to completing the social equity application. They do not do a comprehensive review of the marijuana licensing application, which is essential to receiving a license.

Denver should create a social equity marijuana division to be housed in the new Office of Social Equity and Innovation. This office should provide legal counsel and application assistance to social equity applicants that present a business plan.

Denver should also create a certification process for organizations that are teaching social equity cannabis courses to be certified through the city. This would be similar to the state's responsible vendor certification. The city can provide a scholarship fund for applicants that take these courses. Finally, our Cannabis Process Navigator should have the ability to work closely with social equity applicants.

The state accelerator program is an opportunity for the industry to participate in building out social equity businesses. The program's success is centered around industry participation. The industry will need to take a hands-on approach to collaborate with community social equity organizations in hiring practices, training, mentorship, and business startups. The industry must be provided with a concession for their efforts, such as tax breaks.

Funding must come from multiple streams. A sufficient social equity fund needs to have a minimum of $10 million. While the Marijuana Tax Cash Fund seems to be the most viable source for funding, this budget contributes to human services, public health, and the environment, education, and local affairs, all of which are critical to marginalized communities, especially during COVID-19.

Therefore, this fund cannot be the only mechanism for funding a social equity program. Adding a tax for social equity to the consumer is also not the best policy, as adding more taxes to the consumer would support the unregulated market.

Denver must be innovative, bold, and strategic when creating funding for the marijuana social equity program. Currently, the city has a budget of $254.2 million for the police department, with $127.5 million allocated to police patrol districts. This funding is to protect life and property through community engagement. This is also the largest fund of the police department. Considering Denver's current and historical data showing disproportionate marijuana arrests for people of color (specifically showing that black people are still more likely than white people to be arrested for marijuana possession), there is a strong and justifiable case for redistribution of a minimum of $5 million from this specific fund to start a social equity program. Considering COVID-19 and budget cuts, this money can be allocated over 36 months. The city has allocated $8.2 million under Denver Economic Development and Opportunity's budget; $3.3 million of this budget is allocated toward small business opportunities. This fund is to support the growth, capacity and sustainability of small, disadvantaged, minority, and women-owned businesses. A fourth of this budget, $825,000, could be allocated to social equity programs for the cannabis industry. Reallocation of funds from these specific departments would create a solid foundation for the city's social equity program.

When rolling out the social equity program, priority consideration should be given as follows:

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

The Color of Cannabis would like to thank you for creating the MLWG, and for allowing our organization to participate by providing our marijuana social equity expertise and advice on the Denver Marijuana Social Equity Program. We hope that you find value in our recommendations, and that they are used to help create equitable policy in Denver.

TCC

THE COLOR OF CANNABIS

Respectfully,
Sarah Woodson, Executive Director
The Color of Cannabis

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.

Name: Michelle Garcia

What are the current inequities within the cannabis industry?

The war on drugs, in terms of arrests, extended sentencing, incarceration levels as a proportion of population, applications of civil asset forfeiture, most impacted Black, Latino, and First Nations communities in both the scope and magnitude of harm experienced. These communities have little representation among owners, executives and licensees so the community least harmed in the war on drugs, in terms of proportion of population prosecuted during prohibition, benefits to the greatest extent during legalization and those most harmed during prohibition receive little to no benefit from the legalized marijuana industry. Neither the marijuana industry nor regulation explicitly preclude equitable participation, of course, however entering the legal marijuana industry requires capital and access to business services that is less likely to be available to people from communities that historically had less access to those resources and who are still more likely to encounter institutional barriers and systemic racism.

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

The goals of a comprehensive social equity program would have a least four goals. First, a social equity program should address the disproportionate harm of the war on drugs. Second, a social equity program should promote diversity among decision-makers throughout the marijuana industry as owners, executives, and service providers. Third, a social equity program directed by the licensing regulatory body should create programs and try different interventions to create more proportional representation among licensees of all types. Fourth, a social equity program should direct attention to current areas of disproportionate harm (such as the current racial disparity in arrests for marijuana crimes) and work to cultivate an inclusive cannabis industry culture.

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

Success in a cannabis social equity program would align to the goals set forth. An elimination in the demographic disproportionality among owners, executives, service providers, and all types of licensees would indicate success. An inclusive cannabis industry would have not just more representation across all identities and demographic groups but also equitable decision making and distribution of profits. True equity requires an accounting of the past and repair of the harms of the war on drugs that disproportionately impacted communities of color.

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

Denver should generally follow the social equity eligibility criteria developed for use at the state level with two areas of exception and/or attention. Access to the capital necessary to enter the legal marijuana industry was the top barrier according to the Analytic Insights report. The income ceiling which makes sense for less dense parts of the state with lower incomes, start up and operating costs, seems to create an additional barrier to entry that will disproportionately impact communities of color who have been historically marginalized economically and subject to structural barriers that have inhibited wealth and property accumulation. Denver should be mindful of historic systemic inequities in developing context for the qualifying social equity criteria as described in HB20-1424 "DESIGNATED AS A DISPROPORTIONATE IMPACTED AREA AS DEFINED BY RULE PURSUANT TO SECTION 4-10-2034(1)(j)." There is an opportunity to expand the pool of eligibility and target communities most impacted by the war on drugs by using data points related to arrests and incarceration during the period of time indicated in other parts of the bill.

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

Participants would recieve early or preferred access to available licenses (revoked, resold, as well as new license types), technical support and mentoring from industry partners faciliated by the city or state, subsidized business services, reduced cost license and badge fees.

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

A minimum of 51% ownership with commensurate decision making and profit distribution.

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

I cannot say what circumstances in Denver might present unique challenges but accelerator programs in other cities have not been as effective as intended.

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

Increased licensing fees, delivery surcharge, hospitality fee for non-residents, fee on industry profits over a certain percentage, fundraising from industry and non-industry sources.

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

Technical support, mentoring, subsidized business services, networking, development space, assistance from support staff, introductions to venture capitalists and investors.

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

Reduction in fees, priority access to licenses after social equity applicants, reduction in profit sharing levy, free attendance at city and state sponsored regulatory and networking events.

Name: Michelle Garcia

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 disproportionally 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"?

Denver should adopt the State of Colorado's criteria for social equity applicants.

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)

6 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.)

2 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: ____

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

I selected my first priority, prioritized license distribution or processing, because it is within the policy purview of Excise and Licensing and represents the best opportunity to implement change directly. I selected the second priority, financial assistance, because lack of access to capital was identified as the biggest barrier to entry into the cannabis industry for social equity applicants in the Analytics Insights report commissioned by Excise and License.

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 licenses should be included within a social equity program, with consistent, state aligned qualification criteria.

The more opportunity for licenses, prioritized for social equity and supported by social equity programming, the more opportunity for participation by previously excluded communications.

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.

Caps are a barrier to entry to those not already in the cannabis business an industry which has present race and gender disproportionality in ownership. Zoning requirements and proximity restrictions work together to concentrate cannabis businesses in communities that have been historically marginalized and under-resourced. Application requirements can present higher hurdles for people from communities with less access to business service partners, insurance, banking, lending services.

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

A point-of-sale surcharge could be used to fund equity efforts. Industry could fund programs related to training, mentorship, business, and legal services. Partnerships with industry and business service providers could be used to offer reduced-cost professional services, legal services, banking, and low-cost loan products.

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

Mentorship and networking opportunities, introductions to and assistance with working with professional services providers, facilitating reduced costs for business, legal, and banking services, assisting with business plan develop, training, and professional development. Industry could also provide scholarships, paid internships, and executive training for social equity applicants interested in entering the corporate cannabis space as business professionals, lawyers, analysts, and other executive leadership roles.

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.)

Reduced fees for participating businesses, exclusive networking events, and special programming available only to established and emerging cannabis businesses involved in the social equity program. Recognition from industry and city.

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?

Denver is part of a large metro area with many adjacent municipalities in the interest of reduced regulatory burden on new-to-market cannabis companies, to encourage consistent growth and development it is better to align with existing state policy.

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.

Denver is part of a large metro area with many adjacent municipalities in the interest of reduced regulatory burden on new-to-market cannabis companies, to encourage consistent growth and development it is better to align with existing state policy.

Name: Joe Megyesy, Dir. of Public Affairs, Good Chemistry

Marijuana Licensing Work Group #5 – Public Comment Worksheet

Below are the discussion questions posed to the Marijuana Licensing Work Group on Tuesday, September 29, regarding changes to Denver's marijuana licensing program. If you have thoughts on any of the discussion questions below, please provide input in the space provided and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group and posted on the Marijuana Laws, Rules, and Regulations website.

Equity

1. The State of Colorado and the Marijuana Enforcement Division have ***proposed*** a Social Equity Licensee as the following:

A Colorado resident that, individually or together with other Social Equity Licensees, owns at least 51% of the marijuana business licenses, has not been subjected to a legal or disciplinary action by the State Licensing Authority against their license resulting in revocation, and demonstrates **one** of the following:

- Resided 15+ years, from 1980 to 2010 in an opportunity zone or Disproportionate Impacted Area, which is defined as a census tract in the top 15th percentile for that state in at least two of the following categories as measured by the United States Census Bureau:
    - The number of residents in the census tract receiving public assistance;
    - The number of residents in the census tract falling below the federal poverty level;
    - The number of residents in the census tract failing to graduate high school; and
    - The number of residents in the census tract who are unemployed.
- Applicant or immediate family was arrested, convicted or suffered civil asset forfeiture due to a marijuana offense.
- Applicant's household income did not exceed 50% of the state median income as measured by the number of people who reside in the Applicant's household.

Should Denver adopt this same language for a Social Equity Applicant? Please explain.

Yes, Denver should adopt this same language. Much work went into developing this defintion with a broad group of stakeholders at the state level, and it should be more than adequate in developing a robust social equity program at the city level.

2. In order to support Social Equity Licensees, one proposal is to reserve certain licenses exclusively for Social Equity Licensees for a time period. Under this proposal, which licenses should be reserved? Please explain your selection(s) in the space provided below.

- Stores (including delivery*)
- Transporters (including delivery*)
- Cultivations
- Manufacturers of Infused Products
- Hospitality (including mobile)*
- Hospitality & Sales*
- Testing Facilities
- Medical Research & Development

*Assuming Denver opts in to these new license types.

We believe that transporter licenses should be made exclusive to social equity applicants for 2-3 years. We also believe that all stores should be able to conduct deliveries at the same time in order to generate additional revenue to help provide a line of capital for social equity applicants. An additional delivery surcharge could be added to each delivery, with those monies being put into a fund to help offset start-up costs to new social equity licensees. Any licenses under the moratorium cap should be made available to social equity applicants exclusively as well. Hospitality licenses seem like a good opportunity for social equity applicants as well, however there does not seem to be much market demand for such a business due to the uncertainty of the COVID-19 pandemic.

3. In order to support Social Equity Licensees, one proposal is to distribute certain licenses exclusively to Social Equity Licensees for a time period, with a sunset review at the end of the time period. What is the right timeline to ensure the success of Social Equity Licensees? Please explain your selection in the space provided below.

- 2 – 3 years
- 4 – 5 years
- 6+ years

We believe 2-3 years is an appropriate amount of time for social equity applicants to get licensed and establish a decent market. Starting the program as soon as possible in Denver is also important to provide another safe avenue for cannabis consumers to recieve their product in the COVID-19 pandemic.

4. Success of Social Equity Licensees is heavily contingent upon funding, support from industry, and access to capital. The City and County of Denver is projecting a $226 million budget gap in 2020 and a $190 million budget gap in 2021 as a result of the COVID-19 pandemic. Creative solutions are needed to fund a Cannabis Social Equity Program. What are ideas to fund a cannabis social equity program in Denver or support the social equity licensees?

If existing dispensary licensees are able to access delivery permits when the whole delivery program starts, then those operators can generate money for a social equity fund by charging a delivery fee to consumers. A license fee for the delivery permit could also generate funds. Then those monies can be used to help provide capital to new transporter social equity delivery companies. We believe delivery will absolutely generate new sources of revenue for the City of Denver, as well as provide well-paying jobs.

Cap & Lottery

5. A lottery process may have the unintended consequence of increasing barriers to entry and they often result in litigation that slows the process for applicants. If licenses are available only to Social Equity Licensees for a period of time, how should the cap and lottery be addressed?

Option A	Option B	Option C
• Maintain the cap on store and cultivation licenses • Hold a lottery for distribution of available licenses if applications exceed number of locations available • Minimize requirements for lottery entry	• Remove cap on store and cultivation licenses • No lottery • Maintain transfer of location provision that prohibits co-located businesses from creating new locations • Maintain provision prohibiting new locations in top five saturated neighborhoods	Other ideas?

Delivery

6. In-person sales have security camera requirements and other regulations in place to prevent diversion of marijuana, particularly to youth. What additional safeguards would be effective to prevent diversion through delivery sales?

- Prohibit cash tipping for delivery drivers
- Require all delivery drivers to use ID scanners to verify IDs
- Other ideas?

Both prohibiting cash tipping and requiring drivers to use ID scanners seem like appropriate safeguards. State rules are proscriptive and robust as well.

Hospitality

7. According to available research, density of alcohol outlets is an environmental risk factor for youth alcohol use and excessive adult alcohol use, and physical availability of marijuana is related to increased frequency of adult marijuana use. Given this information, what tools should be utilized to reduce density and concentration of businesses that allow for sales?

- Proximity restrictions between stores/sales locations
- Proximity restrictions from sales locations to protected uses
- Provisions that limit the number of locations in certain neighborhoods
- Others?

8. Should there be a 1,000 foot buffer between Hospitality & Sales Businesses? Please explain.

9. Should there be a 1,000 foot buffer between Hospitality & Sales Businesses and Retail Marijuana Stores/Medical Marijuana Centers? Please explain.

10. Two types of mobile hospitality businesses are anticipated. Should either of the business models described below, or any parts of these business models, be prohibited or limited to address similar time, place and manner regulations in place for stationary businesses?

Shuttles	Tours
Vehicle designed to be used for consumption while it is moving between point A and point B and/or when the vehicle is parked at either of the points.	Vehicle designed to be used for consumption while it is moving between multiple stops on set routes and/or when the vehicle is parked at any of the stops.
Ex. A shuttle that runs from DEN to a hotel in Denver.	Ex. A bus that transports patrons on a tour to a cultivation, a MIP, and a restaurant.

11. State statute prohibits a licensed marijuana hospitality business from allowing the use of any device using any liquid petroleum gas, a butane lighter, or matches in the licensed premises if prohibited by local ordinance or resolution. Currently, the Rules Governing Marijuana Designated Consumption Areas prohibit the use of LPG torches. Which devices should be prohibited in hospitality establishments to appropriately balance safety concerns with providing options for methods of consumption? Please explain in the space provided below.

- LPG torches
- Butane lighters
- Matches

Name: Jonathan Pitocco

Marijuana Licensing Work Group #5 – Public Comment Worksheet

Below are the discussion questions posed to the Marijuana Licensing Work Group on Tuesday, September 29, regarding changes to Denver's marijuana licensing program. If you have thoughts on any of the discussion questions below, please provide input in the space provided and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group and posted on the Marijuana Laws, Rules, and Regulations website.

Equity

1. The State of Colorado and the Marijuana Enforcement Division have ***proposed*** a Social Equity Licensee as the following:

A Colorado resident that, individually or together with other Social Equity Licensees, owns at least 51% of the marijuana business licenses, has not been subjected to a legal or disciplinary action by the State Licensing Authority against their license resulting in revocation, and demonstrates **one** of the following:

- Resided 15+ years, from 1980 to 2010 in an opportunity zone or Disproportionate Impacted Area, which is defined as a census tract in the top 15th percentile for that state in at least two of the following categories as measured by the United States Census Bureau:
  - The number of residents in the census tract receiving public assistance;
  - The number of residents in the census tract falling below the federal poverty level;
  - The number of residents in the census tract failing to graduate high school; and
  - The number of residents in the census tract who are unemployed.
- Applicant or immediate family was arrested, convicted or suffered civil asset forfeiture due to a marijuana offense.
- Applicant's household income did not exceed 50% of the state median income as measured by the number of people who reside in the Applicant's household.

Should Denver adopt this same language for a Social Equity Applicant? Please explain.

2. In order to support Social Equity Licensees, one proposal is to reserve certain licenses exclusively for Social Equity Licensees for a time period. Under this proposal, which licenses should be reserved? Please explain your selection(s) in the space provided below.

- Stores (including delivery*)
- Transporters (including delivery*)
- Cultivations
- Manufacturers of Infused Products
- Hospitality (including mobile)*
- Hospitality & Sales*
- Testing Facilities
- Medical Research & Development

*Assuming Denver opts in to these new license types.

3. In order to support Social Equity Licensees, one proposal is to distribute certain licenses exclusively to Social Equity Licensees for a time period, with a sunset review at the end of the time period. What is the right timeline to ensure the success of Social Equity Licensees? Please explain your selection in the space provided below.

- 2 – 3 years
- 4 – 5 years
- 6+ years

4-5 years. This seems a fair balance of the periods, and allows new businesses to get their footing and begin paying down debt before encountering significant competition. This paydown period is critical as Social Equity Licensees may, by comparison to those outside the program, encounter difficulty in acquiring debt at low rates.

4. Success of Social Equity Licensees is heavily contingent upon funding, support from industry, and access to capital. The City and County of Denver is projecting a $226 million budget gap in 2020 and a $190 million budget gap in 2021 as a result of the COVID-19 pandemic. Creative solutions are needed to fund a Cannabis Social Equity Program. What are ideas to fund a cannabis social equity program in Denver or support the social equity licensees?

Cap & Lottery

5. A lottery process may have the unintended consequence of increasing barriers to entry and they often result in litigation that slows the process for applicants. If licenses are available only to Social Equity Licensees for a period of time, how should the cap and lottery be addressed?

Option A	Option B	Option C
• Maintain the cap on store and cultivation licenses • Hold a lottery for distribution of available licenses if applications exceed number of locations available • Minimize requirements for lottery entry	• Remove cap on store and cultivation licenses • No lottery • Maintain transfer of location provision that prohibits co-located businesses from creating new locations • Maintain provision prohibiting new locations in top five saturated neighborhoods	Other ideas?

Option B seems preferable.

Delivery

6. In-person sales have security camera requirements and other regulations in place to prevent diversion of marijuana, particularly to youth. What additional safeguards would be effective to prevent diversion through delivery sales?

- Prohibit cash tipping for delivery drivers
- Require all delivery drivers to use ID scanners to verify IDs
- Other ideas?

Require all delivery drivers to use ID scanners to verify IDs. My ID is already checked in person at stores, so this would hardly be different.

Hospitality

7. According to available research, density of alcohol outlets is an environmental risk factor for youth alcohol use and excessive adult alcohol use, and physical availability of marijuana is related to increased frequency of adult marijuana use. Given this information, what tools should be utilized to reduce density and concentration of businesses that allow for sales?

- Proximity restrictions between stores/sales locations
- Proximity restrictions from sales locations to protected uses
- Provisions that limit the number of locations in certain neighborhoods
- Others?

As a resident of West Colfax, I'd prefer no restrictions on proximity, or at least very minimal restrictions. As the city and neighborhood grows in population and density, increasing numbers of protected uses will arise in close proximity to one another. These developments will squeeze out retail sales.

Already today, some neighborhoods that seem very appropriate for including additional retail stores (e.g. RiNo, LoDo, Ballpark) can hardly contain any, if any at all, given the variety of zoning prohibitions and nearby prohibited uses.

The only one on this list that makes sense to me is a provision limiting the number of locations in certain neighborhoods (to prevent oversaturation). Meanwhile, no proximity restrictions should exist between the stores/sales locations. That can help prevent these businesses spreading throughout the neighborhood, and in fact, could create an attractive hub in a single neighborhood (much like bars cluster today)

8. Should there be a 1,000 foot buffer between Hospitality & Sales Businesses? Please explain.

No. As explained above, clustering of these businesses could create attractive opportunities for operators and neighborhood residents alike, so long as oversaturation throughout the neighborhood is permitted.

9. Should there be a 1,000 foot buffer between Hospitality & Sales Businesses and Retail Marijuana Stores/Medical Marijuana Centers? Please explain.

No, for the same reason stated in my last two answers

10. Two types of mobile hospitality businesses are anticipated. Should either of the business models described below, or any parts of these business models, be prohibited or limited to address similar time, place and manner regulations in place for stationary businesses?

Shuttles	Tours
Vehicle designed to be used for consumption while it is moving between point A and point B and/or when the vehicle is parked at either of the points.	Vehicle designed to be used for consumption while it is moving between multiple stops on set routes and/or when the vehicle is parked at any of the stops.
Ex. A shuttle that runs from DEN to a hotel in Denver.	Ex. A bus that transports patrons on a tour to a cultivation, a MIP, and a restaurant.

No

11. State statute prohibits a licensed marijuana hospitality business from allowing the use of any device using any liquid petroleum gas, a butane lighter, or matches in the licensed premises if prohibited by local ordinance or resolution. Currently, the Rules Governing Marijuana Designated Consumption Areas prohibit the use of LPG torches. Which devices should be prohibited in hospitality establishments to appropriately balance safety concerns with providing options for methods of consumption? Please explain in the space provided below.

- LPG torches
- Butane lighters
- Matches

LPG torches should remain prohibited.

Name: Marijuana Industry Group (MIG)

Marijuana Licensing Work Group #5 – Public Comment Worksheet

Below are the discussion questions posed to the Marijuana Licensing Work Group on Tuesday, September 29, regarding changes to Denver's marijuana licensing program. If you have thoughts on any of the discussion questions below, please provide input in the space provided and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group and posted on the Marijuana Laws, Rules, and Regulations website.

Equity

1. The State of Colorado and the Marijuana Enforcement Division have *proposed* a Social Equity Licensee as the following:

A Colorado resident that, individually or together with other Social Equity Licensees, owns at least 51% of the marijuana business licenses, has not been subjected to a legal or disciplinary action by the State Licensing Authority against their license resulting in revocation, and demonstrates **one** of the following:

- Resided 15+ years, from 1980 to 2010 in an opportunity zone or Disproportionate Impacted Area, which is defined as a census tract in the top 15th percentile for that state in at least two of the following categories as measured by the United States Census Bureau:
    - The number of residents in the census tract receiving public assistance;
    - The number of residents in the census tract falling below the federal poverty level;
    - The number of residents in the census tract failing to graduate high school; and
    - The number of residents in the census tract who are unemployed.
- Applicant or immediate family was arrested, convicted or suffered civil asset forfeiture due to a marijuana offense.
- Applicant's household income did not exceed 50% of the state median income as measured by the number of people who reside in the Applicant's household.

Should Denver adopt this same language for a Social Equity Applicant? Please explain.

Yes Denver should adopt the same language for a Social Equity Applicant. This will avoid confusion and ensure continuity with the state's efforts.

2. In order to support Social Equity Licensees, one proposal is to reserve certain licenses exclusively for Social Equity Licensees for a time period. Under this proposal, which licenses should be reserved? Please explain your selection(s) in the space provided below.

- Stores (including delivery*)
- Transporters (including delivery*)
- Cultivations
- Manufacturers of Infused Products
- Hospitality (including mobile)*
- Hospitality & Sales*
- Testing Facilities
- Medical Research & Development

*Assuming Denver opts in to these new license types.

MIG believes it is essential that existing stores be allowed to deliver their own product via Transport Permits at the same time as 3rd party Transport licenses are granted. Forcing stores to partner with other companies has a history of not working out in the Colorado cannabis industry (shotgun marriages). Assuming the caveat above, and assuming that Denver opts into these new license types, MIG believes all Stores, Cultivations, and MIPs should be allocated to social equity applicants. Regarding Transporters and Hospitality, MIG thinks Denver should move all/any social equity applicants to the top of the list but not reserve ALL licenses for SE applicants. MIG suggests a 1 for 1 (SE and non SE). MIG also suggests that Denver waive all license fees (including renewals) for SE applicants. It's

3. In order to support Social Equity Licensees, one proposal is to distribute certain licenses exclusively to Social Equity Licensees for a time period, with a sunset review at the end of the time period. What is the right timeline to ensure the success of Social Equity Licensees? Please explain your selection in the space provided below.

- 2 – 3 years
- 4 – 5 years
- 6+ years

2-3 years + prioritizing as stated above will give Social Equity (SE) licensees a great head start. MIG thinks 6+ years is too long. This is a very new industry. Regardless of the Exclusivity time frame it's important that if Denver chooses one of the longer time frames, that it include a review process to ensure the outcomes Denver seeks are happening. In other words, MIG suggests a review process to make sure the SE program is not taken advantage of somehow. Another suggestion is that SE licensees who are chosen cannot sell their license for a period of time (suggest 3 years) UNLESS it's to another SE applicant or minority owned business.

4. Success of Social Equity Licensees is heavily contingent upon funding, support from industry, and access to capital. The City and County of Denver is projecting a $226 million budget gap in 2020 and a $190 million budget gap in 2021 as a result of the COVID-19 pandemic. Creative solutions are needed to fund a Cannabis Social Equity Program. What are ideas to fund a cannabis social equity program in Denver or support the social equity licensees?

It's important that Denver commit some money to this program. If Denver wants to seriously do good for business owners of color and not just pay them lip service, it's vital that the city help rectify the systemic racism that it had a hand in creating. The spending of money is a value statement. Since the legalization of cannabis, the City of Denver has collected hundreds of millions of dollars in taxes, all of which have been supported by the cannabis industry, including a tax increase in 2018 for Affordable Housing at the request of the Mayor. In 2019, alone, Denver collected over $32 Million.

Cap & Lottery

5. A lottery process may have the unintended consequence of increasing barriers to entry and they often result in litigation that slows the process for applicants. If licenses are available only to Social Equity Licensees for a period of time, how should the cap and lottery be addressed?

Option A	Option B	Option C
• Maintain the cap on store and cultivation licenses • Hold a lottery for distribution of available licenses if applications exceed number of locations available • Minimize requirements for lottery entry	• Remove cap on store and cultivation licenses • No lottery • Maintain transfer of location provision that prohibits co-located businesses from creating new locations • Maintain provision prohibiting new locations in top five saturated neighborhoods	Other ideas?

Option A. Reserve all licenses for SE applicants. Only allow vetted SE applicants into the lottery.

Delivery

6. In-person sales have security camera requirements and other regulations in place to prevent diversion of marijuana, particularly to youth. What additional safeguards would be effective to prevent diversion through delivery sales?

- Prohibit cash tipping for delivery drivers
- Require all delivery drivers to use ID scanners to verify IDs
- Other ideas?

The safeguards that are already in MED rule are sufficient. Denver does not need to impose any other technical requirements. If it does so, it will only increase the cost of doing business, thereby making it more difficult for SE licensees.

Hospitality

7. According to available research, density of alcohol outlets is an environmental risk factor for youth alcohol use and excessive adult alcohol use, and physical availability of marijuana is related to increased frequency of adult marijuana use. Given this information, what tools should be utilized to reduce density and concentration of businesses that allow for sales?

- Proximity restrictions between stores/sales locations
- Proximity restrictions from sales locations to protected uses
- Provisions that limit the number of locations in certain neighborhoods
- Others?

According to CDPHE's Healthy Kids Survey, cannabis use in youth has remained flat since 2013. Cannabis stores already have over a 97% pass rate for MED sting operations. MIG does not believe there should be density requirements for cannabis hospitality licenses. MIG is supportive of continuing the practice of requiring Needs & Desires hearings for cannabis applicants. This encourages businesses to work within their communities and to create Good Neighbor Agreements.

8. Should there be a 1,000 foot buffer between Hospitality & Sales Businesses? Please explain.

No. There is not a 1,000 foot buffer for alcohol. Why should there be one for cannabis? As above, according to CDPHE's Healthy Kids Survey, cannabis use in youth has remained flat since 2013. Cannabis stores already have over a 97% pass rate for MED sting operations. MIG does not believe there should be density requirements for cannabis hospitality licenses. MIG is supportive of continuing the practice of requiring Needs & Desires hearings for cannabis applicants. This encourages businesses to work within their communities and to create Good Neighbor Agreements.

9. Should there be a 1,000 foot buffer between Hospitality & Sales Businesses and Retail Marijuana Stores/Medical Marijuana Centers? Please explain.

No. See above.

10. Two types of mobile hospitality businesses are anticipated. Should either of the business models described below, or any parts of these business models, be prohibited or limited to address similar time, place and manner regulations in place for stationary businesses?

Shuttles	Tours
Vehicle designed to be used for consumption while it is moving between point A and point B and/or when the vehicle is parked at either of the points.	Vehicle designed to be used for consumption while it is moving between multiple stops on set routes and/or when the vehicle is parked at any of the stops.
Ex. A shuttle that runs from DEN to a hotel in Denver.	Ex. A bus that transports patrons on a tour to a cultivation, a MIP, and a restaurant.

11. State statute prohibits a licensed marijuana hospitality business from allowing the use of any device using any liquid petroleum gas, a butane lighter, or matches in the licensed premises if prohibited by local ordinance or resolution. Currently, the Rules Governing Marijuana Designated Consumption Areas prohibit the use of LPG torches. Which devices should be prohibited in hospitality establishments to appropriately balance safety concerns with providing options for methods of consumption? Please explain in the space provided below.

- LPG torches
- Butane lighters
- Matches

Denver should not prohibit any devices. As long as proper safety are followed all devices should be allowed.

Name: Sarah Belstock

Marijuana Licensing Work Group #5 – Public Comment Worksheet

Below are the discussion questions posed to the Marijuana Licensing Work Group on Tuesday, September 29, regarding changes to Denver's marijuana licensing program. If you have thoughts on any of the discussion questions below, please provide input in the space provided and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group and posted on the Marijuana Laws, Rules, and Regulations website.

Equity

1. The State of Colorado and the Marijuana Enforcement Division have ***proposed*** a Social Equity Licensee as the following:

A Colorado resident that, individually or together with other Social Equity Licensees, owns at least 51% of the marijuana business licenses, has not been subjected to a legal or disciplinary action by the State Licensing Authority against their license resulting in revocation, and demonstrates **one** of the following:

- Resided 15+ years, from 1980 to 2010 in an opportunity zone or Disproportionate Impacted Area, which is defined as a census tract in the top 15th percentile for that state in at least two of the following categories as measured by the United States Census Bureau:
    - The number of residents in the census tract receiving public assistance;
    - The number of residents in the census tract falling below the federal poverty level;
    - The number of residents in the census tract failing to graduate high school; and
    - The number of residents in the census tract who are unemployed.
- Applicant or immediate family was arrested, convicted or suffered civil asset forfeiture due to a marijuana offense.
- Applicant's household income did not exceed 50% of the state median income as measured by the number of people who reside in the Applicant's household.

Should Denver adopt this same language for a Social Equity Applicant? Please explain.

2. In order to support Social Equity Licensees, one proposal is to reserve certain licenses exclusively for Social Equity Licensees for a time period. Under this proposal, which licenses should be reserved? Please explain your selection(s) in the space provided below.

- Stores (including delivery*)
- Transporters (including delivery*)
- Cultivations
- Manufacturers of Infused Products
- Hospitality (including mobile)*
- Hospitality & Sales*
- Testing Facilities
- Medical Research & Development

*Assuming Denver opts in to these new license types.

3. In order to support Social Equity Licensees, one proposal is to distribute certain licenses exclusively to Social Equity Licensees for a time period, with a sunset review at the end of the time period. What is the right timeline to ensure the success of Social Equity Licensees? Please explain your selection in the space provided below.

- 2 – 3 years
- 4 – 5 years
- 6+ years

4. Success of Social Equity Licensees is heavily contingent upon funding, support from industry, and access to capital. The City and County of Denver is projecting a $226 million budget gap in 2020 and a $190 million budget gap in 2021 as a result of the COVID-19 pandemic. Creative solutions are needed to fund a Cannabis Social Equity Program. What are ideas to fund a cannabis social equity program in Denver or support the social equity licensees?

Cap & Lottery

5. A lottery process may have the unintended consequence of increasing barriers to entry and they often result in litigation that slows the process for applicants. If licenses are available only to Social Equity Licensees for a period of time, how should the cap and lottery be addressed?

Option A	Option B	Option C
• Maintain the cap on store and cultivation licenses • Hold a lottery for distribution of available licenses if applications exceed number of locations available • Minimize requirements for lottery entry	• Remove cap on store and cultivation licenses • No lottery • Maintain transfer of location provision that prohibits co-located businesses from creating new locations • Maintain provision prohibiting new locations in top five saturated neighborhoods	Other ideas?

Delivery

6. In-person sales have security camera requirements and other regulations in place to prevent diversion of marijuana, particularly to youth. What additional safeguards would be effective to prevent diversion through delivery sales?

- Prohibit cash tipping for delivery drivers
- Require all delivery drivers to use ID scanners to verify IDs
- Other ideas?

Any roll-out must include the development and incorporation of enforcement mechanisms to ensure that age-related restrictions and other sales limits are uniformly followed. A recent Audit Report from the City and County of Denver identified several unlicensed marijuana delivery businesses operating in Denver, indicating a deficit in the City and County's ability to identify illicit operations (retrieved from: www.denverauditor.org/project/marijuana-taxation). Current enforcement deficiencies should be adequately addressed prior to the enactment of large-scale policy changes.

Given the potential relationship between relaxed supply regulations - as represented by the introduction of delivery sales - and increased marijuana use (Smart & Pacula, 2019; Freisthler & Gruenewald, 2014), it is essential to: 1) establish mechanisms for monitoring

Hospitality

7. According to available research, density of alcohol outlets is an environmental risk factor for youth alcohol use and excessive adult alcohol use, and physical availability of marijuana is related to increased frequency of adult marijuana use. Given this information, what tools should be utilized to reduce density and concentration of businesses that allow for sales?

- Proximity restrictions between stores/sales locations
- Proximity restrictions from sales locations to protected uses
- Provisions that limit the number of locations in certain neighborhoods
- Others?

Measures to reduce density and concentration of businesses will minimize the impact of the introduction of hospitality establishments on youth use. The relationship between outlet density and consumption has been well-established within research literature related to alcohol (Campbell et al, Chen et al, Popova et al) and tobacco (Finan et al), wherein a positive association between outlet density and rates of use - including rates of use among youth - has been observed. Preliminary research related to marijuana indicates a similar relationship between outlet density and marijuana use (Freisthler & Gruenewald, Shih et al).

Additionally, signage restrictions might be considered as a mechanism for minimizing the impact on use among young people. The proximity of marijuana establishments to schools and residential areas may impact normalization and positive expectancies among youth. In particular, proximal exposure to marijuana outlets with prominent signage has been associated with more frequent use among youth and young adults, as well as greater expectations of marijuana's positive benefits (Shih et al).

8. Should there be a 1,000 foot buffer between Hospitality & Sales Businesses? Please explain.

9. Should there be a 1,000 foot buffer between Hospitality & Sales Businesses and Retail Marijuana Stores/Medical Marijuana Centers? Please explain.

10. Two types of mobile hospitality businesses are anticipated. Should either of the business models described below, or any parts of these business models, be prohibited or limited to address similar time, place and manner regulations in place for stationary businesses?

Shuttles	Tours
Vehicle designed to be used for consumption while it is moving between point A and point B and/or when the vehicle is parked at either of the points.	Vehicle designed to be used for consumption while it is moving between multiple stops on set routes and/or when the vehicle is parked at any of the stops.
Ex. A shuttle that runs from DEN to a hotel in Denver.	Ex. A bus that transports patrons on a tour to a cultivation, a MIP, and a restaurant.

Mobile hospitality businesses will increase opportunities for proximal exposure to marijuana consumption. As noted, proximal exposure has been associated with more frequent use among youth and young adults, as well as greater expectations of marijuana's positive benefits (Shih et al).

References:

Shih RA, et al. Associations between young adult marijuana outcomes and availability of medical marijuana dispensaries and storefront signage. Addiction. 2019;114 (12):2162-2170.

11. State statute prohibits a licensed marijuana hospitality business from allowing the use of any device using any liquid petroleum gas, a butane lighter, or matches in the licensed premises if prohibited by local ordinance or resolution. Currently, the Rules Governing Marijuana Designated Consumption Areas prohibit the use of LPG torches. Which devices should be prohibited in hospitality establishments to appropriately balance safety concerns with providing options for methods of consumption? Please explain in the space provided below.

- LPG torches
- Butane lighters
- Matches

Name: Michelle Garcia

Marijuana Licensing Work Group #5 – Public Comment Worksheet

Below are the discussion questions posed to the Marijuana Licensing Work Group on Tuesday, September 29, regarding changes to Denver's marijuana licensing program. If you have thoughts on any of the discussion questions below, please provide input in the space provided and submit the document to marijuanainfo@denvergov.org. Comments will be circulated to the Marijuana Licensing Work Group and posted on the Marijuana Laws, Rules, and Regulations website.

Equity

1. The State of Colorado and the Marijuana Enforcement Division have ***proposed*** a Social Equity Licensee as the following:

A Colorado resident that, individually or together with other Social Equity Licensees, owns at least 51% of the marijuana business licenses, has not been subjected to a legal or disciplinary action by the State Licensing Authority against their license resulting in revocation, and demonstrates **one** of the following:

- Resided 15+ years, from 1980 to 2010 in an opportunity zone or Disproportionate Impacted Area, which is defined as a census tract in the top 15th percentile for that state in at least two of the following categories as measured by the United States Census Bureau:
    - The number of residents in the census tract receiving public assistance;
    - The number of residents in the census tract falling below the federal poverty level;
    - The number of residents in the census tract failing to graduate high school; and
    - The number of residents in the census tract who are unemployed.
- Applicant or immediate family was arrested, convicted or suffered civil asset forfeiture due to a marijuana offense.
- Applicant's household income did not exceed 50% of the state median income as measured by the number of people who reside in the Applicant's household.

Should Denver adopt this same language for a Social Equity Applicant? Please explain.

Denver should align with the proposed language from the State of Colorado. It is comprehensive and well-thought out. It will allow maximum participation from groups not currently involved in the industry particularly those most impacted by the war on drugs which was experienced much differently in communities across Denver.

2. In order to support Social Equity Licensees, one proposal is to reserve certain licenses exclusively for Social Equity Licensees for a time period. Under this proposal, which licenses should be reserved? Please explain your selection(s) in the space provided below.

- Stores (including delivery*)
- Transporters (including delivery*)
- Cultivations
- Manufacturers of Infused Products
- Hospitality (including mobile)*
- Hospitality & Sales*
- Testing Facilities
- Medical Research & Development

*Assuming Denver opts in to these new license types.

Given the lack of efficacy in equity programs attempted in other states, exclusivity could significantly slow growth in certain license categories. Prioritization across all license types rather than exclusive access might be more effective at growing the industry segments necessary to support growth to provide opportunites for future social equity applicants.

3. In order to support Social Equity Licensees, one proposal is to distribute certain licenses exclusively to Social Equity Licensees for a time period, with a sunset review at the end of the time period. What is the right timeline to ensure the success of Social Equity Licensees? Please explain your selection in the space provided below.

- 2 – 3 years
- 4 – 5 years
- 6+ years

4. Success of Social Equity Licensees is heavily contingent upon funding, support from industry, and access to capital. The City and County of Denver is projecting a $226 million budget gap in 2020 and a $190 million budget gap in 2021 as a result of the COVID-19 pandemic. Creative solutions are needed to fund a Cannabis Social Equity Program. What are ideas to fund a cannabis social equity program in Denver or support the social equity licensees?

Delivery or point-of-sale surcharge. Reduction of fees for industry participants that contribute to or support social equity applicants.

Cap & Lottery

5. A lottery process may have the unintended consequence of increasing barriers to entry and they often result in litigation that slows the process for applicants. If licenses are available only to Social Equity Licensees for a period of time, how should the cap and lottery be addressed?

Option A	Option B	Option C
• Maintain the cap on store and cultivation licenses • Hold a lottery for distribution of available licenses if applications exceed number of locations available • Minimize requirements for lottery entry	• Remove cap on store and cultivation licenses • No lottery • Maintain transfer of location provision that prohibits co-located businesses from creating new locations • Maintain provision prohibiting new locations in top five saturated neighborhoods	Other ideas?

Maintain provision prohibiting new locations in the top five saturated neighborhoods. Minimize lottery entry requirements.

Delivery

6. In-person sales have security camera requirements and other regulations in place to prevent diversion of marijuana, particularly to youth. What additional safeguards would be effective to prevent diversion through delivery sales?

- Prohibit cash tipping for delivery drivers
- Require all delivery drivers to use ID scanners to verify IDs
- Other ideas?

Massachusetts has proposed using body cameras and a 30 day cloud backup that would be accessible only by law enforcement and regulatory agencies. If cash payments are allowed, cash tips should be allowed. All drivers should use ID scanners as is common with the delivery of alcohol.

Hospitality

7. According to available research, density of alcohol outlets is an environmental risk factor for youth alcohol use and excessive adult alcohol use, and physical availability of marijuana is related to increased frequency of adult marijuana use. Given this information, what tools should be utilized to reduce density and concentration of businesses that allow for sales?

- Proximity restrictions between stores/sales locations
- Proximity restrictions from sales locations to protected uses
- Provisions that limit the number of locations in certain neighborhoods
- Others?

Provisions that protect communities from being oversaturated by marijuana sales and consumption establishments are essential to preserving quality of life and youth wellbeing in those neighborhoods.

8. Should there be a 1,000 foot buffer between Hospitality & Sales Businesses? Please explain.

This seems arbitrary. In other weed-legal social environments such as Amsterdam hospitality and sales facilities exist within 1,000 feet of each other without destroying the culture of the community or driving out non-marijuana businesses. By focusing on concentrations we can better elevate our concerns about equity.

9. Should there be a 1,000 foot buffer between Hospitality & Sales Businesses and Retail Marijuana Stores/Medical Marijuana Centers? Please explain.

The hospitality and sales license will be much like the hospitality license alone if it operates in such close proximity to existing retail facilities. To keep the licenses distinct a buffer should remain between the hospitality and sales and retail sales facilities.

10. Two types of mobile hospitality businesses are anticipated. Should either of the business models described below, or any parts of these business models, be prohibited or limited to address similar time, place and manner regulations in place for stationary businesses?

Shuttles	Tours
Vehicle designed to be used for consumption while it is moving between point A and point B and/or when the vehicle is parked at either of the points.	Vehicle designed to be used for consumption while it is moving between multiple stops on set routes and/or when the vehicle is parked at any of the stops.
Ex. A shuttle that runs from DEN to a hotel in Denver.	Ex. A bus that transports patrons on a tour to a cultivation, a MIP, and a restaurant.

Tours seems a better focus for mobile hospitality as they allow for more innovation, the creation of more diverse revenue streams, and a destination that allows consumption for tourists or locals who have nowhere else to smoke. Though not licensed to do so, there are many commercial and gig drivers who will allow people to smoke during transport and this seems a less lucrative means of entering the mobile hospitality cannabis space. This consideration would change is referral fees for shuttle drivers to be paid by retail, medical, or hospitality providers.

11. State statute prohibits a licensed marijuana hospitality business from allowing the use of any device using any liquid petroleum gas, a butane lighter, or matches in the licensed premises if prohibited by local ordinance or resolution. Currently, the Rules Governing Marijuana Designated Consumption Areas prohibit the use of LPG torches. Which devices should be prohibited in hospitality establishments to appropriately balance safety concerns with providing options for methods of consumption? Please explain in the space provided below.

- LPG torches
- Butane lighters
- Matches

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?

Both.

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

Given the Covid crisis, both retail and medical delivery should be rolled out as soon as possible.

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?

Yes, with a surcharge for out-of-area deliveries that can help fund social equity initiatives in the City and County 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?

Deliveries should be made only between the hours of 8:00 a.m. and midnight as indicated in MED Rule 3-245(A)(4).

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 sales limits for marijuana delivery should follow the allowable limits established in MED Rule 3-615(F)(8).

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?

Additional licenses create new opportunities for people to participate in the cannabis industry. However, emerging license categories attached to existing license categories are likely to replicate in the emerging license class any disproportional outcomes that exist in the existing license class.

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?

Massachusetts is also using body cameras as an additional safety measure.

- 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?

Limits should follow MED Rule 3-615(D)(7) which are consistent with limits in other jurisdictions such as Massachusetts.

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

<u>Barriers to Entry</u>

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

It requires a vehicle outfitted with required safety and security features and insurance which might be cost prohibitive to some social equity applicants according to equity criterion established by the state. Overall the biggest barrier to participation cited in the Analytics Insights report in June 2020 was lack of access to capital, current equity program suggestions are unlikely to successfully surmount this.

Equity in Marijuana Licensing

How can equity be reflected in marijuana licensing?

Evanston, IL. is using a delivery surcharge to fund a cannabis equity program that pays for license fees and educational support for social equity applicants among other benefits.

Additional Comments

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