

**RECORD OF PROCEEDINGS
PUEBLO COUNTY LIQUOR AND MARIJUANA LICENSING BOARD
MONDAY, JANUARY 13, 2020
6:00 P.M.
COMMISSIONERS' CHAMBERS AT PUEBLO COUNTY COURTHOUSE
215 WEST 10TH STREET**

I. ATTENDANCE/EXCUSED

Members Present: Brian Casaus, Don DiFatta, Charles Finley, Roger Lowe, Henry Reyes, Jr., and Joseph Treanor.

Members Absent: Wallace Rice (excused).

Staff Present: Peter Blood, Assistant County Attorney; Dani Cernoia, Recording Secretary; Carmen Howard, Director of Planning and Development; Sarah Long, Assistant County Attorney; and Tawnya Stringer, Licensing Manager.

Chairperson Lowe called the Pueblo County Liquor and Marijuana Licensing Board (LMLB) meeting to order at 6:00 p.m.

II. APPROVE THE MEETING MINUTES OF DECEMBER 9, 2019

Chairperson Lowe asked if there were any additions or corrections to the minutes.

Mr. Treanor motioned to approve the minutes of the December 9, 2019 LMLB meeting as presented. Mr. Reyes seconded the motion. The motion carried unanimously.

Mr. DiFatta abstained from voting as he was absent from the December 9, 2019 meeting.

III. APPROVE AGENDA OF JANUARY 13, 2020

Chairperson Lowe asked if there were any additions or corrections to the agenda.

Ms. Stringer requested to add the following items to the agenda:

Add the following to Item V.B.2.i

- Renewal Application for a Retail Marijuana Cultivation Facility located at 2205 Pope Valley Ranch Road, Pueblo, Colorado 81005 submitted by 2205 Pope Valley, LLC. This item was not placed on the agenda as we were awaiting funds up and to January 10, 2020. Funds have been collected and the establishment is in good standing.

- Retail Marijuana-Infused Products Manufacturing Facility to Item V.B.2.b as it was overlooked and not placed on the agenda.

Mr. Casaus motioned to approve the amended agenda of the January 13, 2020 meeting. Mr. Finley seconded the motion. The motion carried unanimously.

IV. DIRECTOR'S REPORT

Ms. Howard informed the LMLB of the State marijuana license that has been surrendered to the MED.

**RECORD OF PROCEEDINGS
PUEBLO COUNTY LIQUOR AND MARIJUANA LICENSING BOARD
DECEMBER 9, 2019**

- Organic Grown, LLC license #403R-00847 has been surrendered to the MED. Local License was surrendered and is no longer valid.

Ms. Stringer requested to move Item VIII.B.1.a, Show Cause Hearing for Marisol Therapeutics, LLC, before the Consent Meeting Agenda. She stated that with the information we received the item will need to be continued next month.

- A hearing on the Order to Show Cause issued on December 9, 2019 involving alleged violations of the Pueblo County Code by Marisol Therapeutics, LLC located at 922 East Kimble Drive, Pueblo West, Colorado 81007 and 2204 Hickory Street, Pueblo, Colorado 81001.

Mr. Blood stated that he was contacted by the attorney for Marisol Therapeutics, LLC. They have provided an Entry of Appearance and Motion to continue. In the motion, they state that they are planning to sell a portion of the business and expect to have the sale consummated within two weeks and expect to have their taxes fully paid by the next Board meeting. Given that this is the best chance to get the County's tax money back, he believes it is in everyone's best interest to agree with the continuance. He has spoken with the company's attorney and indicated that he does endorse the continuance. He gave a copy of the Entry of Appearance and Motion to Chairperson Lowe and Ms. Long.

Ms. Long informed the Board that it is her recommendation to make a motion to approve the continuance as it is the best bet to recoup the tax that is owed to the County.

Mr. Reyes asked Mr. Blood if, when they vote to continue to next month, he (Mr. Blood) will be working out an agreement that they (the Board) are bound to accept or can the Board take another action. Mr. Blood stated that yes, they would have further action in February even if they paid off all the taxes. They would either have a stipulation where they agree upon a punishment or, perhaps, a probationary period so they (Marisol Therapeutics, LLC) do not get behind again. They also have a renewal coming up and can revisit some of the issues at that time. They are not going to be without any kind of recommended sanction simply because they pay the taxes that are owed. Mr. Blood continued that the Board would receive a recommendation from him and Mr. Jason Chambers, Marijuana Inspector and Enforcement Officer, in February but it is a little too early to say what that will be as he does not know how prompt Marisol Therapeutics, LLC will be about paying the taxes and late fees. They may be smart enough to offer the County interest, and all that information will be included into what he and Mr. Chambers will recommend as a punishment.

Mr. Finley asked Ms. Long if the item is continued and Marisol Therapeutics, LLC sells, do they still have the option of revocation. Ms. Long replied that the license is still within the Board's jurisdiction even if they sell part of their business. Mr. Finley asked Ms. Long if he was correct in saying that they (the Board) are not giving up any of their options by the continuation. Ms. Long confirmed that is correct, that this is just a continuation.

Mr. DiFatta asked how much they owe the County. Mr. Blood responded that it is a little hard to tell, as they have not filed reports in many cases. On the retail side, they have only filed reports for 3 out of 12 months. The current estimate is that they owe around \$50,000-

**RECORD OF PROCEEDINGS
PUEBLO COUNTY LIQUOR AND MARIJUANA LICENSING BOARD
DECEMBER 9, 2019**

\$70,000. Mr. Blood continued that a little of that is speculative because with excised taxes, you don't know anything until there is a transaction, and we do not know which months they have had transactions. All of that information will be cleared up as part of the sale and payment. They have a lot of obligation to pay as well as filing the reports that show exactly what they do owe. It's possible that the amount could be more.

Mr. Reyes asked Ms. Long if they will be able to meet in an Executive Session to go over the guidelines that the County Commissioners have recently instituted. Ms. Long responded yes, next month they will have an Executive Session to go over legal changes, but none of them pertain to this particular case.

Mr. Casaus motioned to continue the hearing on the Order to Show Cause issued on December 9, 2019 involving alleged violations of the Pueblo County Code by Marisol Therapeutics, LLC located at 922 East Kimble Drive, Pueblo West, Colorado 81007 and 2204 Hickory Street, Pueblo, Colorado 81001 to February 10, 2020. Mr. Treanor seconded the motion. The motion carried unanimously.

V. CONSENT MEETING AGENDA ITEMS

Chairperson Lowe requested the staff memorandums and any applicable Findings and Orders be made a part of the record of proceedings.

Mr. Treanor motioned to approve the consent meeting agenda listed below. Mr. Casaus seconded the motion. The motion carried unanimously.

LIQUOR LICENSES

- Renewal Application for a Hotel and Restaurant Liquor License and Cabaret License located at 611 South McCulloch Boulevard West, Pueblo West, Colorado 81007 submitted by First Round Draft Sports Pub, Inc. dba First Round Draft Sports Pub.
- Renewal Application for a Liquor Store License located at 8869 Grand Avenue, Beulah, Colorado 81023 submitted by Chaderick Lee Perkins dba Grand Spirit and Liquor.
- Renewal Application for a Fermented Malt Beverage License located at 78 North McCulloch Boulevard, Pueblo West, Colorado 81007 submitted by Walmart Inc dba Walmart Store #3382.

MARIJUANA ESTABLISHMENT LICENSES

- Renewal Application for a Retail Marijuana Cultivation Facility located at 23 North Precision Drive, Pueblo West, Colorado 81007 submitted by Elite Farms, LLC.

**RECORD OF PROCEEDINGS
PUEBLO COUNTY LIQUOR AND MARIJUANA LICENSING BOARD
DECEMBER 9, 2019**

- Renewal Application for a Retail Marijuana Cultivation Facility located at 2367 Little Burnt Mill Road, Pueblo, Colorado 81004 submitted by Evergreen Nursery Farms, LLC.
- Renewal Application for a Retail Marijuana Cultivation Facility located at 2150 56th Lane, Boone, Colorado 81025 submitted by Herbal Medications, LLC.
- Renewal Application for a Retail Marijuana Cultivation Facility located at 76 Mission Drive, Pueblo West, Colorado 81007 submitted by High Horse, LLC dba Snax.
- Renewal Application for a Medical Marijuana-Infused Products Manufacturing Facility located at 78 Silicon Drive North, Building 1 of 4, Pueblo West, Colorado 81007 submitted by Palo Verde, LLC.
- Renewal Application for a Medical Marijuana Optional Premises Cultivation located at 1640 Siloam Road, Pueblo, Colorado 81005 submitted by Potco, LLC dba Potco.
- Renewal Application for a Retail Marijuana Cultivation Facility located at 1640 Siloam Road, Pueblo, Colorado 81005 submitted by Potco South, LLC.
- Renewal Application for a Retail Marijuana Cultivation Facility located at 66 North Research Drive, Pueblo West, Colorado 81007 submitted by Weedcrumbs, LLC dba WeGrow Pueblo.
- Renewal Application for a Retail Marijuana Cultivation Facility located at 2205 Pope Valley Ranch Road, Pueblo, Colorado 81005 submitted by 2205 Pope Valley, LLC.
- Change of Ownership Application for a Retail Marijuana Cultivation Facility located at 8217 Red Creek Springs Road, Pueblo, Colorado 81005 submitted by Colorado Leaf, LLC dba Colorado Leaf. The ownership structure is removing the existing owner and adding a new owner.
- Change of Ownership Application for a Retail Marijuana Cultivation Facility and Retail Marijuana-Infused Products Manufacturing Facility located at 843 East Chemical Drive, Pueblo West, Colorado 81007 submitted by Genesis 8, LLC. The ownership structure is adding new owners.
- Change of Ownership Application for a Retail Marijuana Cultivation Facility located at 6474 Galbreth Road, Pueblo, Colorado 81005 submitted by KG Farms, LLC. The ownership structure is adding new owners.

VI. CONSENT HEARING AGENDA ITEMS

Chairperson Lowe requested the staff memorandums and any applicable Findings and Orders be made a part of the record of proceedings.

Mr. Treanor motioned to approve the consent hearing agenda listed below. Mr. Casaus seconded the motion.

**RECORD OF PROCEEDINGS
PUEBLO COUNTY LIQUOR AND MARIJUANA LICENSING BOARD
DECEMBER 9, 2019**

Discussion occurred.

Mr. Finley expressed his support for the application and stated that he will be voting for the motion.

After discussion, the motion carried unanimously.

LIQUOR LICENSES-None.

MARIJUANA ESTABLISHMENT LICENSES

- New Application for a Retail Marijuana Cultivation Facility located at 1115 Siloam Road, Pueblo, Colorado 81005 submitted by PRN Holdings, LLC dba Ghost Gardens

REGULAR MEETING AGENDA ITEMS

Chairperson Lowe requested the staff memorandums and any applicable Findings and Orders be made a part of the record of proceedings.

LIQUOR LICENSE-None.

MARIJUANA ESTABLISHMENT LICENSES

- Conditional Approval Extension request (**2nd extension request**) by Jun Zhang, Inc. to extend the Findings and Order condition of approval to submit a signed License Routing Sheet within one year of the approval date of January 8, 2018 for an application for a Retail Marijuana Cultivation Facility located at 3730 40th Lane, Avondale, Colorado 81022. The second extension date is June 8, 2020.

Ms. Long stated that this is one of the Code changes, and it is a simple change, so she didn't think an Executive Session discussion was necessary. The County used to have a rule that prohibited more than one extension of a Conditional Approval. In the Code changes, one of the special rules that was removed had that prohibition of more than one extension, so it is now up to the Board's discretion. Any applicant who has a conditionally approved license gets the benefit of that change, so they can request more than one extension. They have the discretion to grant or deny their request, add any additional conditions, or make any changes to the conditions on their request.

Mr. Andy Zhang, 2959 South Harlen Court, Lakewood, Colorado 80227 spoke and translated for his father, Mr. Jun Zhang, 13730 40th Lane, Avondale, Colorado 81022. Mr. A. Zhang stated that they are in the building process, they have the frame of buildings completed as well as the sewage line, concrete slab, and they are moving ahead with electrical. They were delayed due to Regional approving the electrical, but they just got it approved last week. That, and weather, had held them up. They only have one road in Avondale, and they had a lot of weather issues for workers getting there and safety hazards.

**RECORD OF PROCEEDINGS
PUEBLO COUNTY LIQUOR AND MARIJUANA LICENSING BOARD
DECEMBER 9, 2019**

Mr. Finley asked how much money has been spent and how much are they under contract to spend right now. Mr. A. Zhang translated Mr. J. Zhang's response as \$380,000 on the frame, slab, and sewage not including the land, drywall, and materials. Mr. Finley asked if they have contracts for other contractors to do more work. Mr. A. Zhang responded that they are getting a quote for the plumber this week, and they have the quote for half of the electrical.

Mr. Casaus asked if they believe that everything will be complete by June 8th. Mr. A. Zhang translated Mr. J. Zhang's response as yes.

Mr. Casaus asked Ms. Long if they (the Board) can amend up to a year if they feel that 6 months is not long enough. Ms. Long responded yes; they can do up to a year because that is the period that the license would be renewed for. She believes the 6-month extension was what was requested by the owner. Ms. Stringer added that, at first, they only requested 3 weeks. She stated that they have had a lot done and could probably finish in 2 months, but 6 months allowed for more of a cushion. Mr. Casaus stated that he doesn't feel the need to amend it if staff have investigated it.

Mr. Casaus motioned to approve the Conditional Approval Extension request (2nd extension request) by Jun Zhang, Inc. to extend the Findings and Order condition of approval to submit a signed License Routing Sheet within one year of the approval date of January 8, 2018 for an application for a Retail Marijuana Cultivation Facility located at 3730 40th Lane, Avondale, Colorado 81022. The second extension date is June 8, 2020. Mr. Treanor seconded the motion.

Discussion occurred.

Mr. Finley stated that he would be voting in favor of the 6-month continuation.

Mr. Casaus stated that he would be voting in favor of the request.

After discussion, the motion carried unanimously.

Chairperson Lowe stated that the Regular Hearing Agenda Item was covered earlier in the meeting. He informed the Board that this was his last official act as Chairman and member of the Board.

ADJOURN

There being no further regular business before the LMLB, the meeting was adjourned at 6:35 p.m. The next LMLB meeting is scheduled to be held on Monday, February 10, 2020 at 6:00 p.m., in the Commissioners' Chambers at the Pueblo County Courthouse, 215 West 10th Street.

Respectfully submitted,



Dani Cernoia, Recording Secretary
Department of Planning and Development
LDC