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The regular meeting of the City Council of the City of Trinidad, Colorado, was held on Tuesday, June 16, 2015, at 7:00 p.m. in City Council Chambers at City Hall.

There were present:	Mayor	Reorda, presiding
	Councilmembers	Bolton, Bonato, Mattie, Miles, Torres
Also present:	City Manager	Engeland
	City Attorney	Downs
	Asst. City Clerk	Marquez
Absent:	Councilmember	Fletcher

The pledge of allegiance was recited.

APPROVAL OF THE MINUTES. Regular Meeting of June 2, 2015. A motion to approve the minutes as submitted was made by Councilmember Bolton and seconded by Councilmember Torres. The motion carried unanimously.

PETITIONS OR COMMUNICATIONS, ORAL OR WRITTEN. Thomas Murphy addressed Council. He recalled Council discussing at length last year about changing the public comment time from three minutes to five minutes. He suggested they consider it again because three minutes is not enough time. Secondly, he told Council that two members of the Tourism Board expressed at their last meeting that they felt that Council exceeded their bounds and don't have the right to cancel the marketing contract. Third, he told Council that a couple of months ago he asked Council questions about ARPA. He re-asked the questions to City Manager Engeland: 1) what was the original projected cost; 2) what was the original completion date; 3) what is the current debt? He explained that ARPA's CORA response doesn't jive with what was written about and spoken about for many years. He said it will be important come November. He asked for the answers to be given in public. After brief discussion, Council agreed to allow people to address Council for five minutes.

PUBLIC HEARING. New retail marijuana store application filed by Freedom Road Garden LTD d/b/a Freedom Road at 2600 Freedom Road; New retail marijuana cultivation facility application filed by Freedom Road Garden LTD d/b/a Freedom Road at 2600 Freedom Road; New medical marijuana center application filed by Freedom Road Garden LTD d/b/a Freedom Road at 2600 Freedom Road; and New medical marijuana optional premise Cultivation operation application filed by Freedom Road Garden LTD d/b/a Freedom Road at 2600 Freedom Road. Mayor Reorda opened the hearing. David Snow was sworn in. He testified that he was the applicant and sole member and president of Freedom Road Garden LTD. The application is for 2600 Freedom Road, Trinidad, Colorado. Upon agreement with no objections, the hearings were combined and the request for the four license types were heard together. Mr. Snow confirmed that he was seeking a Retail Marijuana Store license, Retail Marijuana Cultivation Facility license, a Medical Marijuana Center license and a Medical Marijuana Optional Premise Cultivation Operation license. The zoning is Industrial and is within the marijuana overlay district. He said he understands it is in the Industrial Park. Mr. Snow testified that he is the only principal in the corporation. The trade name of the business is Freedom Road. Any changes would require notification and an appearance before Council. All applications were filed under Freedom Road Garden LTD and Mr. Snow submitted the license applications. The corporate address is 19435 Broken Fence Way, Monument, Colorado. It is Mr. Snow's home office address until the business gets established then it will be changed to the Trinidad address. There are currently two existing buildings on the site, a 3,000 square foot metal building and an 800 square foot brick building that are in disrepair. He said he is not planning on doing anything with them except for future growth. He plans to build a new 7,800 square foot metal building. The Planning Commission is aware of the plan. When asked what is unique about his business plan, Mr. Snow stated that he is unaware of the business model of others. He said this is a business and well thought out venture that he has invested money and time into. His model is the sale of retail marijuana and a dispensary in Trinidad. The grow is scaled to be larger than what can be used in his Trinidad location so he thinks he will wholesale. He noted that he's not sure about the rules with respect to wholesaling medical marijuana, he thinks only retail is able to be wholesaled. City Attorney Downs pointed out that he will be presumed knowledgeable of the state statutes, ordinances, etc. Mr. Snow stated that he has signed an affidavit to that effect and is learning the process and has been immersed in this since December of last year. He said he's attended conferences and conventions and has visited with the MED, and is getting up to speed. Additionally he relies on consultants and lawyers. While he is alone in the business he will seek professional help with compliance with the laws. It is a deep set of rules and you can't step out of line one inch and expect to stay in business. Mr. Snow testified that he is the sole financial contributor to the business. A real estate entity bought the land and will build to suit. He will pay rent to them. The licenses and operations are all his responsibility. He understood his requirement to disclose any financial interest. He said that the only financial interest the landlord has is collecting rent from him. Mr. Snow further testified that Erin Phillips was named as a 5% stockholder initially but is no longer a stakeholder at all. She was one of the principals in a company by the name of Strain Wise, which is a publicly traded company out of Denver with multiple retail and grow locations. She was retained as a consultant to help through the licensing process and was paid \$2,000 as a consultant fee and was to have a 5% ownership in the business. He said he thought it was a good deal and wanted a consultant throughout. The MED called him about two weeks ago to advise him that Strain Wise was being investigated by the MED. He said he was required to withdraw his application at his expense and reapply. He was told by MED that he was the ideal candidate to hold a license. He surmised that he picked the wrong consultant. There was no way for him to have kept the application in place and extricate Erin Phillips. He pointed to the letter he provided to the City stating her removal from having any ownership interest. The bylaws of the Limited Liability Company have been modified also. The MED is satisfied. Upon inquiry about the landlord Aches K Pains, Mr. Snow explained that it is a person who used to play professional football. He and his wife purchased the property. He explained that in April, 2015, he had a conditional lease with these investors. He learned that he couldn't have a conditional lease, it had to be a direct lease with the land owners. So, David and Karen

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Aherns bought the property. It puts them at some risk with him not having a license. He has a five-year lease with multiple renewals and options. Mr. Snow upon inquiry testified that he doesn't have a bank account yet, but hopes to get one in Trinidad. He said he's heard there might be one or two. It is a problem because of federal laws with the industry. He has a new consultant and they have several bank relations with Denver banks. Mr. Snow testified that he reviewed and read his application and represented that all representations therein are true and correct. He acknowledged his obligation to report and receive approval for any change in corporate or financial structure and to make a full and fair disclosure of the same. Mr. Snow said he could look at the package in front of City Council and see his whole life there. He has nothing to hide. He acknowledged his on-going obligation to comply with all City officials. He told Council that he may live in Monument, but plans on being a part of the Trinidad community. He expects to get all permits and inspections. Mr. Snow stated that he is a construction manager by profession. He confirmed the understanding that he must have the state and local licenses before he can possess any marijuana, other than that allowed to an individual under Amendment 64. City Attorney Downs told Mr. Snow that in times of water austerity he as a cultivator/wholesaler can have his water shut off. Mr. Snow said he was unaware of that but said that he knows water rights are transferable and he hoped there would be a way to mitigate that. He added that he would acquiesce to the laws. He also acknowledged that the marijuana industry could be undone by the federal government. Mayor Reorda asked if he will grow to transport. Mr. Snow answered that he would be allowed to wholesale. He pointed out that there is tracking for everything from clone to sale through the MED tracking system. Councilmember Bonato asked if going through this process the Planning Commission approved his site plan. Mr. Snow said he provided a sketch. Understanding construction documents, the sketch represented the plans. The actual construction plans will be processed through the building inspector. Councilmember Bonato asked if the site plan is not complete how Council will know what will be done. The building type could change. Mr. Snow answered that normally what happens is a preliminary site plan is binding but it is a concept drawing. The drainage, structures, setbacks, existing utilities and other encumbrances, ADA, etc. are taken into account once it is engineered. Those can vary by jurisdiction. The next order of business is to spend time with the building department and architects to refine the plan that has been presented. He emphasized that he would be refining, not changing. This is a representative shot of what they are going to do. Councilmember Miles said she understands there are some specific marijuana requirements that the Chief Building Officials doesn't know anything about. She asked if those plans have to be submitted to the MED. Mr. Snow answered that the state has the same preliminary floor plan with cameras, exits, designation of rooms, square footage, and outdoor lighting that has been submitted in his license application to Trinidad. They also have the site plan. Councilmember Miles asked if the marijuana specific things are being bond to in this application, such as security. Mr. Snow said it is minimal in his mind. The camera placement, for example, was given to him by a consultant. They did the layout. He said that he's certain more cameras will be added and what is shown is a minimum. Regarding timing, Mr. Snow said the City was going to be his last hurdle. He now has to go back through the MED. An intake meeting with MED should take place at the end of June or beginning of July. He said he's had a lot of conversations with the MED and there is a minimum of 45 days before they can issue the recreational license statutorily. He said he expects that on July 2nd he will have his license. The build out will be dependent on the amount of risk the landlord is willing to take. The plans need to be turned into engineered drawings. He estimated that to take five weeks and he expect six weeks to get the first comments on the plans/permits from the City. They will be working on the brick parking lot right now, fixing some big holes, etc. He estimated four to five months for construction, depending on the site work. It pushes him to February or March, 2016. Councilmember Miles commented that there may be standards for timing of construction at some time. Mr. Snow stated that he didn't want to paint an incorrect picture. Councilmember Miles clarified that her comment was not germane to his license. Councilmember Miles asked if he will live in Monument and inferred her curiosity about his day job commitments with respect to its affect on this business. Mr. Snow said he hopes this business takes off. He said he has been a construction manager for 40 years, and is building a lot of restaurants now as a consultant. He takes on work as he sees fit. As this project comes on line he said he will quit loading projects into his timeline, except enough to keep his bills paid. The goal is to transition from a construction manager o marijuana business manager. He plans on spending a good deal of time here and hiring 12 local people and some seasonals for trimming. He hopes the business takes off and he can expand onto the nine acres. Mr. Snow said he will be the general manager initially. It can't be left to someone else. Someday that could change if he can find the right person. He added that he intends to hire quality people. There will be management for the grow and for the accounting. Management of the business will be him for now. To Councilmember Mattie's question as to why he chose Trinidad out of everywhere he could go, Mr. Snow said it was based on cost and because Trinidad had a marijuana overlay district. He reiterated that he is in the construction business and has found local government not always friendly to development. So far dealing with the City has been good and people are kind. They've reached out to help solve problems. Regarding cost, he said they were able to get nine acres on I-25 for under \$300,000. In Denver that property would have cost \$10 million on a similar set up. There's a lot of pressure with people coming into the business. He surmised the lower he keeps the overhead the better. Councilmember Mattie pointed out that the City has a declining economy and population now at 8,400. There are five active marijuana distribution points and many in development. Some public sentiment is that we've become saturated. He asked how he will distinguish his business. Mr. Snow answered that it will be quality. He will have a new building with nice architecture. About it being a shrinking town he said he hopes the marijuana industry among others will create synergy that will lead to other business types opening. He added that he believes in capitalism and thinks this is a great step for Trinidad and that so long as it is not hurting the community it will help it grow. Councilmember Miles asked what he thought would be the bulk of his business. Mr. Snow said from I-25 it is a little hard to get to his business so wholesaling would probably be, although people up north have told him that the sales will surprise him in Trinidad. Mayor Reorda called for comments against the application. There being none, the hearing was closed. Councilmember Miles moved to approve the four licenses and Councilmember Mattie seconded the motion. Upon roll call vote the motion carried with all Councilmembers voting aye except Councilmember Bonato who cast a dissenting vote. Mayor Reorda issued the following findings:

This matter came on for hearing on the application of Freedom Road Garden LTD d/b/a Freedom Road at 2600 Freedom Road, in Trinidad, Colorado, for a Retail Marijuana Store, Retail Marijuana Cultivation Facility, Medical Marijuana Center and Medical Marijuana Optional Premise Cultivation Operation, before the City Council of the City of Trinidad, Colorado, acting in its capacity as the local licensing authority on June 16, 2015, in City Council Chambers in City Hall. The City Council having reviewed the application and supporting documents, reports of the City Clerk and other City staff, evidence at the hearing and testimony taken during the hearing, makes the following **FINDINGS**:

1. The applications are complete and signed by the applicant, and the applicant has paid the appropriate application and license fees.
2. The applications appear to be in substantial compliance with all of the requirements of Article 11, of Chapter 14 of the Trinidad Municipal Code. The applicant has testified to their willingness to comply with any and all areas of said

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Article whereby compliance at this time cannot be fully attained or substantiated.

3. According to the testimony of the applicant, the applications do not contain any material misrepresentations.
4. The proposed marijuana businesses comply with applicable zoning regulations. The City Council hereby finds that based upon the testimony of the applicant, the building in which the proposed marijuana businesses will be located will conform to the Trinidad City Codes, including the zoning code and all International Codes adopted by the City.
5. David Snow testified in favor of granting the licenses. No other persons testified in favor of or in opposition to the granting of the licenses.
6. The applicant through the facts and evidence adduced as a result of the City's investigation and testimony provided, made a prima facie showing that the applicant owner is of good moral character and any employees of this entity will likewise be of good moral character.
7. The City Clerk's report showed that there are currently 23 medical and retail marijuana licenses overall approved within the City of Trinidad, with eight ownerships, at nine addresses.
8. Based on the evidence presented at the hearing and the investigative materials provided for the hearing, the City Council finds that the location of the businesses is appropriate, and that the applicant is of satisfactory moral character and there is a willingness by the applicant to fully cooperate with the officials of the City in the operation of this business.

THEREFORE, the City Council of the City of Trinidad, Colorado, as the local marijuana licensing authority, hereby approves and grants a Retail Marijuana Store, Retail Marijuana Cultivation Facility, Medical Marijuana Center and Medical Marijuana Optional Premise Cultivation Operation at 2600 Freedom Road in Trinidad, Colorado. The issuance of said license shall be withheld until a certificate of occupancy is issued by the Chief Building Official and upon his absolute confirmation of compliance with all codes adopted by the City of Trinidad. The licensee is not permitted to possess product in advance of the license being issued.

New retail marijuana store application filed by Colorado Cannabis Associates d/b/a The Spot at 453 N. Commercial Street. Mayor Reorda opened the hearing and Robert Lucero and his attorney Mark Scarr were sworn in. City Attorney Downs told Council that this matter came before them previously and they know the outcome. He advised that they are to consider this matter anew as Robert Lucero has reapplied. Although inconsistent statements can be used to impeach credibility, he asked Council to have what they hear this evening be the basis for their decision. Mr. Lucero to City Attorney Downs' questioning testified that he is the representative for Colorado Cannabis Associates, Inc. doing business as The Spot at 453 N. Commercial Street. He is the 100% owner of the corporation. Mr. Lucero stated he owns another marijuana license in Pueblo, Colorado. The building locally was known as the Riverside. The building is owned by him individually and is rented to Colorado Cannabis Associates, Inc. He currently holds a state license for this location. He testified to questioning that he thinks he has a unique business plan in that he is one of the only dispensary that has an attorney on staff and a compliance manager. Their employees review a standard operating procedures before anyone is hired. They need their badge and proper training. There is also a manager that is overseeing the operation. It is a highly regulated industry and compliance is his number one goal. Mark Scarr has represented him with respect to his Pueblo facility. He works in the facility and is proficient in retail and medical marijuana laws. The address is within the marijuana zoning, in the historic preservation zone district. Mr. Lucero said he expects to start out with seven or eight local employees. The manager will be brought in to train. He identified Terry Sanchez to be the manager, a local person, who has a corporate background. He stated he understands compliance. Mr. Lucero confirmed he is only applying for one license type, a retail marijuana store. His facility in Pueblo will produce 300 to 350 pounds per month and he will wholesale it from there to this facility. The business is financed completely by him; there are no other contributors. He testified he understands his obligation to report financial contributors and other principals or profit sharing and that they have to submit to background checks. City Attorney Downs pointed to two entries in Mr. Lucero's background. One was a 1998 cruelty to animals charge and Mr. Lucero had provided quite a bit of information regarding the same. Mr. Lucero explained that he wasn't thinking it was a cruelty to animal charge, rather a fireworks violation. He was with his son and brother-in-law and pointed to the police report. They lit some black cats or firecrackers at the end of his driveway. The police showed up and gave him a cruelty to animals ticket. They said they were throwing them at the neighbors' horses or shooting bottle rockets. He said he lived in acreage. The neighbors were three houses down and at least 200 yards away. He had had some problems with those neighbors. They were renters or the property and had stolen his dog prior to this incident. He never contacted him. The police just showed up. Mr. Scarr added that if he had reviewed the discovery he would have not recommended Mr. Lucero plead guilty even to a deferred sentence, which this was. In order to be guilty of cruelty to animals you have to knowingly, recklessly or with criminal negligence torture or torment an animal. He suggested maybe Mr. Lucero's attorney thought a deferred was the cheapest way out. Mr. Lucero said at the time he had not money. His attorney told him what was being offered and that it goes away in six months. Financially he wasn't capable of doing anything else. Mr. Scarr added that the prosecutor didn't have the necessary elements to rise to that level and they wouldn't have been able to prove the case. He completed the deferred judgment and the case was dismissed. Regarding the 2013 false imprisonment charge, Mr. Lucero explained that he and his girlfriend went to the Pueblo professional bull riding event at the state fairgrounds. She got intoxicated. Her friends left and he said he called and asked them to come get her because she was drunk. She was living in Colorado Springs. They drove her back home and he got a text that she was safe in bed and two or three hours later someone kicked in his door. He had been sleeping. She wanted the keys to drive home and he said no. He said he put a video recorder on so he would have it to show her because of past incidents. She was fighting with him and wanted to drive their car. He told her no and said he'd call the cops to do a breath test and if they said she could drive then she could. They showed up, she ran out the other door. He went out the door and she locked him out. She left and went home. He was told by the police that they had to arrest someone because it's a mandatory arrest on a domestic violence. Mr. Lucero said he showed them the video. They questioned her. They asked him for the video but he didn't let them have it because he was protecting her at the time. That's why he got arrested. The police report says that. Mr. Scarr pointed out that there was no filing by the District Attorney. He did the right thing by not letting her drive. Mr. Lucero continued that as soon as he got out of jail his attorney called the DA who reviewed the video and he never even had to go to court. Mr. Scarr submitted to Council a written statement from the young woman involved in that incident. City Attorney Downs questioned the violations on the Pueblo marijuana license and the Department of Revenue disposition of it. Mr. Lucero testified that the violations happened prior to his ownership of the company. He stated that he was aware of the one violation of product being in the safe regarding 50 plus pounds. He became aware of the rest of the violations after he was negotiating to purchase the dispensary from Mr. Jimenez. He said he hired an attorney to see what needed to be done to get the product out of the safe and rectify that matter. At that time they became aware of the rest of the violations. He further explained that he

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was the landlord at the time and got into the industry completely by accident. He had taken care of the PUD for the building, here it is the CUP. Mr. Lucero said he was in construction so he understood how to go through the zoning process. Mr. Jimenez had the business for three or four years. He helped him out on the business aspects of the business construction and set up. There were violations January and February of 2014, and some in March. City Attorney Downs noted the letter from Ms. Postelwhite from the Department of Revenue opining that Mr. Lucero took over the business in September, 2014. Mr. Scarr also pointed out the letter from Nadia Patrick. Mr. Lucero explained that the MED wouldn't talk to him because he was not the owner. City Attorney Downs asked if he was the one getting punished for what happened previously. Mr. Lucero said he paid \$50,000. They were going to close the license and terminate the facility. He had invested money into the facility for Mr. Jimenez's business. At that time he said he hired an attorney. He and Mr. Jimenez came up with an agreement for him to purchase. The MED has to approve it first. They became aware of all of the violations and wouldn't talk to him. His attorney got with Mr. Jimenez's attorney and worked it out for him to talk to Nadia Patrick, the Attorney General, who then said they would communicate with him and the ownership transfer will be approved. City Attorney Downs pointed out that it looks like he has the violations but that he has testified that they occurred under the ownership of the man before him. Mr. Lucero said he knows now and is not making the same mistakes of others. That's the difference between now and then - our ownership and his. Mr. Scarr told Council that they should look to Rule 204 factors to determine ownership. To all factors, Mr. Jimenez was the owner and Mr. Lucero clearly was not. He was associated with the business but was not the license holder, pursuant to Department of Revenue Rule 204. Mr. Lucero said he was doing construction in the beginning. Mr. Jimenez got really sick and his girlfriend was running the business. Mr. Lucero acknowledged his responsibility under the various codes to report any changes to the City and that if he doesn't it is a violation. He said he paid for it and when you pay for something you learn the hard way, even though it wasn't his violation. To City Attorney Downs's question, Mr. Lucero said he would open in three to four weeks depending on the issuance of a certificate of occupancy for the building if approved. City Attorney reminded that he stated he is the only financial backer and that it is a crime and violation of the marijuana code to not reveal backers. He identified his business address in Pueblo as 748 E. Industrial Boulevard and 231 Riverwalk as his home address. He further testified that he reviewed the application and everything is accurate. He has no bank account for here or Pueblo. It is cash only which has been tough. He acknowledged his ongoing obligation to comply with municipal officials and that a certificate of occupancy is needed before he opens. Also, he acknowledged that he has to have his licenses before he possesses any quantity of marijuana and that the federal government can shut the industry down at any time. He also said he understood about the City's position regarding water. Mr. Lucero stated that he believed this would be a great asset to the community. He will spend advertising dollars between \$40,000 to \$50,000 per month to bring people in not only to the dispensaries but also to hotels and restaurants. He added that Terry Sanchez has been in the area for a long time. He has a corporate structure and nursing background. He expected a lot of business from out of state. He will work with medical conditions and reiterated that he plans on out of state clients. City Attorney Downs submitted to Council that the application was complete. Mayor Reorda asked if Terry Sanchez lives in Trinidad. Mr. Lucero answered that he does and said that he was a nurse previously at St. Mary Corwin Hospital. He has been working at The Spot and has gone through the proper training. He commutes to Pueblo to work. Councilmember Bonato commented that he believes everyone knows how he feels about the marijuana business coming into Trinidad. He told Mr. Lucero that it is nothing personal against him. He opined that Trinidad is saturated and if it were up to him he would put a moratorium on all marijuana for the whole City limits. He concluded that he would stick to his guns on voting. Councilmember Torres advised that she wasn't present at the previous hearing but that there was clarification on the background check given and she doesn't see a problem. Councilmember Miles asked City Attorney Downs if there was something more in the record from Julie Postelwhite besides the response to a Colorado Open Records Act request. City Attorney Downs read the letter out loud that identified it to be a response to a CORA request that stated that Robert Lucero became associated with the business on September 12, 2014. Councilmember Miles reviewed the ownership information contained elsewhere in the application that indicated that Mr. Lucero owned 50% in December, 2013; 60% in January, 2014; and 100% in February, 2014. There was a list of violations from January, 2014, when he had a 50% ownership to March, 2014, when he had 100% ownership. She concluded that she doesn't see anything that suggests what Mr. Lucero is saying it does. She opined that it was a passing comment in response to a CORA request. Mr. Scarr said she was reading the Articles of Amendment filed with the Secretary of State. Rule 204 doesn't even list that the name on the Secretary of State's website is determinative of who the owner is. He said that is because it is simply not persuasive for several reasons. Anyone can go to the Secretary of State's website and replace the name of the owner. Councilmember Mattie noted it was a statement asserted by his client where he purported to have ownership of 50% ownership with Mr. Jimenez and 60% thereafter. Councilmember Miles pointed out that those ownership interests are on his letterhead. She asked if he is saying someone fabricated them. Mr. Lucero said in the beginning Mr. Jimenez was failing. Councilmember Miles reiterated what was shown on the letterhead, reading the ownership identified thereon. Mr. Lucero said they were going to pull it out of this packet because it was incorrect when it was submitted, but she said it was already in the packet and they had to leave it in there. It wasn't submitted with this packet; it was already in the packet. It is incorrect. Before you apply to the State for a license you have to have documents. They had to come up with an agreement and then go to the MED and say what they are wanting to do. It has to be in writing. They make you do that. No ownership change ever takes place nor do they acknowledge anything until they say yes. He assumed it to be the same with the liquor board. You have to put together the packet and they say whether it can be done. He pointed to the email from Nadia Patrick which says the MED was going to acknowledge Robert Lucero and transfer ownership over to Robert Lucero on August 28, 2014. He reiterated that MED wouldn't even speak to him before that. He had no jurisdiction in the place and no right to profit, etc. because no ownership had been done. It is a formality that has to be done before you turn in the application. Councilmember Miles asked if he is saying he didn't own the business on February 26, 2014. Mr. Lucero responded affirmatively. Councilmember Miles asked if he had evidence to show that he owned it in August, 2014, as opposed to February, 2014. Mr. Lucero pointed to the letter from the MED that states that he didn't become owner of Colorado Cannabis until September. Councilmember Miles argued that is just a response to a CORA request and the ownership comment is a secondary thing. She asked what the empirical evidence is that illustrates when he owned the business. Mr. Scarr said that is where Rule 204 comes in. Councilmember Miles asked when the transfer was made at the Secretary of State's office. Mr. Lucero stated that if you wanted to change ownership on the Secretary of State's site you can. Mr. Scarr noted that is shown in the packet also. It back dates to 2010. It back dates it from the beginning. Clearly Mr. Lucero had nothing to do with it in 2010. Councilmember Miles commented that this looks like a very loosely run organization. Mayor Reorda asked how something can be backdated. Mr. Scarr responded that it happens on the computer. Mr. Lucero pointed out that you can't backdate it but that's when the organization was founded, in 2010. Councilmember Miles questioned Mr. Lucero regarding the animal cruelty charge where he thought it to be a fireworks charge, so he didn't know what he was pleading to. She asked Mr.

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Lucero if he disputes the police report which was very different than his representation. Mr. Lucero answered that he told it the way he saw it. Mr. Scarr answered that he denies what is in the report other than two fireworks were set off on the driveway. Councilmember Miles asked if he's saying a police officer lied in his report. Mr. Lucero said that the report was not correct. Councilmember Miles told Mr. Lucero that this goes to diligence, how he'd run and oversee the business - she pointed to page four of the state application where it is marked that the applicant has never been denied a license in Colorado or another state, and said he knows that is not true. Mr. Scarr advised that was an oversight. Councilmember Miles commented that it seems like there are a lot of oversights. Councilmember Mattie recalled that Mr. Lucero asserted this evening that he became the owner in September, 2014, and asked why then he submitted documents asserting earlier ownership. It seemed to him the concern about ownership changes for whatever purpose he needs. He asked if he didn't own it why he submitted documents that showed he did. Mr. Lucero explained that he and Mr. Jimenez had an agreement to get things done and before he would sign he'd change it; they'd agree again and he'd change it. It was because of Mr. Jimenez's indecisiveness that there were the changes. They could never tie down a number to agree to. Councilmember Mattie said the documents don't address the issues about the guy changing his mind about the price. Mr. Lucero said that was why he submitted the document from the Department of Revenue showing his ownership as of September 12, 2014. Mayor Reorda called for public comment for or against the application. Mark Carmel addressed Council and was sworn in. He told Council that he is an elected official from Pueblo West serving on the Pueblo West Metropolitan District. He clarified that his comments are on his own behalf only. He said he has been involved in government for 41 years. He elaborated on his experiences, leading up to Pueblo West becoming the epicenter of marijuana licensing. After his election several meetings were dominated by anti-marijuana activists. They were calling on the Metro Board to pass a resolution urging Pueblo County to impose a moratorium. Eventually Pueblo County did impose a moratorium on new store fronts in Pueblo West. Mr. Carmel told Council he was here to testify about his experience as an elected official in Pueblo West. He stated that Mr. Lucero, The Spot, is operating as a licensed business. He took over a dispensary in 2014 that was in trouble. He told Council that Mr. Lucero's testimony was clearly consistent with his understanding. In May, 2014, he said he witnessed what he felt to be an honest effort of Mr. Lucero to try to clean up the problems he inherited. Mr. Lucero took a strong stand and tried to help his neighbors. After he clean up the business, Mr. Carmel said he witnessed Mr. Lucero to have been found in good standing by the Pueblo County Board of Commissioners and the license was officially renewed. He responded well at the public hearings in Pueblo West with respect to tall weeds. They have not received any additional complaints. From a professional standpoint, he said he has assembled a strong team. Mr. Scarr is among the best in the business from what he understands. He has legal professionals, security teams, an honors graduate as his Vice President, and an RN on staff. They help veterans, elderly, sick and tourists who visited the business in Pueblo West. He concluded that in today's Pueblo Chieftain it reported that revenues are now higher, up \$200,000 from last April. The tax base is higher than expected. A TABOR vote is coming to keep the added revenue. He opined that Robert Lucero has had a rising tiding effect with all local businesses and he maintains a very attractive well-maintained property. Even though they grew up in the same town he never knew him until he witnessed Mr. Lucero at the hearings in Pueblo West and how he handled himself during the turmoil. He told Council that he sincerely affirmed to them based on the evidence he personally witnessed Robert Lucero has strong character strength and in this industry is the epitome of professionalism. He also asked Council to consider his sobriety. Dr. Michael DeRose addressed Council and was sworn in. He told Council that he is a fourth generation Pueblo native and has known Robert Lucero for 15 years. He met him when his contractor hired Mr. Lucero to do his landscaping. Mr. Lucero owned one of the largest landscaping companies in Southern Colorado. He got to know Mr. Lucero because he worked 12 to 14 hours per day for three months at his house. His dad was Green Beret and died when he was eight years old. He owned his own business at 18 and turned it into one of the largest companies. He did a lot of the CDOT jobs. Mr. Lucero is a hard working, honest and has a lot of integrity. Dr. DeRose said they rased \$14 million to bring football back to CSU Pueblo. Mr. DeRose said it is named after his mom and dad. Mr. Lucero was a big part of that in the construction with in-kind donations - the retention pond and a lot of the irrigation. He gives back to the community. From the information Council has, Dr. DeRose said he understands, but that they have it wrong - Mr. Lucero is a good man. He added that he wouldn't do this for anyone and he has no bone in the fight. He said he's like many people who have questioned marijuana businesses, but all of the real estate has sold. Mr. DeRose additionally told Council that he doesn't smoke marijuana but that his father-in-law has pancreatic cancer. They put him on about four different opiates and nothing worked and so he tried marijuana. He is a new man. There are good uses for it. He also testified that he knows what Mr. Lucero says is true - David Jimenez would change his mind every day. He wanted to get the most out of it. He urged Council to visit The Spot in Pueblo, which he described as classy. It is nothing like they think. The Spot is first class; Mr. Lucero is first class. He said he also understands the point about saturation, but Mr. Lucero's clientele is 80% out of state and 54 years old trying it out medicinally. Gabriel Charboneau addressed Council and was sworn in. He stated that he has no dog in this fight. The measure of a man is what he does for others who can do nothing for him. He explained that he has worked with at-risk kids for over 20 years. Through his program he said everyone gets a second chance. He said he is the door knocker for the lost community in Pueblo. It seems like every door he goes to is closed. The only door that has remained open with a smile time after time is Robert Lucero at The Spot. Because of what he does for kids in the community he said he is able to take kids all around the country. He took a local female to a foreign country where she became first in history of that country to be part of a mixed martial arts match. None of that would have been possible without Robert Lucero's support and others like him. This is a pioneering industry and people are going to make mistakes. There will be things that happen like with any pioneering industry. It's a learning process as we go. Every day is a new day to begin again more intelligently than the day before. Everybody deserves a second chance. Because of people like Robert Lucero he said he gives kids a second chance. He concluded that Mr. Lucero has been supportive of his community and he displays professionalism over and over. He said he's proud to stand up for and behind him. Naresh Saehnani addressed Council and was sworn in. He said he was there to speak on behalf of Robert Lucero. He testified that he met Mr. Lucero 20 plus years ago when he first started his lawn mowing business. Mr. Lucero knocked on his door and asked for a chance. Obviously that relationship has grown over the years. Mr. Saehnani said he owns several businesses in Pueblo and Mr. Lucero has done hundreds of thousands of dollars in projects for him. He opined that Mr. Lucero is honest, trustworthy and truthful. He's never cheated anyone that he knows of. He would take the shirt off his back to help somebody. People make mistakes sometimes. One mistake or one wrong checkmark should not result in denying someone a license. Mr. Lucero is living the American dream. He grew up with nothing and worked hard to be where he is. He would not be there if he was not honest in his business, cheated or lied. A person can cheat somebody once, maybe you can fool somebody once, but you will not be in business this long if you do that day in and day out. Mr. Saehnani added that The Spot is spotless; the floors shine. His wife uses marijuana for her back once in a while rather than pain medicine. Mr. Lucero runs his business very well, he is very honest and he concluded that he thought Council should consider giving him the license and they would not

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regret it. Buffy McFadden, Pueblo County Commissioner, addressed Council and was sworn in. She stated that as an elected official sometimes one community doesn't need to just overload an issue. There's been enough personal testimony, she said. She said she wanted to provide her perspective on Pueblo. It is highly unusual that she's here. She described her position on this matter as neutral but wanted to share her experience. Robert Lucero went through a very thorough hearing in Pueblo County on these issues. Council's questions are valid, without question and she complimented Council's work with the new industry. She reminded that several City of Trinidad staff members met with Pueblo County staff members in Pueblo just over one year ago. They were opening a door no one had in this country and it is challenging. She said they vetted Mr. Lucero pretty thoroughly. She said she believed from Mr. Lucero's testimony in Pueblo County he and his attorney probably wanted to throw up their hands at times and just started a new license instead of buying this license from Mr. Jimenez. It probably would have been easier. She said she believes what Mr. Lucero is telling Council to be the truth. She elaborated on how Colorado and its cities and counties are cutting a new path and opined on what may happen in the future with the industry. From what they vetted, she said they believe Mr. Lucero did not own the store when the violations were made. What he is professing about the MED she thought to be true in him having to put the cart before the horse, especially when they were transitioning from medical to retail marijuana. There was no clear path. She likened it to the IRS where if you call, depending on who you get, you might get a different answer. Ms. McFadden said they have 40 to 50 licenses in Pueblo County with between 120 to 130 licenses among them. They took the extra step to hire an enforcement officer through Pueblo County to try to get it right. That enforcement officer verified for her today that there are no violations at The Spot. She said that the MED takes anonymous complaints which has driven their enforcement officer to Mr. Lucero's business more often than some other businesses. However, they have found no wrong doing. They had a show cause and license renewal hearing both in December, 2014. It was very arduous for Mr. Lucero, but she said she doesn't know of another marijuana business in Pueblo that has an attorney on staff. There are 300 pages of regulations and there's no way to know all of it. There is so much money invested in these businesses she believed the answer is to do things correctly. She said she wouldn't have purchased that license. Councilmember Miles said she's looking at some of these things and some date back to 1998 that she can't ignore. She said the violations are more concerning to her because she really cares that Trinidad doesn't have the wrong element managing the marijuana businesses. She said she can't get over the number of violations - ten. She didn't know of a single violation that wasn't violated. She added that she's been unable to conclude anything other than Mr. Lucero was not involved or was a lazy silent partner. She said she worries and asked Ms. McFadden how they made that determination. Ms. McFadden answered that their job as elected officials is to grill applicants when there could be problems to protect the health, safety and welfare of the community. She said the best indicator she can give her today of the character of the business is that there are no violations and their enforcement officer and the MED has been into his facility several times. The Board of Pueblo County Commissioners made a unanimous decision to allow the license to go forward. It wasn't overtly easy and they made it very clear to Mr. Lucero that if had violations he would be done. She believed that's why he took so seriously bringing on the attorney and the other managers. She said that Mr. Lucero's testimony today was that he was the owner of the building and had invested several thousands of dollars to retrofit the building for Mr. Jimenez to have his business. She said she believes what Mr. Lucero is the truth in that the MED is requiring you to decide on the ownership of your business while you are trying to acquire the license. She said that while she wasn't going to characterize Mr. Jimenez, but could say that she is glad that the license has been transferred and that the compliance is at 100%. They have not seen any problems. She said she thought Council was seeing the desire to buy into the business but that didn't happen. It was clarified to them when the MED would not talk to Mr. Lucero until that transfer had actually happened after August. She said regarding the change from medical to retail, she can't think of a single business in Pueblo who didn't want to do it right but she wasn't sure if the state was even prepared to explain that transition and how it should be done. She said she believed that if the state really believed Mr. Lucero owned that business they would not have settled with him, they would have revoked. As to Mr. Lucero's character she said they have not had any complaints about his business over six months. That is the biggest indicator that he has taken the issues very seriously. She said her interest is in doing what is right on behalf of the community. Terrance Sanchez addressed Council. He was sworn in. He told Council that regarding concerns about how the business is run, his background is in healthcare which is the second mostly highly regulated industry in the country behind nuclear energy. He said he understands those rules and regulations having worked from the bottom up in that field. He said he knows how to follow and manage the rules and regulations. He opined that Mr. Lucero and the way he runs his dispensary is top notch. He said that they wouldn't find another dispensary that follows the rules to the point of excess. As a result of the issues he has gone through he has a management team that all have degrees and has an interest in doing things right. You will not be able to walk into his dispensary and find a violation. He said he is grateful to have end up with Mr. Lucero because he learned so much in the past year. Had he not had this experience and learned to do things the right way, mistakes would have been made and they are being made but not by The Spot. He added that they have a management team and legal team that are top notch. Others don't have the experience or the capital backing or the drive to do things right. They are not going to mess up their golden ticket. As a result of Mr. Lucero doing things right, he has driven into his team to do things right. His is one of the most successful dispensaries in southern Colorado and it was not by breaking rules but by doing things right. Mark Scarr offered a closing statement. He augmented the record about the charitable contributions Mr. Lucero has made. He stated that he is a member of the Boys and Girls Branch Board. He contributes to prevent homelessness, made donations to help prevent teen pregnancy and helped sponsor an MMA program. He was also asked to sit on the Board of the Colorado Cannabis Chamber. Mr. Scarr outlined what he would argue to the district court should the license be denied. He outlined the reasons to deny a license for good cause as well. He stated their position to each which supported granting of the license. He again pointed to Rule 204 to determine ownership in the business and to each factor named Mr. Jimenez as having been the owner when the violations occurred and being listed on the Secretary of State's website was not a factor because it is not persuasive. Julie Postelwhite and Nadia Patrick recognize Mr. Lucero as the licensee after the violations. He said he already told Council he wouldn't have let him plead guilty to the animal cruelty charge. Regarding the domestic violence charge, he said he understands the skepticism, but every once in a while there comes a disagreement between a male and a female and the female is the aggressor. Mr. Lucero did everything right in this case and it was the right thing to do to dismiss it. Mr. Scarr recited Trinidad's definition of good moral character and CRS 24-5-101(2) factors in determining good moral character. He reminded that Mr. Lucero's fireworks violation happened 17 years ago and thought it safe to say he has been rehabilitated in that time. He concluded that Council has nothing more before them that shows Mr. Lucero has nothing less than a good moral character. He provided two letters to Council attesting to Mr. Lucero's moral character. Mr. Lucero has nothing on his record. He is a good man. He has a temper but is a self-made man against all odds. He never got in trouble throughout his life. He created a very successful business, is not a drug or alcohol user. He was trying to be the hero when he took over Dave Jimenez's license when he really should have applied for his own. Mr. Lucero is a people person, tied to

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the community. He is honest and forthright, does what he says he is going to do. Mr. Scarr said he couldn't be more proud to represent him. He is vigilant about compliance matters. He's hired him to be at the store, Terry Sanchez with a corporate background and Dave Munn, all with degrees, all professionals. They've put together policies for employees, do training, quizzes, to prevent mistakes. He treats his employees well and is a philanthropist. Mr. Scarr concluded that Mr. Lucero is the kind of person they want in Trinidad. If approved, The Spot will be a boom to Trinidad and he will set the highest standards for safety, compliance and professionalism. A motion to approve the license was made by Councilmember Torres and seconded by Councilmember Miles. Upon roll call vote the following votes were cast:

Aye – Torres, Reorda
Nay – Bolton, Bonato, Mattie, Miles

UNFINISHED BUSINESS. Public hearing for consideration of an ordinance Repealing Article 3, Non-Conformance, Section 5-23, Non-Conformance, of Chapter 5 (Buildings) of the Code of the City of Trinidad, Colorado, thereby requiring only the specific renovations made to vacant buildings comply with current building codes unless the use changes, in accordance with the International Code adopted by the City. Mayor Reorda declared the public hearing open and called for comment for or against the ordinance. There being none, the hearing was closed.

Second reading of an ordinance Repealing Article 3, Non-Conformance, Section 5-23, Non-Conformance, of Chapter 5 (Buildings) of the Code of the City of Trinidad, Colorado, thereby requiring only the specific renovations made to vacant buildings comply with current building codes unless the use changes, in accordance with the International Code adopted by the City. The ordinance title was read aloud. A motion to approve the ordinance was made by Councilmember Bolton and seconded by Councilmember Mattie. The motion carried unanimously upon roll call vote.

ORDINANCE NO. 1976

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TRINIDAD, COLORADO, REPEALING ARTICLE 3, NON-CONFORMANCE, SECTION 5-23, NON-CONFORMANCE, OF CHAPTER 5 ("BUILDINGS") OF THE CODE OF THE CITY OF TRINIDAD, COLORADO, THEREBY REQUIRING ONLY THE SPECIFIC RENOVATIONS MADE TO VACANT BUILDINGS COMPLY WITH CURRENT BUILDING CODES UNLESS THE USE CHANGES, IN ACCORDANCE WITH THE INTERNATIONAL CODE ADOPTED BY THE CITY

Public hearing for consideration an ordinance repealing and re-enacting Section 9-5 of Chapter 9, Licenses, regarding garage sales. The public hearing was opened by Mayor Reorda. Having confirmed that no one wished to offer public comment, the hearing was closed.

Second reading of an ordinance repealing and re-enacting Section 9-5 of Chapter 9, Licenses, regarding garage sales. The ordinance title was read aloud. A motion to approve the ordinance on second reading as amended was made by Councilmember Bolton and seconded by Councilmember Torres. The motion carried unanimously upon roll call vote.

ORDINANCE NO. 1977

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TRINIDAD, COLORADO, REPEALING AND RE-ENACTING SECTION 9-5 OF CHAPTER 9, LICENSES, REGARDING GARAGE SALES

Public hearing for consideration of an ordinance amending sections contained in Chapter 4 ("Animals"), of the Code of the City of Trinidad, Colorado, pertaining to licensing of animals in the City of Trinidad. Mayor Reorda declared the public hearing open and called for comments for or against the ordinance. There being none, the hearing was closed.

Second reading of an ordinance amending sections contained in Chapter 4 ("Animals"), of the Code of the City of Trinidad, Colorado, pertaining to licensing of animals in the City of Trinidad. The ordinance title was read aloud. A motion to approve the ordinance was made by Councilmember Bolton and seconded by Councilmember Mattie. The motion carried unanimously upon roll call vote.

ORDINANCE NO. 1978

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TRINIDAD, COLORADO, AMENDING SECTIONS CONTAINED IN CHAPTER 4 ("ANIMALS"), OF THE CODE OF THE CITY OF TRINIDAD, COLORADO, PERTAINING TO LICENSING OF ANIMALS IN THE CITY OF TRINIDAD

First reading of an ordinance of the City Council of the City of Trinidad to limit the number of retail marijuana stores in the downtown Trinidad Historic Preservation zoning district, by imposing a moratorium on such establishments in that district, and setting a hearing date for consideration of said ordinance. City Attorney Downs reminded that Council's intention appeared to be not to go forward with the ordinance after the previous work session. The thought was to have the Planning Commission come up with a map that memorializes the forbidden zone. Councilmember Bolton moved to dispense with the ordinance to a later date and refer the matter to staff. Councilmember Mattie seconded the motion. The motion carried unanimously. City Attorney Downs suggested Council wanted a ban as opposed to a moratorium that has to be renewed. Councilmember Bonato expressed his concern that if something were to happen to Goal Academy, they wouldn't be able to limit through an emergency ordinance. He added that he felt strongly that they should keep the historic district clean. He said he too has seen the good and bad times. He asked that staff. Economic Development and Council

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work together to promote other things besides marijuana. He encouraged retaining heritage and reminded that Council has said many times that we are saturated with marijuana outlets. If it were up to him he said he'd put a moratorium on all of it. We have to preserve our downtown district. City Attorney Engeland reviewed with Council that the directive staff will give to the Planning Commission is to look at the historic district and determine where the character and quality needs to be protected. The Planning Commission will recommend to Council who will approve, reject or amend the recommendation. He concluded by reminding Council that their suggestion is not binding.

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TRINIDAD, COLORADO,
TO LIMIT THE NUMBER OF RETAIL MARIJUANA STORES IN THE DOWNTOWN
TRINIDAD HISTORIC PRESERVATION ZONING DISTRICT, BY IMPOSING A
MORATORIUM ON SUCH ESTABLISHMENTS IN THAT DISTRICT

MISCELLANEOUS BUSINESS. Tavern liquor license renewal request by Gina Louise Lujan d/b/a El Rancho Restaurant at 1901 Santa Fe Trail Drive. Gina Lujan was present. A motion to approve the license renewal was made by Councilmember Mattie and seconded by Councilmember Torres. Upon roll call vote the motion carried unanimously.

Temporary modification of premises request by Mt. Carmel Health, Wellness & Community Center at 911 Robinson Avenue. No one was present to represent the applicant, however City Clerk Garrett advised that this is the same application that has been presented for the past three years for the Mt. Carmel Festival and although the applicant is not present, it will require the state's approval as well. Councilmember Bonato moved for the approval of the temporary modification. Councilmember Torres seconded the motion. Roll call was taken and the motion carried unanimously.

Retail liquor store license renewal request by Trinidad Beer, Liquor & Wine Depot, LLC d/b/a Trinidad Beer, Liquor & Wine Depot at 111 E. Kansas Avenue. Due to lack of representation, Councilmember Bonato moved to table the renewal to the next meeting and Councilmember Bolton seconded the motion. Upon roll call vote the motion carried unanimously.

Retail liquor store license renewal request by Opera House Wine & Spirits LLC d/b/a Tire Shop Wine & Spirits at 601 W. Main Street. Michelle Miles, owner of the liquor store, was present. A motion to approve the renewal was made by Councilmember Mattie and seconded by Councilmember Bolton. Upon roll call vote the motion carried with all Councilmembers present voting aye except Councilmember Miles who abstained.

Tavern liquor license renewal request by JuJo's Pub, Inc., d/b/a JuJo's Pub and Dance Hall at 125 N. Chestnut Street. Joe Incitti was present on behalf of JuJo's Pub, Inc. Councilmember Bolton made a motion to approve the tavern license renewal and Councilmember Bonato seconded the motion. Upon roll call vote the motion carried unanimously.

New Retail Marijuana Store application filed by Main Street Cannabis at 401 W. Main Street. Councilmember Bolton made a motion to set the new license application for public hearing at 7:00 p.m. on July 21, 2015. Councilmember Bonato seconded the motion which carried unanimously.

Resolution setting a hearing date for the annexation petition for Parcel D Trinidad Industrial Park. Councilmember Bolton moved to approve the resolution setting the public hearing for the annexation for August 4, 2015. The motion was seconded by Councilmember Bonato and carried by a unanimous roll call vote.

RESOLUTION NO. 1452

A RESOLUTION OF THE CITY OF TRINIDAD, COLORADO, SETTING A HEARING DATE
FOR THE ANNEXATION PETITION FOR PARCEL D TRINIDAD INDUSTRIAL PARK

Resolution approving a contract between the City and the Colorado Department of Transportation for the Regional Wayfinding Phase I STE R200-204 Project. Councilmember Bolton made a motion to adopt the resolution and Councilmember Torres seconded the motion. Upon roll call vote, the motion carried unanimously.

RESOLUTION NO. 1453

A RESOLUTION APPROVING A CONTRACT BETWEEN THE CITY AND THE
COLORADO DEPARTMENT OF TRANSPORTATION FOR THE REGIONAL WAYFINDING
PHASE I STE R200-204 PROJECT

COUNCIL REPORTS. Council deferred reports due to the lengthiness of the meeting.

REPORTS BY CITY MANAGER. Retreat. City Manager Engeland reminded Council of their Planning Session (Retreat) scheduled for next Thursday, June 25th, from 9:00 a.m. to 5:00 p.m. at Monument Lake Resort, which will include a tour of the facility by Mike Robb. The session will focus heavily on budget items and the meeting will be an open, posted meeting with an agenda. The media and public were invited to attend.

REPORTS BY CITY ATTORNEY. Retreat. City Attorney Downs advised Council of his inability to attend the retreat due to a scheduling conflict.

BILLS. Councilmember Bonato moved to approve the bills and Councilmember Bolton seconded the motion. The

motion carried unanimously upon roll call vote.

PAYROLL, June 6, 2015 through June 19, 2015. A motion to approve the payroll was made by Councilmember Bolton and seconded by Councilmember Torres. Roll call was taken and the motion carried unanimously.

ADJOURNMENT. There being no further business to come before Council, a motion to adjourn the regular meeting was made by Councilmember Bolton and seconded by Councilmember Bonato. The meeting was adjourned by unanimous roll call vote of Council.

ATTEST:

CAROL BOLTON, Mayor Pro-Tem

KIM MARQUEZ, Asst. City Clerk

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