



MEMORANDUM

TO: Selection Division

FROM: Technical Advisory Committee

DATE: May 18, 2018

SUBJECT: TAC approach and additional information for review of marijuana applications

A citywide Technical Advisory Committee (TAC) was formed to evaluate applications received to obtain one of four licenses that that the City anticipates issuing in 2018. This team was comprised of members from the following departments:

- City Manager's Office (coordination role only)
- Public Safety (Police and Fire)
- Planning & Development Services Department (Planning, Code Enforcement, Building Inspection)
- Community Services (Community & Neighborhood Resources)
- Public Works & Natural Resources (Sustainability)
- Shared Services (Finance)

In addition, an outside consultant with the Colorado Small Business Development Center (SBDC) was retained to review and provide input on the business plans that were submitted as part of each application.

Overall, the team reviewed 13 applications for marijuana businesses that are applying to receive one of the four licenses. Each team member was charged with reviewing specific sections of each application. Summary memos, providing information on the strengths, weaknesses, and public input for each application were prepared, and are being provided to the Selection Division. These memos contain information for the following:

- Location and Site Plan
- Security Plan
- Business Plan
- Community Outreach
- Vision, Values, and Goals
- Public Input

The memos provided for each application highlight notable strengths and weaknesses of a particular application. There were many required items that were common amongst applications and are not discussed in the memo. The TAC is also providing some overall

comments and information for consideration by the Selection Division, which are outlined below.

Medical and Recreational

The City is allowing either recreational marijuana only stores or dual recreational/medical stores; stores that sell only medical marijuana are not allowed. Applicants were required to provide this information within their business plans. There are three applications that propose a dual recreational/medical model. Since the City did not state a preference for recreational marijuana only or dual recreational/medical, the TAC did not include this as a strength or a weakness. Some stores that are proposing recreational marijuana only did note a discount for medical patients.

Location and Site Plan

Several members of the TAC evaluated proposed locations. For this section, the TAC verified zoning and evaluated the proposed location in terms of its proximity to residential areas, schools, surrounding businesses and other community facilities. In addition, existing access, parking, buildings, lighting and landscaping were also evaluated.

In most cases, applicants are proposing to occupy an existing vacant space; this was generally not noted in the summary memos, since this could be viewed as a strength of nearly every application (in some cases a new building is proposed, which has been noted). Generally, the TAC preferred standalone locations to multitenant buildings as there is greater ability for site control and odor mitigation. In addition, the TAC felt that there would be less impact than there could be to other tenants in a shared building.

Size was another item noted as either a strength or weakness in several applications. This was noted as correlating to overall revenue potential and customer experience. The TAC noted that larger stores have the ability to serve a larger number of customers, which may be important since the overall number of stores is to be limited within the City.

Odor management was also reviewed under this section. Generally, the approach to odor management was relatively uniform and was addressed in each application; exceptions were noted. Since the ordinance requires odor mitigation, the locations selected will need to comply with this requirement as long as they are in business.

Public Safety also reviewed local police history, including crimes statistics for all locations within a quarter mile radius of a proposed location. Included in the summary memo for each application is information on the crime statistics for each location, noting Tier 1 crimes and Quality of Life crimes (QL). Tier 1 crimes include: Burglary, Theft, Vehicle Trespass, Auto Theft, Menacing, Assault, Robbery, Sex Assault, Shootings, Narcotics, Stabbing, Weapons, Indecent Exposure, and Child Abuse. QL crimes are Disturbance, Suspicious, Harassment, Trespass, Drunk, Noise, Littering, Loitering, Liquor, Graffiti, Criminal Mischief, and Shoplifting.

Security Plan

Public Safety was the primary department involved in evaluating the security plan. Each applicant was required to submit a security plan that included: detailed floor plans, security training and procedures, incident logs, closing procedures, theft prevention, methods for preventing onsite use, limited access areas, alarm systems, delivery procedures, disposal plans, and restricting underage persons. Adequate responses for many of these items was included in many applications; however, individual strengths and weaknesses were noted as warranted.

Public Safety also reviewed local police history and verified there were no recent arrest records beyond the C.B.I. report. In addition, individuals and businesses were also checked for civil cases; items of note were included in the summary memos for specific applications.

Business Plan

The SBDC reviewed the required business plan that was submitted with each application. All applicants were required to submit a business plan that included: description of the business, market analysis, marketing plan, details of overall management and operations, curricula vitae/resumes, staffing plans, financial information, financial projections and assumptions, sources of funds, and applicant's experience. Business plans varied in their format and level of detail presented; strengths and weaknesses of individual plans are noted in individual summary memos.

Community Outreach

Applicants were required to submit community outreach plans that addressed their history of community and neighborhood involvement with other similar businesses, as well as measures and procedures for mitigating any impacts to the neighborhood. In addition, they were asked to include their policies and procedures for addressing community concerns, questions and complaints and to include a designated point of contact. Individual strengths and weaknesses were noted, as applicable, on each application.

Vision, Values, and Goals

All applicants were asked to describe how they would contribute to and support the overall vision, values and goals identified by the city and specified in adopted city plans such as Envision Longmont and the Sustainability Plan. This information was reviewed primarily by CS, PDS and PWNR. Some applications contained a separate section for vision, values and goals, while others included this information in the cover letter. Responses to this requirement varied widely; strengths and weaknesses for individual applications are noted in the summary memo.

Public Input

As part of the review process, public versions of all 13 applications were posted on the City's website for public review and comment. Commenters were asked to indicate which application they were commenting on. In total 99 comments were received, including ten general comments. A very general summary, including the number of comments each application received, has been included with each summary memo.



MEMORANDUM

TO: Selection Division
FROM: Technical Advisory Committee
DATE: May 18, 2018
SUBJECT: TAC review of marijuana applications
Anaport Enterprises – 165 Primrose Ct. Unit B

A citywide team reviewed 13 applications for marijuana businesses that are hoping to receive one of four licenses that the City will be issuing in 2018. Anaport Enterprises submitted an application for consideration to open a retail marijuana store at 165 Primrose Ct. Unit B. During its review, the TAC found this application to be lacking in several areas. The following is a summary of the findings from the TAC.

Application Strengths

Location and Site Plan

- New building
- Minimal impacts to surrounding area/uses
- Low crime rate for this area. Tier 1 = 10 and QL = 10

Security Plan

The TAC did not note any particular strengths for this application.

Business Plan

The business plan submitted is not as detailed as most others. The cover Letter outlines owner Anatoly Portnoy's intention of supplying dispensary with his own Denver grow operation (quality control advantage). The strengths of the business plan included:

- Plans to move himself and family to Longmont if granted license. He is sole owner of business. Plans to be a part of Longmont community and join several organizations (ie, Chamber of Commerce)
- Since 1998 owner has supported charities in local community (Denver)
- Experience since 2008 in both retail and cultivation. Owner of Green Cross LLC in Cherry Creek (3.8 stars, 44 Google reviews. 4.4 stars, 42 weedmap reviews. 4.2 stars, 55 reviews, Leafly.com) Over \$1million annual gross sales (last 3 years)
- Longmont store will be operated by owner.

- Relevant market comparison between Denver and Longmont would indicate favorable factors for Longmont store but fails to elaborate. (Denver metro 1 store / 8,000 people. Whereas Longmont will service a larger customer base)
- Experience marketing existing dispensary through social media. Plans to do the same in Longmont
- Plans to hire 4 to 7 staff members targeting 30% of staff to be Latino to reflect Longmont demographics. Starting hourly wage of \$12.
- Diversity plan is one of the most specific in targeting 30% Latino employees
- Financial assets of over \$1 million. No partners. Diversity plan is one of the most specific of the group in targeting 30% Latino employees. 2,000sf, projected annual sales \$1M (based on Cherry Creek location).

Community Outreach

- Plan to hold quarterly meetings with community for education and feedback
- Intend to work with community-based organizations
- Statement that they will strive to provide living wages

Vision, Values, and Goals

- Description of how they think they'll help meet goals in Envision.

Application Weaknesses

Location and Site Plan

- Multi-tenant building
- Lack of parking
- Vacant property to the south
- Somewhat isolated and fewer "eyes on the street" (located at the end of a cul de sac)

Security Plan

The security plan submitted as part of this application lacks detail. Specifically, the TAC noted the following elements were missing or lacking sufficient information:

- No description of routine practices for transportation
- Lack of information on transportation and disposal of product
- No mention of incident log
- Odor management plan is not very detailed (i.e. two sentences), but they do state there will not be on-site processing.

Business Plan

The business plan submitted is not as detailed as most others. There are no financial projections at all. Other specific weaknesses include:

- Description of Business lacks detail regarding opportunities, values, target market
- Market analysis: Longmont market size not accurate. Fails to describe competitive advantage although this is implied through owner/operator model and substantial experience running similar store in Denver.
- Fails to differentiate Denver statistics of current clientele vs Longmont and how this might affect his business strategy.
- Very little marketing plan outside of social media and assumes similar marketing strategies used in Denver location will be successful in Longmont.
- Management and operations adequate but not detailed. No mention of employee roles, organizational structure or HR details/benefits.
- 2,000sf is on the smaller side
- Although owner's financial information very detailed (form DR8522), no financial projections included for Longmont store. Relevant information can be found throughout plan but financial assumptions section does not exist. These facts include: Rent \$5250/month. At least 3 staff members on site at all times (\$12/hour to start). Hours 8am-10pm. Assume annual sales of \$1 million based on Denver location? Projected sales growth?
- Chase Accounts (Anatoly Mgmt LLC and Piter Mgmt LLC) currently used for business. Are these accounts viable long term?

Community Outreach

The community outreach section of this application appeared insufficient. Specifically, the TAC noted this section was lacking in several required areas, including:

- No information on history of community involvement
- No designated point of contact listed for concerns/complaints
- Policy for addressing concerns/complaints not well fleshed out
- No measures/procedures noted for mitigating neighborhood impacts in community outreach section, which was a requirement, however they note in their letter that they are not located near residential areas.

Public Input

No public comments were received on this application.



MEMORANDUM

TO: Selection Division

FROM: Technical Advisory Committee

DATE: May 18, 2018

SUBJECT: TAC review of marijuana applications
Ancient Alternatives (Green Tree Medicinals) – 455 Weaver Park Rd. Suite 900

A citywide team reviewed 13 applications for marijuana businesses that are hoping to receive one of four licenses that the City will be issuing in 2018. Ancient Alternatives (Green Tree Medicinals) submitted an application for consideration to open a retail marijuana store at 455 Weaver Park Rd. Suite 900. During its review, the TAC found this application to be sufficient in meeting the submittal requirements. The following is a summary of the findings from the TAC.

Application Strengths

Location and Site Plan

- Adequate parking
- Minimal impacts to surrounding area/uses
- Low crime rate for this area – Tier 1 = 8 ; QL = 16

Security Plan

- Monthly fire drills
- Bullet proof glass in entry
- Strong training procedures
- Employee training done by compliance officer
- Changing routing for transporting cash and product
- Emergency management training for staff
- Strong closing procedures

Business Plan

Green Tree Medicinals was originally established in Longmont at 1260 Hover as Nature's Medicine in 2009. They are currently operating in a small unincorporated location. As one of the first dispensaries in the city, the company has felt a connection to Longmont for many years. Many of their employees currently live in Longmont. They state that a new larger location would allow the company to offer a better customer experience. Strengths of their business plan were identified by the TAC and include:

- Operate 17 facilities, started 2009 (dispensaries, cultivation, mfg).
- Allyson Feiler, Longmont native, currently operates small dispensary (900sf) at 12626 N 107th (unincorporated). Prefer new location rather than annex current property due to size constraints.
- Compelling story of founder's battle with cancer and use of marijuana to fight chronic pain.
- Family business, Founder's mother, Loree Schwartz, is CFO of company. Loree would manage new location together with daughter Allyson. Plan to be active in community.
- 4,130sf proposed site large enough for co-located but separate medical and retail spaces.
- Location at 455 Weaver Park on opposite side of town from current location (which will remain in operation).
- Business description outlines competitive advantages and passion for the Longmont community.
- Original Longmont store (Ancient Alternatives) produced over \$1 million in annual sales and was member of Longmont Chamber.
- Marketing plan lists strategies including partnering with doctors in Longmont and Boulder as well as holistic partners (massage, acupuncture, physical therapy)
- Operations Plan thoroughly outlines employee structure and inventory control. Identify 3 key employees that already work for company and who will help manage proposed location. These employees all live in Longmont.
- Outline protocols for wholesale vs retail transactions, potential criminal violations and compliance.
- Substantial investment is planned into "rough" space at 455 Weaver Park. Rent \$5,900/month.

Community Outreach

- Have a focus on philanthropy and community involvement – have already identified possible community-based organizations to work with
- Have somewhat of a track record in Longmont and more established relationships
- Include a well thought out plan for mitigating neighborhood impact

Vision, Values, and Goals

This application mentioned support for Envision and Sustainability Plan, focused primarily on quality of life; this was a submittal requirement.

Application Weaknesses

Location and Site Plan

- Multi-tenant building
- Proximity to less compatible uses like Dizzy Family Fun Center and High Altitude Archery (although they are somewhat separated)

Security Plan

- Issues with building alarm system in the past
- Lack of visibility due to existing vegetation

Business Plan

- Relatively low reviews on current location: Green Tree Medicinals (12626 N 107th) 3.2 stars on 183 Google reviews, 3.9 stars on 166 weedmap reviews, 2.8 stars on 22 reviews Leafly.com. Owners state this is due to limited space that creates long wait times.
- Financial disclosure is adequate but projections have no accompanying assumptions. 1 year projections are clear and detailed but fail to describe key assumptions such as sales growth.
- Startup costs are not listed. "Substantial investment" is planned in warehouse space but no dollar amount specified. Buildout process to take 2 months.
- Projected sales growth thorough but aggressive. Project sales of \$107K June-18 growing to \$439K May-19. Total first year sales of \$3.2M. Hard to tell if this is realistic as there are no assumptions or metrics. Assume this is based on experience at other locations.
- Market analysis assumes 3-5 percent of medical marijuana users reside in Longmont. Only metric for recreational demand is current population and population growth. More research would have been warranted as majority of revenues projected from recreational.
- Currently have 20 on staff in Longmont who are a "diverse group of men, women, and multicultural individuals". No mention of specific number or targets for diversity.
- Not clear where commercial bank account located.

Community Outreach

The application included minimal details on process for handling concerns/complaints.

Public Input

Four positive public comments were submitted on this application and referenced experience with Longmont, products, and lack of violations.



MEMORANDUM

TO: Selection Division

FROM: Technical Advisory Committee

DATE: May 18, 2018

SUBJECT: TAC review of marijuana applications
Eufloira – 230 S. Main St.

A citywide team reviewed 13 applications for marijuana businesses that are hoping to receive one of four licenses that the City will be issuing in 2018. Eufloira submitted an application for consideration to open a retail marijuana store at 230 S. Main St. During its review, the TAC found this application to sufficient in meeting the submittal requirements. The following is a summary of the findings from the TAC.

Application Strengths

Location and Site Plan

- Highly visible location
- Adequate parking
- Direct access to arterial roadways (Main St. and Ken Pratt Blvd.)
- Proximity to the Green Solution, which if both were chosen could streamline inspections and ordinance enforcement
- Transit access
- Proximity to greenway trail
- Existing store in County next door
- Significant additional investment in propert(ies) stated on application

Security Plan

- Uses private security company
- Ample detail on how to comply with state regulations especially around transport of cash and product
- Chief compliance officer to deal with complaints and training
- Exceptional staff training including testing
- Hourly patrols of grounds
- End of day cash procedures well detailed
- Strong detail in plan for disposal of unsold product
- 65 day video retention

Business Plan

Euflorea is currently operating at 250 S. Main in a smaller building than ideal for their vision and goals. Their ultimate plan is to build larger space using both 230 and 250 S. Main, in order to create a "state of the art" dispensary destination; they offer a very different dispensary experience. The Denver location on 16th street mall is one of the largest dispensaries in Denver at over 6,000sf. Specific strengths of the business plan included:

- Company currently operates 4 locations.
- Company feels by creating retail marijuana "destinations", surrounding businesses in all their current locations have benefited from additional traffic
- High web reviews on Aurora location: 4.5 stars on 471 google reviews, however relatively low reviews at downtown Denver location.
- Solid market analysis compares Aurora (23 licenses, 1 license/15K pop to Longmont, 4 licenses, 1 license/33K pop)
- Marketing plan includes neighborhood discount program, medical marijuana discounts, and military discounts.
- Company is vertically integrated: retail, cultivation and manufacturing. Plan clearly lays out sales at each current location. Aurora store generated \$7.5M in first year.
- All packaging done at grow facility – no packaging at retail location.
- Staffing plan extremely detailed: 1mgr, 2 assistant mgrs., 2 sales floor reps, 3 sales associates (8 employees expected to be in store at all times). Hours 9am-9:45pm. Target 3 Hispanic employees/10 hires.
- Detailed financials (1 year) including cash flow, P&L and balance sheet. Monthly projected sales of \$1.2-\$1.4M. COGS 38%. Other monthly: Payroll \$120K, Loan repayment \$233K.
- Company has established Bank account with Partner Colorado Credit Union (Safe Harbor).

Community Outreach

The community outreach, neighborhood mitigation strategy, and complaint process were adequately addressed in this application. There were several specific strengths identified by the TAC, which included:

- Focus on giving back to community through philanthropy
- Included letter of support from city of Aurora
- Aim to pay living wage

Vision, Values, and Goals

This application thoroughly reviewed both Envision and the Sustainability Plan and listed their projected contributions in meeting goals in those plans.

Application Weaknesses

Location and Site Plan

- Multi-tenant building
- Existing store in County next door
- Uncertainty about level of investment into and redevelopment of property – its stated but not detailed
- Moderate crime rate - Tier 1 = 31 and QL = 68

Security Plan

The only substantial weakness identified by TAC was that this security plan lacked redundancy for ID checks.

Business Plan

- Confusing real estate strategy. Current Longmont dispensary operational at 250 S. Main (unincorporated). Signed lease at 230 S. Main (2300sf, smaller side) states \$10K/month rent (Sec. 3 BASE RENT) then lists rent at \$1,300NNN/month. Financial projections do not include any rent expense.
- A property purchase/development is implied under start-up expenses (\$5.8M) and financial forecast lists a monthly “loan Payment” of \$233K instead of rent. Assume that is for property investment. Unclear if this development is planned at current property. Option to buy is not specified in lease agreement.
- No financial assumptions to accompany balance sheet and income statements.
- Sales projections appear aggressive. Market analysis explains sales projections for Longmont based on 50% more than first year Aurora revenues. First year Aurora store generated \$7.5M. Longmont first year revenues projected at \$11.6M in Marketing section but total \$13.2M in forecast. \$1.2M/month implies approx. 900 customers/ day (avg spending of \$45/customer based on Aurora store).
- Balance sheet lists Land of \$3.2M and Building \$5.8M. This is not explained anywhere.
- Would be useful to forecast 3 year sales projections. Do current locations indicate sales increasing or leveling over time?
- Relatively low web reviews for 16th St location: 3.9 stars on 19 weedmaps reviews, 3.6 stars on 35 leafly reviews.

Community Outreach

No significant weaknesses were identified by the TAC.

Vision, Values, and Goals

No significant weaknesses were identified by the TAC.

Public Input

One positive public comment and one negative public comment were received on this application.



MEMORANDUM

TO: Selection Division

FROM: Technical Advisory Committee

DATE: May 18, 2018

SUBJECT: TAC review of marijuana applications
The Green Room – 1600 Hover St. Unit C1

A citywide team reviewed 13 applications for marijuana businesses that are hoping to receive one of four licenses that the City will be issuing in 2018. The Green Room submitted an application for consideration to open a retail marijuana store at 1600 Hover St. Unit C1. During its review, the TAC found this application to sufficient in meeting the submittal requirements. The following is a summary of the findings from the TAC.

Application Strengths

Location and Site Plan

- Sufficient parking
- Direct access to arterial roadways (17th and Hover)
- Proximity to Starbuds, which if both were chosen, could streamline inspections and ordinance enforcement
- Transit access

Security Plan

- Additional lighting being proposed in the back of the building (alley)
- Locked dumpster noted
- Strong employee training program
- SOPs for emergency plans
- No violations reported

Business Plan

The Green Room presented a detailed, professional business plan with good research on Longmont market size and demographics; clearly a good amount of effort was put into this business plan, which is visually appealing, complete with charts and graphs. Specific strengths include:

- Will strive to be “compliant, safe, and efficient”.

- Run dispensary and cultivation facility in Boulder with 20 employees (many of whom live in Longmont). Voted “Best of Boulder”
- High internet reviews for Green Room Boulder: 4.4 stars on 81 Google reviews, 4.4 stars on 84 Weedmaps reviews, 4.9 stars on 111 Leafly.com reviews.
- Excellent market analysis defining primary and secondary service areas. Market size calculation clearly described (approx. 8,400 recreational users in City of Longmont)
- Company currently employs full time marketing manager and uses a combination of signage, advertising, direct outreach, social media and trade associations.
- Proposed store will use several technologies including quickbooks, FlowHub (Point of Sale), First Call (alarm systems), EasyTrack payroll, and Metrc (regulations and compliance software)
- Staffing plan is detailed. 4 employees in store at all times 9am – 9:45pm.
- 30-60 day training program for all employees covers regulations, safety, etc.
- Company has Bank account with Partner Colorado Credit Union. Daily deposits, vendors paid by check.
- Detailed list of startup expenses includes inventory, security systems, signage, furniture, etc. (\$177K)

Community Outreach

- The TAC noted a local hiring intent
- This application also included letters of recommendation

Vision, Values, and Goals

The TAC did not note any particular strengths in this section.

Application Weaknesses

Location and Site Plan

- Multi-tenant space
- Shopping area has relatively high calls for service
- Proximity to residential neighborhoods to the west and south
- Crime rate moderate – Tier 1 = 27 and QL = 70

Security Plan

- Security plan lacks detail around transporting product or cash
- Alley access could be problematic
- Odor management plan is somewhat lacking; they talk about what they will do conceptually and what they've done in their other locations, but don't specifically state what they'll do here. They do mention that with the setup of the current space they'll be able to design a system prior to opening.

Business Plan

- 1200 sf at proposed site is small.

- 1 year financial projections are adequate, but need detailed financial assumptions. Sales volume looks aggressive for amount of space. How many customers a day required for \$10K daily sales? Is this feasible from 1200sf location?
- Approx \$5 million projected sales in first year. Cash sales begin at \$600K in month 1 and reduce to \$375K by month 5. What was reasoning behind this? Current Boulder location exceeds \$2M annual sales.
- COGS does not fluctuate with sales volume.
- Financial projections limited to one year: \$375K/month sales, 60% COGS=40% gross profit. Major monthly expenses Rent (\$5900), Payroll (\$50K), Advertising (\$12K). Are these based on current location?
- Would be useful to include 3 year monthly sales projections. Are increases expected or sales projected to level? What does current location indicate?
- "Commitment to diversity" is mentioned but vague. No specific plan or targets mentioned for staff diversity.
- Market analysis does not mention competitors or any competitive advantages. How would Green Room differentiate from 3 other dispensaries in Longmont?

Community Outreach

- Mitigation plan is more complaint-based than proactive

Vision, Values, and Goals

- Vague and weak attempt at vision, values, goals section.

Public Input

13 favorable public comments were received on this application, primarily related to the overall business, products, favorable location in Longmont, and experience at Boulder locations.



MEMORANDUM

TO: Selection Division

FROM: Technical Advisory Committee

DATE: May 18, 2018

SUBJECT: TAC review of marijuana applications
The Green Solution – 206 S. Main St.

A citywide team reviewed 13 applications for marijuana businesses that are hoping to receive one of four licenses that the City will be issuing in 2018. The Green Solution submitted an application for consideration to open a retail marijuana store at 206 S. Main St. During its review, the TAC found this application to be exceptional in the quality of responses; all required areas were addressed with excellent detail that exceeded the expectations of the TAC. The TAC felt this was an extremely strong, professional application. The following is a summary of the findings from the TAC.

Application Strengths

Location and Site Plan

- Fully sprinkled building
- Highly visible location
- Adequate parking
- Direct access to arterial roadways (Main St. and Ken Pratt Blvd.)
- Proximity to Euflorea, which if both were chosen, could streamline inspections and ordinance enforcement
- Transit access
- Commercial corridor
- Concise but detailed odor management plan

Security Plan

- Very specific security details on camera system
- Best visual layout of plans
- Very clear photometric plan (lighting)
- CEPTED methodology used extensively
- 6 sided concrete wall vault

Business Plan

The Green Solution LLC is one of the largest dispensary chains in Colorado with 14 locations and multiple locations in 4 other states. The company is vertically integrated in retail, cultivation, manufacturing and security, with over 700 employees. It is a family owned business. The TAC identified several strengths of the business plan submitted as part of this application, including:

- Unique approach to retail marijuana as a “volume based” brand.
- Online pre-order and express window pickup together with open store layouts, high tech displays and large in-store staffs, allow an average of 1000 customers to move through each of their stores per day.
- Longmont store 5,630 sf. (Rent \$14K/mo)
- High web reviews on flagship Northglenn location: 4.5 stars on 1,278 google reviews.
- Concise market analysis provides relevant data when comparing Northglenn market vs Longmont.
- Target market carefully analyzed. Currently 42% of business from 25-44 year old males. Company claims to have highest market share of 45-64 year olds which make up 23% of their client base.
- High volume approach has allowed Northglenn location to capture 50% of all sales in the city.
- Vertically integrated company sells 95% of its own cultivated and manufactured products allowing for low COGS (33%).
- Staffing protocols detailed and offer specifics on pay. General Mgr \$90K, entry level \$14/hr. Plan 33 total available staff for opening day in Longmont.
- 18 month sales projections conservatively start at \$150K/month and grow to \$800K/month after 1 year.
- Company has established Bank account with Partner Colorado Credit Union with balance over \$1million.

Community Outreach

The community outreach and complaint process were addressed very well in this application. There were several specific strengths of The Green Solution’s community outreach plan, which included:

- Well established corporate social responsibility program
- Well-developed community outreach plan and a history of community involvement
- Included local hiring preference
- Have explicit policy/procedures for dealing with complaints/concerns
- Explicit policy for mitigating neighborhood impact
- Include diverse workforce commitment

Vision, Values, and Goals

This application stated the company’s intent to work with the community to understand Longmont’s values and goals, which includes potential entities to work with.

Application Weaknesses

Location and Site Plan

- Potential floodplain issues – would likely need a floodplain development permit through the development review process
- Design of store front shown in application is visually weak and many not likely be approved as consistent with City's design standards
- Moderate crime rate – Tier 1 = 31 and QL = 68

Security Plan

The TAC did not note any weaknesses with the security plan submitted as part of this application.

Business Plan

- Staffing mentions diversity as a priority but fails to specifically address percentage target and strategies for attracting diverse work force.
- Start-up expenses are not listed. Implied that buildout, security, inventory, etc will cost approx. \$1million (mentioned in breakeven analysis) but specific breakdown not included.
- Timing of buildout? How many weeks to opening day if license granted?
- No financial assumptions to back up 18 month financial projections. Clearly some expenses like COGS (33%), staffing \$75K/month, and marketing \$15K/month are based on other locations but no explanation of sales volume and growth. Rent \$16K/month (including NNN expenses).
- Sales projections are aggressive and the company assumes it will take 40% of all Longmont retail marijuana revenues (based on other locations, i.e. Northglenn location makes up over half of city's retail marijuana sales). Even with "volume based" model, is this realistic? Forecasted revenues \$6M (12 months), \$11M (18 months).
- Based on multiple other locations would have been useful to see 3 year sales projections.

Community Outreach

No significant weaknesses were identified by the TAC.

Vision, Values, and Goals

No significant weaknesses were identified by the TAC.

Public Input

21 positive public comments were received on this application.



MEMORANDUM

TO: Selection Division

FROM: Technical Advisory Committee

DATE: May 18, 2018

SUBJECT: TAC review of marijuana applications
Herbal Wellness – 1428 E. 3rd Ave.

A citywide team reviewed 13 applications for marijuana businesses that are hoping to receive one of four licenses that the City will be issuing in 2018. Herbal Wellness submitted an application for consideration to open a retail marijuana store at 1428 E. 3rd Ave. During its review, the TAC noted this application was not professionally presented and found it to be lacking in several areas. The following is a summary of the findings from the TAC.

Application Strengths

Location and Site Plan

- Highly visible location
- Good access control and access to major highway
- Standalone building
- Ownership of building
- New building
- Crime rate low – Tier 1 = 9 and QL = 45

Security Plan

The TAC did not note any particular strengths of the security plan submitted as part of this application.

Business Plan

Herbal Wellness plans to purchase a lot and build a brand new facility similar to their new dispensary in Lafayette called "Releaf". Releaf has received very high reviews as a "state of the art" location. Specific strengths identified for the business plan include:

- Operate a medical/recreational facility in Lafayette that has been voted "best of Boulder" 3 times for best medical dispensary. This store exceeded \$5M in sales for 2016. Owner, Eric Ryant opened a new store in Lafayette at the end of 2017 called Complete Releaf.

- Brand new facility planned for Longmont: safe, comfortable, education-oriented.
- Herbal Wellness Lafayette receives 4.5 stars on 209 Google reviews while Complete Releaf has garnered a 4.9 rating on 71 Google reviews.
- Owner plans to purchase Lot 1 at 1428 East 3rd Ave and build a large “state of the art” facility similar to his new location in Lafayette. Lot price \$650K. New location will feature open floor plan with stone, brick and stained wood structure.
- Emphasis on education will include free pamphlets on Colorado Laws and how to be a responsible consumer as well as community classes on benefits of non-psychoactive cannabinoids like CBD, CBN and CBC.
- Classes will be open to seniors who might be looking for medical relief instead of recreation.
- Marketing plan based on successful efforts in Lafayette including social media and “flash sales” notification via text. Local & national publication print ads.
- Staffing detailed. 5 employees expected on location in normal work day. Company will offer health insurance after 90 days.

Community Outreach

The application noted a focus on/history of community involvement and philanthropy.

Vision, Values, and Goals

The TAC did not note any particular strengths in this section of the application.

Application Weaknesses

Location and Site Plan

The TAC had significant concerns with this location and noted the following specific weaknesses:

- Proximity to day care
- Proximity to residential neighborhood
- Scenic entry location

Security Plan

The security plan was not professionally presented. There were several weaknesses noted including:

- Diagrams included in plan were unclear, unreadable and confusing
- Weak employee training program
- Prior civil cases for forcible entry and detainer = total of 3
- Several other civil litigation cases (9)

Business Plan

- Company plans to have a “diverse workforce to reflect diversity of community” but gives no further details other than holding a job fair prior to opening.
- Start-up expenses are not listed. Property price is \$650K. Buildout not specified.
- No financial projections. DR8522 (statement of financial condition) included but no forecast or assumptions.
- Sales projections and timing would be very helpful. How long will buildout of property take prior to opening? Based on Lafayette location, what is reasonable 1 year forecast? In 2016 Lafayette Herbal Wellness exceeded \$5 million in revenue servicing 300-400 customers per day. What implications does that have for Longmont market?
- Retail/recreational marijuana focused. Herbal Wellness Lafayette built its reputation on both retail and medical “dual-use” dispensary. Would it not be wise to copy this model?
- Market Analysis is high level description of US marijuana industry with brief mention of some Longmont metrics such as population. Not much analysis other than to state that Longmont is a potentially larger market than Lafayette.
- Includes several personal bank account statements. No mention of commercial account.

Community Outreach

The application contained a weak attempt at vision, values, and goals.

Public Input

There were numerous public comments not in favor of this location. Specifically, 10 comments were received against Herbal Wellness locating here; 1 comment was received from a resident stating they were OK with this location.



MEMORANDUM

TO: Selection Division

FROM: Technical Advisory Committee

DATE: May 18, 2018

SUBJECT: TAC review of marijuana applications
Lightshade Labs – 1533 Main St.

A citywide team reviewed 13 applications for marijuana businesses that are hoping to receive one of four licenses that the City will be issuing in 2018. Lightshade Labs submitted an application for consideration to open a retail marijuana store at 1533 Main St. During its review, the TAC found this application to sufficient in meeting the submittal requirements. The following is a summary of the findings from the TAC.

Application Strengths

Location and Site Plan

- Highly visible location
- Standalone location (but with a future tenant)
- Transit access
- Contract to purchase the building
- New building
- Could lead to further reinvestment of blighted sub area of City

Security Plan

- Very descriptive through security plan with ample cameras
- Contract with security company for transport
- Detailed waste plan for product disposal
- Detection system for entry has capillary biometric reader

Business Plan

This company plans to purchase the building and build brand new facility. The company is education-oriented as evident by partnership with Cannabis Clinicians and Holos Health. Its parent company, Lightshade Labs LLC, is an established company with over \$25M in sales. Specific strengths of this business plan as noted by the TAC include:

- Lightshade Labs operates 8 retail stores and 4 cultivation sites in Denver, Aurora, Federal Heights and Boulder since 2011. Retail locations focus on being “nurturing and inclusive”.
- May compliment other businesses in neighborhood with a high-end design on Main St.
- Very high web reviews for 6th Ave location in Denver. 4.9 stars on 949 Weedmaps reviews.
- Plan to purchase property at 1533 main. Price \$1.7M.
- Company owns MJardin, a consulting business used by other marijuana operators for compliance and efficiency. MJardin oversees 30 facilities.
- Diversity plan specified: recruitment, hiring, promotion and inclusiveness. Each step concisely detailed.
- Employee training by third party Trichome Institute.
- Company provides health insurance and 401K.
- Operations extremely detailed in Security Plan. Cash protocols, inventory control and administrative structure specified. Use of METRC and Flowhub. Marketing plan: Education oriented. Partner with Cannabis Clinicians of Colorado and Holos Health on educational content. Sponsorship of music, art and cultural events. 15% discount for veterans. Social media, blogs, mobile apps.
- Parent company donated \$25K to non-profits in 2017.
- Market analysis: 2017 showed a 21% revenue increase over 2016 in Colorado (sales > \$1B)
- Project \$2.8M in first year sales at Longmont location (\$384K medical and \$2.4M recreational). Staffing detailed (Mgr \$55K, Asst \$42K, Budtenders \$10K PT)
- Financial statements for 2015 and 2016 provided for Lightshade Labs (all locations). 2016 sales of \$18.2M, COGS \$7.2M. Net Income \$3.5M. As of Nov 2017 sales grew to \$25M.
- Commercial account with Verus Bank of Commerce. Balance \$738K.

Community Outreach

The community outreach and complaint process were adequately addressed in this application and contain a designated point of contact. The TAC also noted the following strengths:

- Support art in public places
- Established corporate social responsibility team
- Specific community outreach objectives stated; includes history of community involvement
- Local hire commitment
- Include diversity plan, which is unique

Vision, Values, and Goals

The TAC did not note any specific strengths in this section.

Application Weaknesses

Location and Site Plan

- Lack of access control
- Traffic on Main St.
- Potential future tenant (multi-tenant building)
- Located in an area with high calls for service
- High crime rate – Tier 1 = 48 and QL = 126 (This is high due to being on Main Street; there is a higher crime rate on north Main Street).

Security Plan

The TAC did not note any specific weaknesses in the security plan for this application.

Business Plan

- Start-up expenses are not listed. Property price is \$1.7M but buildout, inventory, security cost, not specified.
- Property layout approx. 1125 sf. Does company plan to expand into space #2 (1350 sf) or lease this space to another tenant? 1125 sf. is small.
- How long will location take to be ready to open?
- No monthly financial projections. Just annual. \$2.8M in revenue first 12 months but would be very useful to see projected sales growth on a month to month basis.
- Assumptions are extremely brief and not explained. Would be useful to know how they estimate approx. 85lbs of recreational marijuana sold per month. Is this based on current locations?
- Market analysis is a good overview but does not drill down to the Longmont market specifically. Focuses primarily on US marijuana industry and Colorado industry overall.
- Lack of explanation of Longmont market size as it affects sales projections vs other Lightshade locations.

Community Outreach

- Minimal details on process for handling concerns/complaints

Vision, Values, and Goals

The TAC did not note any specific weaknesses in this section.

Public Input

Three public comments received noting opposition to this location, primarily due to proximity to office condos at 630 Main St. and location on Main St.; one positive comment was also received, noting a positive experience with Denver location.



MEMORANDUM

TO: Selection Division

FROM: Technical Advisory Committee

DATE: May 18, 2018

SUBJECT: TAC review of marijuana applications
The Medicine Man – 500 E. Rogers Rd

A citywide team reviewed 13 applications for marijuana businesses that are hoping to receive one of four licenses that the City will be issuing in 2018. The Medicine Man submitted an application for consideration to open a retail marijuana store at 500 E. Rogers Rd. During its review, the TAC found this application to be exceptional in the quality of responses; all required areas were addressed with excellent detail that exceeded the expectations of the TAC; the TAC felt this was an extremely strong, professional. The following is a summary of the findings from the TAC.

Application Strengths

Location and Site Plan

- Standalone building
- Location is currently underutilized and could benefit from clean-up
- Adequate parking
- Minimal impacts to surrounding area
- Low crime rate: Tier 1 - 4 and QL - 15

Security Plan

- Identified a security company
- Provided a detailed nighttime security plan
- Graphics in the site plan were detailed and very easy to decipher
- Provided best security office duties and closing procedures
- Comprehensively addressed underage issues

Business Plan

The business plan submitted as part of this application is very well researched, specifically with regards to market analysis and customer demographics. Specific strengths identified by the TAC include:

- Company operates 4 retail dispensaries in Denver, Aurora and Thornton.
- Vertically integrated with own cultivation facility
- \$18M annual sales. 90 employees.
- Plan to hire 12 new employees for Longmont location. Offer health insurance. 2 days Paid Time Off to do volunteer work.
- Pete Vasquez will be general manager of Longmont facility. Has worked with company since 2010 has small ownership in new proposed location.
- High reviews for Denver retail location: 4.6 stars on 301 reviews (Weedmaps).
- Location: 5,000 sf. (\$9540 monthly rent)
- Substantial buildout required including paving. Company spent over \$1M on new Thornton location.
- Emphasis on Education. Produce pamphlets, offer consultations and support groups. Partner with Colorado Health Sciences and National Jewish Hospital to design clinical trials.
- Excellent market analysis for national, state and local. Company carefully keeps track of client statistics. Avg. customer spends \$64 per visit vs Colorado avg. \$49.
- Use focus groups frequently to understand customer base and design loyalty programs.
- Company has strong social media presence but sees "traditional" marketing techniques to be very effective, particularly coupons.
- Company projects \$5M-\$6M Year 1 sales with 15% annual growth over next 5 years. Sales will start at \$200K/month and grow to \$500K avg. in 6 months.
- Excellent breakdown of product costs. Detailed and concise explanation of COGS cultivation (\$600/lbs) vs wholesale (\$1800/lbs).
- Commercial account: Colorado Bank & Trust, La Junta, CO. Balance over \$800K
- Company plans to fund Medicine Man Family Foundation with \$100K/year.
- Strong brand recognition within industry.

Community Outreach

The community outreach and complaint process were addressed adequately in this application. There were several specific strengths of The Medicine Man's community outreach plan, which included:

- Detailed plan for complaint process w/point of contact
- Good employee pay and benefits, including volunteer time off (VTO)
- Started a family foundation for philanthropy
- Stated explicit company values around community engagement and philanthropy

Vision, Values, and Goals

This application looked at the Envision Longmont goals and adequately demonstrated how their business would contribute to the citywide vision, values and goals. Specifically, this application outlined community investment and workforce investment. This applicant also reviewed Sustainability Plan and indicated intent for sustainable building and design.

Application Weaknesses

Location and Site Plan

While this proposed location is an overall strength of the application, the TAC did note two weaknesses, including:

- Too much existing vegetation creating issues with seeing the building
- Somewhat isolated, “no eyes on the street”

Security Plan

- Existing lighting is lacking (would likely be a requirement during the development review process)
- Site improvement details are somewhat lacking

Business Plan

- Diversity plan not specified although plan states “embrace and embody diversity”.
- Sales projections aggressive and rely heavily on Longmont surrounding areas. Plan mentions that potential market twice Longmont population (180K) but doesn’t state percentage of sales coming from other cities.
- First 3 months of projections have zero sales. Is this buildout period?
- Startup costs include buildout, inventory (very detailed: 20 pounds of marijuana flower, \$150K edibles and concentrates), but startup costs not listed concisely anywhere.
- Financial projections are good but more detailed financial assumptions would be helpful.

Community Outreach

No significant weaknesses were identified by the TAC.

Vision, Values, and Goals

No significant weaknesses were identified by the TAC.

Public Input

No public comments were received on this application.



MEMORANDUM

TO: Selection Division

FROM: Technical Advisory Committee

DATE: May 18, 2018

SUBJECT: TAC review of marijuana applications
Options Medical – 455 Weaver Park Rd. Suite 100

A citywide team reviewed 13 applications for marijuana businesses that are hoping to receive one of four licenses that the City will be issuing in 2018. Options Medical submitted an application for consideration to open a retail marijuana store at 455 Weaver Park Rd. Suite 100. During its review, the TAC found this application to be lacking in several areas. The following is a summary of the findings from the TAC.

Application Strengths

Location and Site Plan

- Adequate parking
- Minimal impacts to surrounding area/uses
- Crime rate low – Tier 1 = 8 and QL = 16

Security Plan

The TAC did not note any particular strengths for the security plan in this application.

Business Plan

This company differentiates itself through emphasis on employee retention in an industry with high turnover. They feel happy employees translate to a better customer experience. Retention achieved by higher pay and work culture. Specific strengths of the business plan included:

- Current Wheat Ridge location approx. \$5M annual sales. Serves 400-600 customers per day. "Most popular dispensary in Wheat Ridge". Company runs 2 grow facilities (Lafayette and Boulder). Compliance-focused. 45 current employees with close to zero turnover in 2017.
- Very high web reviews. 4.3 star rating on 172 Google reviews. 4.7 stars on 300 Weedmap reviews.

- Plan to operate 5,000 sf facility that is currently a warehouse at 455 Weaver Park Rd. Rent \$15K/mo. Are going to build new facility “from scratch”.
- Detailed staffing plan and emphasis on employee retention. Manager, Grace Herion has been with company several years and would manage new store.
- Concise plan employee/register. Expect 11 employees needed in typical day for 3 registers.
- New store would possibly allow Options Medical to offer health insurance for employees. Expect to create 15-20 new jobs in Longmont. Employees paid well above industry norm with bud tenders at \$20-\$25/hr.
- Marketing plan at current location consists primarily on word of mouth and a text platform called BAKER. Company texts database of clients regularly (5700 customers). New store would require print advertising to build sales – have seen best results with Westword.
- Current cultivation should be able to provide enough inventory and allow company to be price competitive.
- Commercial Bank Account with Partner Colorado Credit Union (Harbor) \$299K balance and referral letter.
- Monthly financial projections start conservatively at \$265K/month growing and leveling at \$530K/month. First year sales \$5.1M. Some pricing assumptions given.

Community Outreach

- The application contains a statement of intent to pay living wages
- Applicant intends to conduct specific, local outreach to neighbors if chosen

Vision, Values, and Goals

The TAC did not note any strengths in this section.

Application Weaknesses

Location and Site Plan

- Multi-tenant building
- Shared building entry could be problematic and impact other tenants
- Proximity to less compatible uses like Dizzy Family Fun Center and High Altitude Archery

Security Plan

The TAC had concerns with elements of the security plan submitted with this application. Specifically, the TAC noted the following:

- Issues with building alarm system in the past
- Site plan is confusing and outdated; there are questions on which portion of the building is actually being proposed for use
- Questionable methods of training including combat marksmanship training

Business Plan

- Buildout cost not specified. Projections based on opening in June.
- Financial forecast could use assumptions explaining specifically sales growth. Looks like revenue projections similar to Wheat Ridge location in 2017 (\$5.1M). Is this a fair comparison taking into account Wheat Ridge store has spent several years building client base?
- Market Analysis is very short with few details and does not explain how the Longmont market ties into marketing strategy or financial forecast.

Community Outreach

The TAC did not note specific weaknesses in this section.

Public Input

Three positive comments about the business and business owner were received for this application.



MEMORANDUM

TO: Selection Division

FROM: Technical Advisory Committee

DATE: May 18, 2018

SUBJECT: TAC review of marijuana applications
Roots Rx – 12000 E. Rogers Rd

A citywide team reviewed 13 applications for marijuana businesses that are hoping to receive one of four licenses that the City will be issuing in 2018. Roots Rx submitted an application for consideration to open a retail marijuana store at 12000 E. Rogers Rd. During its review, the TAC found this application to be lacking in several areas. The following is a summary of the findings from the TAC.

Application Strengths

Location and Site Plan

- Standalone building
- Room on site for parking, buffering, etc.
- Ability to bring an enclave into the City
- Crime rate low – Tier 1 = 2 and QL = 6

Security Plan

The TAC did not note any particular strengths for the security plan in this application.

Business Plan

- Company operates 6 retail dispensaries in Eagle Vail, Aspen, Basalt, Edwards, Gunnison and Leadville. Vertically integrated with two grow facilities.
- High reviews for Eagle Vail location: 4.6 stars on 47 Google reviews, 4.5 stars on 34 Weedmaps reviews.
- Provide educational material on all their products.
- Brief Market Analysis assumes approx. \$1.5M revenue per 5000 population. (These are in line with Dept of Rev figures for Boulder County). Implies approx. \$30M Longmont market total.
- Well described job expectations for Store Managers to uphold company's values: compliance, leadership, customer satisfaction.

- Two conference calls per week with store managers to discuss “compliance, security, trends, advertising and special events.”
- Employ outside consulting firms to evaluate performance in each market (unfortunately these evaluations not included).
- Marketing plan includes social media, sponsorships of local community events, membership rewards program.
- Established Bank account with Wells Fargo. Not clear if this is commercial account. Over \$3M balance.

Community Outreach

The TAC did not note any strengths in this section.

Vision, Values, and Goals

This application mentions the Envision Longmont guiding principles and how they think they will help meet goals. It also references sustainability and resiliency; the application specifically mentions sustainable landscaping (waterwise) and lighting

Application Weaknesses

Location and Site Plan

- Somewhat remote and lacking “eyes on the street”
- Access is somewhat limited

Security Plan

The security plan submitted with this application did not provide adequate information and detail. Specifically, the TAC noted the following:

- No detail on offsite video storage
- Lack of detail for plan for transporting money
- Lacking procedure information and detail, including employee training, how to prevent people under 21
- Appears other state regulations aren’t addressed in application materials
- Lighting plan lacking

Business Plan

This business plan is extremely brief and does not provide adequate details in key areas. It does not convey the uniqueness of store environment and what sets them apart from other locations. Specific weaknesses noted by the TAC included:

- Lacks staffing projections for Longmont location.
- Location: 2,698 Square Feet (smaller). Rent approx. \$4500/month.
- No financial projections or assumptions included.

- Company states they “may reduce hours based on sales patterns”. This feels like a lack of commitment and could make it hard to compete with other locations.
- Includes 191 pages of bank statements (Wells Fargo)
- Profit and Loss statements for any of 6 other locations would have been helpful.
- Plan states they are an “equal opportunity employer” with no specific plan or targets for diversity
- No start-up costs or build out estimates included.
- What will owner’s involvement be in the business as currently lives in Aspen?

Community Outreach

The complaint process and neighborhood impact mitigation plan were inadequately addressed in this application. There was also no designated point of contact for addressing concerns/complaints, which was an application requirement.

Public Input

No public comments were received for this application.



MEMORANDUM

TO: Selection Division

FROM: Technical Advisory Committee

DATE: May 18, 2018

SUBJECT: TAC review of marijuana applications
Starbuds – 1600 Hover St. Unit B2

A citywide team reviewed 13 applications for marijuana businesses that are hoping to receive one of four licenses that the City will be issuing in 2018. Starbuds submitted an application for consideration to open a retail marijuana store at 1600 Hover St. Unit B2. During its review, the TAC found this application to sufficient in meeting the submittal requirements. The following is a summary of the findings from the TAC.

Application Strengths

Location and Site Plan

- Sufficient parking
- Direct access to arterial roadways (17th and Hover)
- Proximity to The Green Room, which if both were chosen, could streamline inspections and ordinance enforcement
- Transit access

Security Plan

- Thorough, detailed security plan
- 60-day video retention
- Armed security company dealing with cash and product transport
- Reinforced walls for product and cash storage
- On-site security officer checking IDs, monitoring security cameras and exterior, doing parking patrols
- Strong emergency plan for employees
- Training plan includes conflict resolution and theft prevention
- Decently addressed multiple aspects of odor management, however we're unsure how much can be done with the existing HVAC system (see weaknesses)

Business Plan

Starbuds has a strong brand identity with a recognizable logo and brand name. Their current locations near Longmont include Niwot and Louisville. The company is proposing a fairly small location in Longmont. Business plan strengths include:

- Starbuds is one of Colorado's largest Marijuana chains and brand names (10 locations).
- Current locations receive high web ratings. Starbuds North Denver location: 4.7 stars on 578 Google reviews, 4.6 stars on 131 Weedmaps reviews, 4.5 stars on 54 Leafly.com reviews.
- "Successful track record" at current locations regarding inventory management, security, training and compliance. Few details given.
- Significant inventory provided by company-owned cultivation facility in Denver.
- Marketing plan includes social media, print advertising, daily and weekly specials.
- Company sponsors Highways and has a powerful brand identity in Colorado.
- Staffing detail is strongest part of business plan. Expect to hire 7-10 employees. Manager (FT), 2 Asst Mgr (FT), 4-8 budtenders (PT), security guard. Store hours 8am to 10pm.
- Thorough description of job responsibilities for each position as well as hiring protocols. "Hiring preference given to Longmont residents, minorities, and veterans."
- Company has established Bank account with Partner Colorado Credit Union.

Community Outreach

The community outreach and complaint process were adequately addressed in this application. The TAC also noted a hiring preference for minorities and veterans.

Vision, Values, and Goals

This application had an adequate response to the Vision, Values and Goals section. In addition, the application materials also mentions that Starbuds supports sustainability practices.

Application Weaknesses

Location and Site Plan

- Multi-tenant space
- Shopping area has relatively high calls for service
- Proximity to residential neighborhoods to the west and south
- Crime rate moderate – Tier 1 = 27 and QL = 70

Security Plan

- One of the owners lists arrest within the past 10 years, but failed to provide related information on arrest disclosure form
- Application mentions changing HVAC system filters, which could cause issues if the system wasn't designed for the identified filter

Business Plan

- 1400 sf at proposed site is on smaller side.
- Although market analysis includes significant statistics on population growth, demographics, income, marijuana industry, etc., the plan does not tie that into strategy for new store or sales projections.
- Bank statements included, but no financial projections for proposed location at all. State that breakeven will be at 6 months. No projected startup costs.
- Would have been useful to include monthly profit & loss projections based on current locations.
- Employee training states that it is "uniform" but details not specified.
- Application assumes knowledge of certain sections of business plan is implied by the fact that company currently operates multiple locations. Lacks details in several areas, particularly financial forecast.
- Plan mentions that Longmont is a potentially large market but does not specify what strategies would be replicated from current locations and what new strategies might be used.

Community Outreach

No significant weaknesses were identified by the TAC.

Vision, Values, and Goals

No significant weaknesses were identified by the TAC.

Public Input

Seven favorable public comments were received on this application, primarily related to the overall business, products and experience at other locations.



MEMORANDUM

TO: Selection Division

FROM: Technical Advisory Committee

DATE: May 18, 2018

SUBJECT: TAC review of marijuana applications
Terrapin Care Station – 650 20th Ave.

A citywide team reviewed 13 applications for marijuana businesses that are hoping to receive one of four licenses that the City will be issuing in 2018. Terrapin Care Station submitted an application for consideration to open a retail marijuana store at 650 20th Ave. During its review, the TAC found this application to be exceptional in the quality of responses; all required areas were addressed with excellent detail that exceeded the expectations of the TAC. The TAC felt this was an extremely strong, professional application. The following is a summary of the findings from the TAC.

Application Strengths

Location and Site Plan

- Stand-alone building
- Adequate parking
- Transit access
- Close to Main St.
- Visible location
- Capital investment and purchase of building

Security Plan

- Outstanding, extensive SOPs for training and operations
- All hours security plan (Blue Line)
- Multiple, comprehensive method for checking IDs to deal with underage
- Specific, comprehensive information on security equipment
- Good track record at other locations
- Systematic detail on cameras and alarms

Business Plan

This company clearly demonstrates their commitment to diversity by providing current breakdown of employees. It appears that the owner has already invested in Longmont

property and the company has laid some groundwork as to specific organizations to associate with in Longmont. Numerous strengths of the business plan submitted were identified by the TAC. These include:

- Company founded in 2009 with locations in Boulder, Aurora, Denver, Oregon and Pennsylvania, 200 employees and \$26M in annual revenue. Currently operate 5 retail locations in CO and is vertically integrated with cultivation and processing facilities.
- Since 2009 company has donated over \$250K to charitable organizations.
- High web reviews for Boulder location: 4.1 star rating on 126 Weedmaps reviews, 4.5 stars on 49 Leafly.com reviews.
- Terrapin Station is a fairly strong brand in the retail marijuana sector.
- Boulder location was the first Boulder retail dispensary and currently serves 600 customers per day.
- Active in Boulder community and hopes to partner with several non-profit organizations in Longmont. Company supported Longmont Startup Week in 2017.
- Plans to hire 20 employees for Longmont location.
- Owner, Chris Woods has purchased a stand-alone building at 650 20th Ave. (3,469 sf) which he will lease back to the company at approx. \$5500/mo.
- Detailed diversity breakdown of current employees. 24 of 45 total managers are "members of diverse population."
- Solid analysis of market size begins with cities of Longmont, Berthoud, Dacono, Erie, Firestone, Ft Lupton, Fredrick, and Mead. Total pop. 160K. Total potential consumers (cannabis users over 21) 20K.
- Detailed job descriptions for supervisors and managers. Health insurance available after 90 days.
- Extremely specific operational procedures outlined in Standard Operating Procedures Store Operations manual.
- Projected monthly sales at Longmont location: \$750K
- Company has commercial bank account with Champion Bank in Parker, CO.

Community Outreach

The community outreach and complaint process were adequately addressed in this application. There were several specific strengths of Terrapin Care Station's community outreach plan, which included:

- Local hire priority
- Included letters of recommendation
- Strong philanthropic philosophy
- Established relationships with local organizations
- Good Neighbor policy

Vision, Values, and Goals

This application adequately addressed the vision, values and goals and was consistent with the submittal requirements.

Application Weaknesses

Location and Site Plan

The TAC noted that there is a residential area on the west side of Terry, but also noted that this was outside the required buffer from residentially zoned areas.

The crime rate in this area is moderate – Tier 1 = 34 and QL = 95 (calls related to being so close to Main Street).

Security Plan

The TAC did not note any weaknesses with the security plan submitted as part of this application.

Business Plan

- Startup costs including buildout and inventory not included.
- 12 month forecast not included. Forecast shown is for a “typical” month with expected sales of \$750K and net income just over \$100K. When do they expect to reach these monthly targets?
- Some assumptions included throughout plan regarding pricing and market size but in general very few financial assumptions.
- Marketing strategies are fairly generic and not specific to Longmont: merchandise (sold at low cost), advertising in regional “lifestyle” print pubs, hwy sponsorships, cultural events, social media strategy.

Community Outreach

- Didn't specific list a specific point of contact, but stated community liaison with contact information, which the TAC assumes to be the point of contact

Vision, Values, and Goals

No significant weaknesses were identified by the TAC.

Public Input

16 positive public comments were received on this application.



MEMORANDUM

TO: Selection Division

FROM: Technical Advisory Committee

DATE: May 18, 2018

SUBJECT: TAC review of marijuana applications
Yuma Way – 900 S. Hover St. Unit A

A citywide team reviewed 13 applications for marijuana businesses that are hoping to receive one of four licenses that the City will be issuing in 2018. Yuma Way submitted an application for consideration to open a retail marijuana store at 900 S. Hover St. Unit A. During its review, the TAC found this application to be exceptional in the quality of responses; all required areas were addressed with excellent detail that exceeded the expectations of the TAC; the TAC felt this was an extremely strong, professional. The following is a summary of the findings from the TAC.

Application Strengths

Location and Site Plan

- Highly visible location
- No residential in close proximity
- Several other uses in the building are geared to 21+
- Access is well controlled
- Parking is adequate

Security Plan

- Blue Line protection for 24-hour security
- 60-day video retention
- Clear diagrams for interior and exterior
- Interior and exterior camera system with excellent exterior coverage
- Strong disposal plan for medical and recreational product
- Triple procedure for ID check to prevent underage
- Organization chart that includes security officer, roles described well
- Detailed procedures for closing and training
- Application mentions that materials are preppacked, which may reduce odor issues

Business Plan

At first glance, this business plan is comparatively brief, but it is detailed where it needs to be and includes a comprehensive list of buildout and startup costs. This is one of few plans that specifies how long store opening will take (120 days). Specific strengths of the business plan include:

- Denver location (1136 Yuma) receives high web reviews: 4.5 stars on 367 Google reviews and 4.6 stars on 305 Weedmaps reviews.
- Plan to open 120 days after license is granted.
- Highly visible proposed location is approx.. 4,500sf. (\$8250 monthly rent.)
- Co-located medical and recreational marijuana facility with separate entrances. Dispensary will be designed to “resemble a pharmacy”.
- Emphasis on medical marijuana. Advisory board includes a Registered Nurse, Medical Doctor, Addiction Counselor, and certified Pharmacist. Plan to offer many CBD products.
- Comprehensive list of all vendors used.
- Complete list of startup costs including specific buildout expenses (i.e. flooring, HVAC, framing, etc). Total \$164,800
- Market analysis concisely describes medical marijuana market in Longmont (approx. 1,907 registered patients) vs Denver (12,713 registered patients).
- Marketing plan recognizes that current approaches may not be the best for Longmont market. Plan \$15K/month marketing budget (print and digital advertising). Emphasis on customer retention.
- Staffing plan and protocols very detailed. Approx. 20 new employees projected. Job descriptions and education/industry background requirements listed.
- Commercial bank account with Verus Bank of Commerce in Ft Collins.
- Revenues forecasted to begin in August 2018 \$100K growing to \$660K monthly sales by April 2019. Calculated first year sales: \$6.2M. Breakeven at month 8 taking startup costs into account.

Community Outreach

The community outreach and complaint process were addressed adequately in this application. There were several specific strengths of Yuma Way’s community outreach plan, which included:

- Employing bilingual staff
- Having a local hiring preference
- Focusing on philanthropy
- Using recycled materials in construction
- Providing discounts for vets and cancer patients
- Being part of registered neighborhood in Denver
- Having community space available at their proposed location
- Highlighting immigrant community contributions (demonstrated in Denver store)
- Proactive outreach to CBOs

Vision, Values, and Goals

This application looked at the Envision Longmont goals and adequately demonstrated how their business would contribute to the citywide vision, values and goals.

Application Weaknesses

Location and Site Plan

The main weakness noted by the TAC, was that this location is part of a multi-tenant building; however, the TAC also noted that this multi-tenant building serves uses that are primarily targeted to persons 21+, so this was not as big of a weakness as some other multi-tenant spaces.

- Crime rate moderate for Tier 1 crimes at 39.
- Crime rate for QL crimes are higher than some at 131; this is largely due to the amount of retail shoplifting in the area.

Security Plan

The only weakness identified by the TAC was that the cash transport process not well documented in this application.

Business Plan

- Diversity plan not specified, although plan states "having a foreign cultural background, we welcome and support a diverse workforce."
- No mention of how many current dispensaries the company operates.
- Projected sales forecast only 9 months. Not clear if \$660K monthly revenue is expected to level or keep growing. \$660K/month would imply revenues of just under \$8M per year.
- Market analysis is clear for medical marijuana but very brief and lacks detail regarding potential recreational market.
- Marketing plans mention they will be Longmont specific but not specified.
- Financial projections are adequate but assumptions for sales growth not explained.

Community Outreach

No significant weaknesses were identified by the TAC.

Vision, Values, Goals

No significant weaknesses were identified by the TAC.

Public Input

Six public comments were received on this application; all comments received were positive and addressed owners, work with community, products and community outreach.