#### Town of Rico Memorandum

Date: May 11, 2018

TO: Town of Rice Board of Trustees

FROM: Kari Distefano, Rico Town Manager

SUBJECT: Town Manager's Report

Requests for proposals for the engineering reports for water and sewer

On April 30<sup>th</sup>, we had fifteen engineers from eleven firms attend the mandatory site visit for companies interested in bidding on the preliminary engineering reports for water system upgrades and a central sewer system in the commercial core. That amount of interest should ensure a competitive proposal. Most of the attendees were from the Four Corners area. The proposals are due on Monday May 21<sup>st</sup>. When I get them, I will arrange a meeting with the committee to evaluate the proposals. From there we will interview the top firms. I am still not sure when we will have a signed agreement from DOLA, but as soon as we get that paperwork, we can sign a contract with the chosen firm and proceed with the engineering reports and the feasibility analyses. I would like to have the work done by mid August at the latest so that we can have a community meeting to discuss the possibility of a mill levy increase prior to deadline for the November election.

Report on the DOLA sponsored priority based budgeting workshop

On Wednesday May 9<sup>th</sup>, I attended a priority based budget workshop sponsored by the Department of Local Affairs. The implementation of priority based budgeting is grounded on a process by which communities first compile an inventory of programs provided by the local government and then evaluate the cost of each program. Following the compilation of the program inventory and the cost analysis, the community leaders, in Rico's case the Board of Trustees, would determine how closely each program is aligned with community priorities. Programs would be scored based on this analysis. The following portion of the process would be a lot more appropriate in larger organizations, but after the programs are scored, department heads look at where the employees of an

organization spent their time. This analysis is percentage based. For example, I likely spend 15% - 20% of my time on planning and building issues, 15% - 20% of my time on water issues and the rest on various portions of the work plan depending which is ready for another nudge in a positive direction or which has an upcoming deadline. In a larger operation, asking employees to make a list of how they spend their time can help a manager determine whether or not they are under utilized or have too much on their plate. While a lot of the information included in the presentation would be more appropriate in a larger community, it does not hurt to think about whether or not the programs on which we are spending the most money are aligning with the community priorities.

Perhaps the most interesting discussion in the workshop was about how entities can share resources. One of the exercises they suggested was to sit down with neighboring entities, in our case, Dolores County, San Miguel County and school districts from both counties and determine whether or not there are any redundancies that could be combined. An example that occurred to me was transportation. Mike Gass, the Telluride School District Superintendent and I have already discussed this. There may be other opportunities with respect to housing and economic development. I have included a couple of handouts from the workshop in this packet. They are easy to read and it is worth taking a look at them.

#### Report on River Corridor progress

I had a conference call regarding the easement agreement that Disposition Properties had requested over Town property along the old road south of the terminus of Eder Street. We have discussed this before but I have included a map in the packet as a reminder. The attorney wanted a legal description that was specific to the Town Property and had included paying for that legal description as a requirement of Disposition Properties for the Town's signature on the easement agreement. Predictably, the representatives of Disposition Properties did not want to pay for it. I had a conversation with Oli Swanky, owner and representative of Disposition Properties and indicated that the Town may be willing to pay for the legal if Disposition Properties would grant us a recreational easement over the hot springs property so that we could start advertising it as a local amenity. He agreed to consider it. In the meantime, following a conference call

with Dave Bulson and Marti Whitmore, who wrote the agreement with Burnette and O'Grady, Dave found a legal that included ties to the Town Property corners so there will be no need to pay for another legal. I am still hoping for an easement agreement over the hot springs property. There is some liability to Disposition Properties associated with the use that is occurring now and a recreational easement granted to the Town could help mitigate that.

#### Report on Gates Fellowship

I have been awarded a Gates Family Foundation Public Leadership Fellowship to attend the Senior Executives in State and Local Government Program at the John F. Kennedy School of Executive Education at Harvard. This is a great honor and I believe that I will learn a great deal that will be of benefit to the Town. The curriculum includes the following:

- Leadership: Exercise leadership without authority as well as analyze and manage dynamics that impede progress.
- Negotiations: Move beyond positional bargaining to build strong, resilient relationships with key partners.
- Public/Private Partnerships: Create new and non-traditional alliances among the public, private and nonprofit sectors to build support for effective solutions.
- Cooperative Governance: Develop new operational methods and governance arrangements that can increase capacity and reduce costs.
- Behavioral Decision-Making: Reduce decision biases in your organization and design smart accountability systems for decision-making

Of particular value to the Town will be the Public/Private Partnership program because that may be a avenue to a more vibrant commercial core. I also believe that any training that I can get in negotiating will help to resolve our issue with the mitigation of lead in those lots that have not been remediated. The program takes place in Boston from July 9<sup>th</sup> through July 27<sup>th</sup>. I realize that this will be a long time that I will be out of the office however I will be available at all times by both email and phone.

#### Lease Agreement with Bain and Hienbach

There is a copy of the proposed lease agreement with Justin Bain and Adrian Heinbach in your packet. I am waiting for them to review and sign it.

#### First Reading of a Water Conservation Ordinance

Given what appears to be the onset of severe drought conditions in the area, I thought that it would be appropriate to institute a mechanism that would allow the Board of Trustees or the Town Manager to declare a drought situation and implement water conservation measures. The proposed ordinance is included in this packet. I recommend that we pass it.

First Reading of an Ordinance to allow the Sale of Marijuana with 300 feet of Rico Elementary School

Given the size of Rico's of commercial district and the proximity to the school, I have asked Carol Viner, our attorney, to draft a resolution restricting the sale of marijuana to within 300 feet of a school rather than 1000 feet. A copy of this ordinance is included in this packet. This ordinance also includes licensing provisions for both retail sales and grow operations. Grow operations, however would be required to demonstrate adequate water supply, which would likely be prohibitive within the Town. Nevertheless, I did ask her to include it. That way, should it become and isuse in the future, we won't need to revisit the ordinance. A copy of this ordinance is included in this packet as well as a copy of the Town of Telluride's marijuana licensing application for reference. We should discuss what we want to charge as a license fee. The Town of Telluride charges \$1000 for a license, Ouray County charges \$2500.

#### Purchase of Disposition Mining Claims by Outlook Resources Inc.

It came to my attention earlier this month that a number of mining claims above and around the Town of Rico have been purchased by Outlook Resources Inc. As some of you probably know, this is a molybdenum mining company. Mark Levin is the president. I have email him and requested that he tell the Town what he intends to do

with these properties. He has not responded but I think this warrants some discussion by the Board. I have attached a map of the properties he bought to this packet.

INVENTORY STEP 1 OF 5

# What do we do?

Getting started with Priority Based Budgeting

# **GETTING STARTED**

To implement a Priority Based Budget an organization will need to ask three questions: What do we do?, What does it cost? and Why are we in business? To answer these questions costs are allocated to programs and then those programs are scored. Once a Priority Based Budget is established an organization can then work to allocate resources to programs that are most aligned with their results.

# THREE REASONS FOR PRIORITY BASED BUDGETING

1

#### **ACTIONABLE RESULTS**

Allocate resources to where they benefit the community the most 2

#### **BEST PRACTICE**

Recognized as a best practice by ICMA, GFOA, and the NLC

3

#### **COMMUNITIES OF ALL SIZES**

PBB works for small towns of a few thousand citizens and large cities with populations near 1 million

#### **KEY TERMS**

#### Priority Based Budgeting

PBB is a budget methodology that helps improve decision-making

#### Program Inventory

A list of services that the organization provides which is needed to implement Priority Based Budgeting

#### Costs

Originate from the line item budget and are separated into Personnel and Non-Personnel costs

#### **OnlinePBB**

Software-as-a-Service application to manage and analyze a Priority Based Budget

Inventory Cost Score Present Analyze

Programs should be easy to understand and action oriented A **Program** is a group of people working together to deliver a discrete service to identifiable users

Examples: Rightof Way Utility Maintenance, Fire Safety Community Outreach

# Two types of Programs Community and Governance

#### **Community Programs**

External Services that benefit the community
Align better with results like Safety,
Economy, Transportation
Examples: Directed Patrol,
Snow Removal, Playground Maintenance

#### **Governance Programs**

Internal Services that are necessary for the governing of the city or county Align better with results like Compliance, Decision-Making, Workforce Examples: Budget Preparation, Payroll, Building Services Contracts



A program should not be a task like, "Supplying Bailiff for the Courtroom" which is too small or a department like, "Municipal Court" which is too big, an example of a program is "Court Security Program"

COST STEP 2 OF 5

# What does it cost?

Allocating line item costs to programs

## PROGRAM COSTING

When allocating an individual's time to programs, many methods will work. You may want to consider having a manager allocate time for their employees. Or, use this as an opportunity to engage employees in the Priority Based Budgeting process and have them allocate their time to the programs they support. When complete, program costing will help answer the question *What does it cost?* to provide services to the community.

### BENEFITS OF PROGRAM COSTING

1

#### TRANSPARENCY

Creates a better understanding of the true costs of a service

2

#### UNDERSTANDING

Provides more meaningful comparisons for citizens and decision makers

3

#### **PLANNING**

Shows how the workforce is associated with programs

#### **KEY TERMS**

#### Program Costing Template

Created using the tools in OnlinePBB this template is a spreadsheet that allows you to allocate FTE, Non-Personnel Costs, and Revenue to the program inventory

#### **Allocate FTE**

Allocate personnel using a percentage of the time they spend on each program

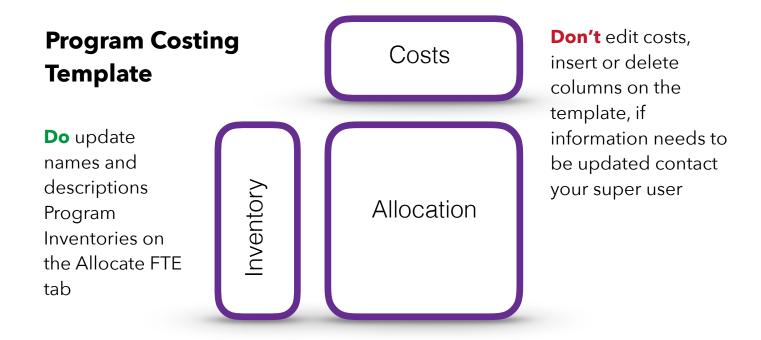
#### **Allocate Costs**

Allocate operating expenses directly or proportionally based on FTE allocation

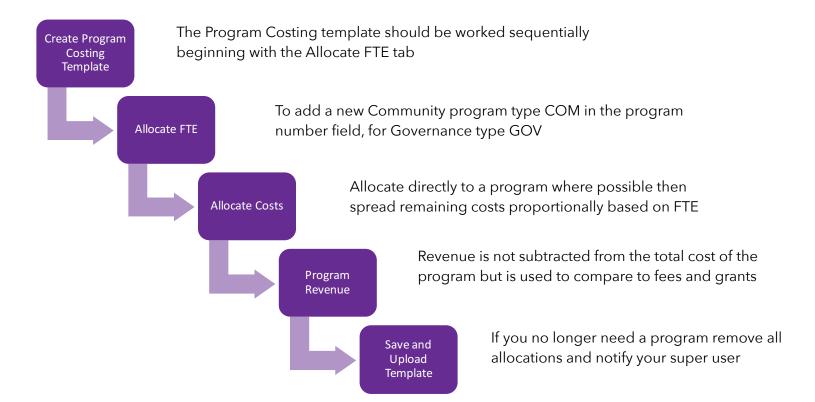
#### Program Revenue

Fees for service and grant monies to programs.

Inventory Cost Score Present Analyze



**Best Practice** If time allocated to a program is less than 5% consider combining that with another program



SCORE STEP 3 OF 5

# Why are we in business?

Prioritizing by scoring programs against results

# **PROGRAM SCORING**

Priority Based Budgeting answers the question *Why are we in business?* by defining a list of results that reflect the values of your community. Results are used to score or prioritize programs. Scoring is done internally by the departments and by their peers. Through Peer Review the entire organization will benefit from greater understanding about what services are offered and how these align with results.

### **BENEFITS OF PROGRAM SCORING**

1

#### COMMUNICATE

Scoring describes the many ways programs affect the community

2

#### **ALIGNMENT**

Apply existing strategic plan and values to the services offered

3

#### INSIGHT

Know where to allocate resources to make the most significant impact on results

**KEY TERMS** 

#### Results

The goals and objectives and their definitions used to evaluate programs

#### Basic Program Attributes (BPAs)

All programs are scored against attributes like Mandated to provide a program

#### Community Results

Only Community programs are scored against results like Safety and Economy

#### Governance Results

Only Governance programs are scored against results like Compliance and Decision Making

Inventory Cost Score Present Analyze

 Results are selected and each has multiple definitions

**Define Results** 

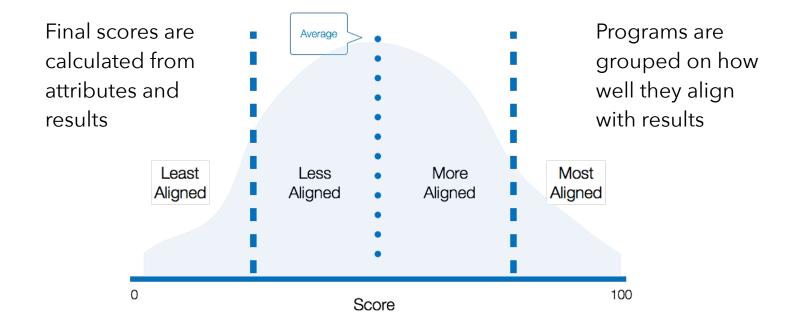
# Department Scores

 Departments score their programs against BPAs and Results  Cross-functional teams score all programs against one result

**Peer Review** 

### REMINDERS FOR SCORING

- Read through ALL the definitions!
- No program will score perfectly
- Consider what criteria would support a score
- If unsure about a program ask the department
- For Peer Review sort programs from highest to lowest scores



PRESENT STEP 4 OF 5

# How do we explain PBB?

Presenting your work in Priority Based Budgeting

## **SHARING THE STORY**

Priority Based Budgeting often leads to question, *How do we explain PBB?* Putting context around PBB is important for those in the organization, elected officials, or constituents. The easiest way to do this is to use the tools of PresentPBB to explain who is using PBB, how program budgets are different from a line item budget, and how results and prioritization can share new information about the budget.

### THREE KEY PARTS TO EXPLAIN PBB

1

#### **BEST PRACTICE**

Recommend by ICMA, GFOA, and NLC 2

#### **PROGRAMS**

Explain how the line item budget was used to create a Program Based Budget 3

#### RESULTS

Demonstrate how the values of the organization were used to prioritize programs

**KEY TERMS** 

#### **PresentPBB**

An online tool that is view only that contains the charts and data from OnlinePBB

#### **Program Budget**

Line item costs were allocated to programs to determine the true cost of services

#### Community Results

Only Community programs are scored against results like Safety and Economy

#### Governance Results

Only Governance programs are scored against results like Compliance and Decision Making

Inventory Cost Score Present Analyze

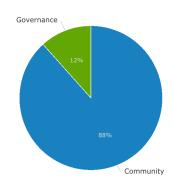


# https://presentpbb.net/

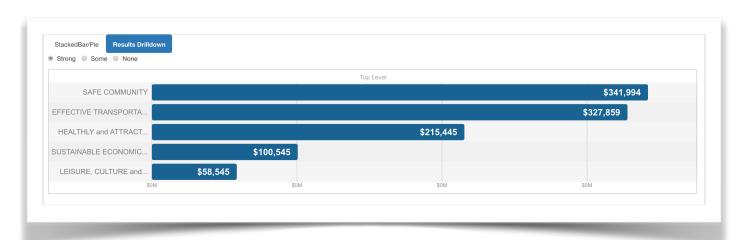
On the **Login** - use the interactive map to show other communities that have completed PBB

**Try** clicking on one of the pins to view a link to that community's website

Click **PBB Overview** to view a pie chart that shows how a program based budget distinguishes between External or Community services and Internal or Governance services



**Try** checking the box to show departments - this illustrates what the line item budget shows



Click **Spending towards Results** to explain that all programs were scored against a set of results and show the amount of the budget that makes a strong contribution toward one of the community's goals

**Try** clicking one of the bars in the Results Drill Down - this shows the departments, keep clicking to view Programs and Scores

ANALYZE STEP 5 OF 5

# What to do with PBB data?

Analyzing data and taking action to achieve results

# TAKING ACTION - ANALYZING PROGRAMS

Congratulations on completing Priority
Based Budget, now the question is, *What to do with the PBB data?* Each
community's approach is unique, some will
incorporate it into their budget book and
discuss with their constituents, others will
coordinate internally to begin to allocate
resources to higher quartiles. We
recommend starting by asking the right
questions.

### QUESTIONS TO ASK WHEN ANALYZING PBB DATA

1

#### WHAT STANDS OUT?

Look at the highest and lowest programs based on cost 2

#### WHAT SCORED WELL?

Review the highest and lowest scoring programs

3

#### WHAT TYPES OF CHANGES?

Use the five policy questions filters or reports to find programs for specific changes **KEY TERMS** 

#### **DashPBB**

An online application that allows Department level users to update and analyze PBB data

#### Resource Alignment

Use filters by Program Type, Fund, or Result to identify programs for further study

#### **PBB Quartiles**

Groups of programs determined by the scoring process, Q1 programs were most aligned with results and Q4 programs were least aligned

#### **Policy Questions**

Preset filters based on PBB best practice used to identify opportunities

Inventory Cost Score Present Analyze

Q1 Most Aligned with Results

Q2 Q3

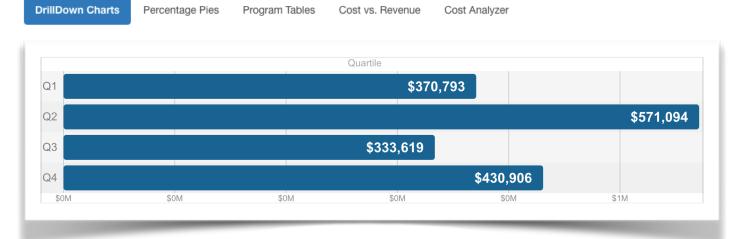
Q4 Least Aligned with Results

# https://dashpbb.net/

The department dashboard has access to the Resource Alignment Diagnostic tool which displays programs grouped in quartiles

Try clicking on the quartiles

# **Resource Alignment - PBB Quartiles**



Filter by Program, Fund, Results, BPAs, or Policy Questions

**Try** clicking on the tabs above the chart to see different views including a list of all the program

# **Finding Opportunities using the Five Policy Questions**

- 1. Is it possible to change the level of service?
- 2. Is it possible to change your self imposed mandate?
- 3. Is there an opportunity for a Public/Public partnership?
- 4. Is there an opportunity for a Public/Private partnership?
- 5. Are these services better left to the private sector?

#### Town of Rico

#### Lot 7, Block 1 - LEASE

**THIS LEASE,** is made and entered into this \_\_\_\_<sup>th</sup> day of May, 2018, by and between the Town of Rico, a Colorado Municipal Corporation, (hereinafter collectively called "Lessor") and Justin Bain, dba Adrian Heinback, (hereinafter called "Lessee").

#### ARTICLE 1 PREMISES

**1.1** In consideration of the mutual promises and covenants contained herein, Lessor leases and Lessee hereby leases from Lessor the commercial/retail space located at Lot 7, Block 1, Town of Rico, known as the Old Fire House building in the Town of Rico, Colorado (hereinafter referred to as "Premises").

#### ARTICLE2 TERM

2.1 The term of this Lease shall commence at 12:00 noon on the \_\_ day of May, 2018, and terminate at 12:00 noon on the \_\_ day of May, 2020, unless sooner terminated or extended under other provisions of this Lease. This Lease may be terminated by Lessee with three (3) months prior written notice delivered to Lessor.

#### ARTICLE 3 RENTAL

- 3.1 Lessee agrees to pay rent of four hundred dollars per month (\$400.00) for the term of this Lease, payable in advance on the first day of each month during the term hereof, commencing May \_\_\_\_ 2018. Lessee agrees to pay first and last months rent and a \$500.00 damage deposit prior to May \_\_\_\_ 2018. All rent shall be paid without notice to the Town of Rico at 2 Commercial Street or P.O. Box 9, Rico, Colorado, 81332, or at such other place as Lessor shall, from time to time, designate in writing.
- 3.2 Lessee agrees to pay a late charge in the amount of 10% of the rental payment for each rental payment, which is delinquent fifteen (15) days or more, to cover Lessor's additional cost of handling delinquent payments.
- 3.3 Lessee agrees to pay interest on any unpaid balance of rent payments due which are delinquent thirty (30) days or more in the amount of one and one half percent per month (1.5%) compounded monthly.

#### ARTICLE 4 POSSESSION

4.2 Taking possession of the leased Premises by Lessee shall be conclusive evidence as against Lessee that said Premises were in good and satisfactory condition when possession was taken, and acknowledgment of completion in full accordance with the

provisions hereof, unless prior to taking possession Lessee submits in writing to Lessor a detailed list of deficiencies which Lessee claims exist on Premises.

4.3 Lessor covenants that Lessee shall peaceably and quietly possess and enjoy the Premises as against all persons claiming any right, title or interest in and to said Premises so long as Lessee shall faithfully perform the covenants, obligations, agreements and conditions of this Lease. However, Lessor reserves the right to subject this Lease at all times to the lien of any mortgages or deeds of trust now or hereafter placed upon the Premises or any part thereof.

#### ARTICLE 5 NUISANCE AND COMPLIANCE WITH LAWS

**5.1** Lessee agrees to not use the Premise in any manner, which constitutes a nuisance. If the Lessor determines that any use of the Premises constitutes a nuisance or is otherwise not in compliance with local, state or federal laws, Lessor shall have the right to terminate the Lease with 14 days prior written notice. The fact that the Lessor is also the governing body of the Town of Rico shall not in any way restrict the Town's rights to abate any nuisance in accordance with the laws and procedures of the Town of Rico, nor shall any action by the Board of Trustees to abate a nuisance at the Premise give rise to any challenge or legal claim of breach of contract or bad faith dealings by the Lessee against the Lessor.

#### ARTICLE 6 SERVICES AND MAINTENANCE BY LESSEE

**6.1** Lessee agrees to arrange and pay for all utility services including gas, electricity, internet, telephone, and water. Lessee shall pay the cost of replacing light bulbs or tubes used in lighting the leased Premises. Lessee shall be responsible for any maintenance or repairs required for the service portion of the water and sewer systems on the interior of the building. Lessee shall be responsible for paying the monthly water bill in such amounts as set forth in Town's regulations for water users generally. In the event that centralized sewer is provided in the Town of Rico and to the property, Lessor shall be responsible for pay all costs associated with connecting the Premises to the sewer system including any sewer tap fees and Lessee shall be responsible for paying sewer user fees at such rates that are adopted by the Town. Lessor is responsible for the water systems from the walls of the building outward. Lessee shall maintain all utility services to its name and its account and shall pay any deposits required by any utility providers. Lessor agrees that no deposit for water services shall be required from Lessee. Lessee agrees to remove snow and ice from sidewalk area within a reasonable time after storm events and further agrees to assume liable for the maintenance of such sidewalk area and indemnify the Town from any liability associated with maintenance of such sidewalk area.

#### ARTICLE7 ALTERATIONS, ADDITIONS AND REPAIRS

- 7.1 Exterior and interior painting, signage, and other desired improvements shall be at the expense of the Lessee.
- 7.2 Lessee agrees to permit Lessor upon reasonable notice to enter the leased Premises to examine and inspect the same or make such repairs, additions or alterations as Lessor may deem necessary or proper for the safety, improvement or preservation thereof.

Lessee agrees to make no alterations in or additions to the leased Premises without first obtaining the written consent of Lessor; and all alterations, additions or improvements made by either party at the expense of Lessor or Lessee (except only movable, free-standing office equipment, furnishings and furniture not attached to the building) shall be deemed a part of the real estate and the property of Lessor and shall remain upon and be surrendered with said Premises as a part thereof without molestation, disturbance or injury at the end of said term, whether by lapse of time or otherwise, unless Lessor by notice given to the Lessee no later than fifteen days (15) prior to the end of the term shall elect to have Lessee remove said additions and improvements and restore the leased Premises to the condition in which said Premises were prior to the making of such alterations, additions or improvements, ordinary wear excepted.

**7.3** Lessee agrees to keep the leased Premises in as good order, condition and repair, loss by fire (unless caused by the negligence of Lessee, its agents, employees or invitees) or ordinary wear excepted.

#### 7.4 ARTICLE 8 INSURANCE, WAIVER AND INDEMNITY

Lessee shall not do any act upon the Premises or bring into or keep 8.1 upon the Premises any article, which will affect the fire risk or increase the rate of fire insurance or other insurance on the building. Lessee shall comply with the rules and requirements of all boards of fire underwriters, rating bureaus, bureaus of fire prevention and like bodies, with the requirements of all insurance companies having policies of any kind in effect covering the building, including policies of any kind in effect covering the building, including policies insuring against tort liability, and with the requirements of all companies which have at any time been requested to issue such policies. Should the rate of any type of insurance on the building be increased by reason of any violation of this Lease by Lessee, Lessor, in addition to all other remedies, may pay the amount of such increase, and the amount so paid shall become due and payable immediately by Lessee as additional rent. In no event shall any flammable materials, except for kinds and quantities required for ordinary conduct of Lessee's business, or any explosives whatever, be taken into the Premises or retained therein. Lessee hereby waives its right of subrogation against Lessor, on account of any insured loss or damage to the Premises or their contents, and Lessee further agrees to require its insurer to waive its right of subrogation against the Lessor, and to endorse this waiver on policies of risk insurance.

- **8.2** Lessee shall prepare a plan for the handling of combustible materials, particularly rags and other materials used, soaked, or containing varnish, turpentine or other combustible liquids, which plan shall be subject to approval by the Lessor in Lessor's sole discretion. Failure to follow the plan for the handling of combustible materials prepared by Lessee and approved by Lessor shall be grounds for immediate termination of this lease by Lessor.
- 8.3 Lessee shall carry liability insurance at its expense against bodily injury and property damage occurring on the Premises and adjacent public areas in the minimum total amounts of \$1,000,000.00 combined single limits\_for bodily injury (if individual limits are specified, then also \$200,000.00 per person) and \$1,000,000.00 for property damage; all such insurance policies shall name Lessor as an additional insured and provide for ten days prior to written notice to Lessor of lapse or cancellation for any reason whatsoever. Lessee shall furnish Lessor with certificates evidencing that the insurance is in effect at all times during the term of this Lease.
- 8.4 Lessee shall indemnify and hold Lessor harmless from and against any and all losses. claims and damages arising from Lessee 's use of the leased Premises or the conduct of its business or from any activity, work or thing done, permitted or suffered by Lessee in or about the leased Premises, and shall further indemnify and hold Lessor harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Lessee's part to be performed under the terms of this Lease, or arising from any act or negligence of Lessee or any of its agents, contractors or employees, and from and against all costs, attorney's fees, expenses and liabilities incurred in or about any such claims or any actions or proceedings brought thereon; and in case any action or proceeding be brought against Lessor by reason of such claim, Lessee, upon notice from Lessor, shall defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor, Lessee, as a material part of the consideration to Lessor, hereby assumes all risks of damage to property or injury to persons in, upon or about the Leased Premises.
- 8.5 The parties hereto understand and agree that Lessor is relying on, and does not waive or intend to waive by any provision of this Lease, the monetary limitations {presently \$200,000.00 per person and \$1,000,000.00 per occurrence) or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, \$24-10-101 et. seq., C.R.S. as from Lessor, its officers, or its employees. Without limiting the generality of the foregoing, the Parties hereto understand that Lessee shall have the exclusive possession of the Premises for the term of the Lease in accordance with the terms hereof, that the public shall have no right of access to the Premises, and that the Premises shall not be considered to be a public building for the purposes of said Governmental Immunity Act during the term of the Lease.

#### ARTICLE 9 DAMAGE BY FIRE OR OTHER CASUALTY

- 9.1 Lessor agrees that it will keep the building of which the Premises are a part insured against loss or damage by fire. Lessor shall furnish Lessee with certificates evidencing that the insurance is in effect at all times during the term of this Lease.
- 9.2 If the Premises, in the Lessor's sole determination, or the building, shall be so damaged by fire or other casualty as to render said Premises wholly untenantable, then this Lease shall cease and terminate from the date of the occurrence of such damage, and the Lessee thereupon shall surrender to the Lessor said Premises and all interest therein hereunder, and the Lessor may reenter and take possession of said Premises and remove the Lessee therefrom. The Lessee shall pay rent apportioned to the time of such termination of the Lease. If, however, the damage shall be such that the Premises can be made tenantable within said 150-day period from the happening of such damage by fire or other casualty, then the Lessor shall repair the damage so done with all reasonable speed, and Lessee's rent shall abate during the period the Premises are untenantable.
- 9.3 If said demised Premises, without the fault of the Lessee, shall be slightly damaged by fire or other casualty, but not so as to render the same untenantable, the Lessor, after receiving notice in writing of the occurrence of damage, shall cause the same to be repaired with reasonable promptness, without diminution of rent. If the fire or other casualty causing injury to the demised Premises or other parts of the building shall have been caused by the negligence or misconduct of the Lessee, its agents, servants or employees, or of any other persons entering upon the Premises under express or implied invitation of the Lessee, such injury shall be repaired by the Lessor at the expense of the Lessee, despite contrary provisions, if any, appearing in this Lease.

#### ARTICLE 10 DEFAULT

- 10.5 Lessee's right in and to the Premises depends upon the performance and keeping of the covenants, agreements, duties and obligations of Lessee set forth in this Lease. Lessor shall have the rights and remedies specified in Article 10.2, in addition to any other rights and remedies provided elsewhere in this Lease or by law, upon the happening of any of the following events (herein called "events of default"):
  - (a) If Lessee shall default in the due and punctual payment of the fixed rent, or any additional rent or charges payable hereunder, and such default shall continue for five (5) days after receipt of written notice from Lessor.
  - (b) If Lessee shall neglect or fail to perform or observe any of the covenants herein contained on Lessee's part to be performed or observed and Lessee shall fail to remedy the same within twenty (20) days after

Lessor shall have given to Lessee written notice specifying such neglect or failure.

- (c) If this Lease or the demised Premises or any part thereof shall be taken upon execution or by other process of law directed against Lessee, or shall be taken upon or subject of any attachment at the instance of any creditor of or claimant against Lessee, and said attachment shall not be discharged or disposed of within fifteen (15) days after the levy thereof.
- (d) If, because of any act or omission of Lessee, any mechanic's or other lien or order for payment of money shall be filed against the Premises or any other part of the building, or against Lessor (whether or not such lien or order is valid or enforceable as such), and Lessee shall fail, within ten (10) days after notice either to cause the same to be canceled and discharged of record or deliver to Lessor a bond containing provisions satisfactory to Lessor, issued by a surety company reasonably acceptable to lessor guaranteeing the removal thereof, and indemnifying and saving harmless Lessor from and against all costs, expenses, claims, losses, damages and liabilities, including reasonable counsel fees, resulting therefrom.
- 10.5 If the tenant abandons the premises as used herein; the term "abandon" shall mean and refer to closing operations of and vacating the premises without intent to return. Upon the occurrence of any of the events of default specified in Article 10.1, Lessor may exercise any one or more of the following rights and remedies:
  - (a) Lessor may pay the sum or perform the obligation, which Lessee has failed to pay or perform, and the amount of such sum or the cost of such performance shall be deducted from the deposit or paid to Lessor on or before the next rental paying date.
  - (b) Lessor may give lessee written notice of intention to terminate this lease on the date of such given notice or on any later date specified therein, and on the date specified in such notice, Lessee's right to possession of the demised Premises shall cease and this Lease shall thereupon be terminated. If this Lease is terminated by Lessor by reason of any default by Lessee, Lessor shall be entitled to recover from the Lessee, in addition to payment of any moneys due and owing, the worth at the time of such termination of the excess, if any, of the amount of rent reserved in this Lease for the balance of the term hereof in excess of the then reasonable rental value of the demised Premises for the same period. It is agreed that the "reasonable rental value" shall be the amount of rental which the Lessor can reasonably expect to obtain as rent for the remaining balance expect to obtain as rent for the remaining balance of the term.
  - (c) Lessor may, as per statute, re-enter and take possession of the

demised Premises or any part thereof, and repossess the same as of Lessor's former estate and expel Lessee and those claiming through or under Lessee, and remove the effects of both or either (forcibly, if necessary) without being deemed guilty of any manner of trespass and without prejudice to any remedies for arrears of rent or any preceding breach of covenants.

10.3 The mention in this Lease of any particular remedy shall not preclude Lessor from any other remedy Lessor might have, either in law or in equity, nor shall the waiver of or redress for any violation of any covenant or condition contained in this Lease or any of the rules and regulations set forth herein or hereafter adopted by Lessor prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of any original violation. In case it should be necessary or proper for Lessor to bring any action under this Lease, or to place said Lease with an attorney for the enforcement of any of Lessor's rights hereunder, then Lessee agrees in each and any such case to pay to Lessor a reasonable attorney's fee. The receipt by Lessor of rent with knowledge of a default or the breach of any covenant in this Lease contained shall not be deemed a waiver of such default or breach. The failure of Lessor to enforce any of the rules and regulations set forth herein, or hereafter adopted, against Lessee and/or any other lessee in the building, shall not be deemed a waiver of such rules and regulations or any part thereof. The receipt by Lessor of rent from any assignee, sub-tenant or occupant of said Premises shall not be deemed a waiver of the covenants in this Lease contained against assignment and sub-letting, or an acceptance of this assignee, sub-tenant or occupant as Lessee, or a release of Lessee from the further observance or performance by Lessee of the covenants in this Lease contained on the part of Lessee to be observed and performed. No provisions of this Lease shall be deemed to have been waived by Lessor unless such waiver be in writing signed by Lessor. No act or thing done by Lessor or Lessor's agents during the term hereof shall be deemed an acceptance of a surrender of said Premises, and no agreement to accept such surrender shall be valid unless in writing signed by the Mayor or Town Manager of Lessor. No employee of Lessor or of Lessor's agents shall have any power to accept the keys of said Premises prior to the termination of this Lease. The delivery of keys to any employee of Lessor, or of Lessor's agents, shall not operate as a termination of this Lease or a surrender of the Premises. No payment by Lessee, or receipt by Lessor, of a lesser amount than the minimum monthly rental herein stipulated, shall be deemed to be other than payment or partial payment of the earliest stipulated rent; nor shall any check, or payment as rent, be deemed an accord and satisfaction, and Lessor may accept such check or payment without prejudice to Lessor's rights to recover the balance of such rent or pursue any other remedy available to Lessor. Time is of the essence hereof.

10.5 If Lessee shall fail to remove all effects from the leased Premises upon

abandonment, upon termination of this Lease for any cause whatsoever, or upon expiration of this Lease, Lessor, at its option, may remove such effects in any manner that it shall choose, and store them without liability to Lessee for loss or damage thereof, and Lessee agrees to pay Lessor on demand any and all expenses incurred in such removal, including court costs and attorney's fees and storage charges on such effects for any length of time they shall be in Lessor's possession, or Lessor, at its option, without notice, may sell said effects, or any of them, at private sale and without legal process, for such prices as Lessor may obtain, and apply the proceeds of such sale to payment of any amounts due under this Lease from Lessee to Lessor and to payment of the expense incident to the removal and sale of said effects, rendering the surplus, if any, to Lessee.

10.5 No payments of money by Lessee to Lessor after the termination of this Lease, in any manner, or after the giving of any notice (other than a demand for payment of money) by Lessor to Lessee, shall reinstate, continue or extend the term of this Lease or affect any notice given to Lessee prior to the payment of such money, it being agreed that after the service of notice or the commencement of a suit or after final judgment granting Lessor possession of said Premises, Lessor may receive and collect any sums of rent due, or any other sums of money due under the terms of this Lease, and the payment of such sums of money, whether as rent or otherwise, shall not waive said notice, or in any manner affect any pending suit or any judgment theretofore obtained.

#### ARTICLE 11 HOLDING OVER

11.1 If, after the expiration of this Lease, Lessee shall remain in possession of the leased Premises with Lessor's permission and continue to pay rent, without any express agreement as to such holding, then such holding over shall be deemed and taken to be a holding upon a tenancy from month to month subject to all the terms and conditions of this Lease on the part of Lessee to be observed and performed and at a monthly rental equivalent to the monthly installments hereinabove provided for, payable in advance on the same day of each calendar month.

#### ARTICLE 12 ASSIGNMENT OR SUBLETIING

12.1 Lessee agrees not to sell, assign, mortgage, pledge or in any manner transfer this Lease or any estate or interest thereunder, or any controlling interest in Lessee, and not to sublet the Premises or any part or parts thereof and not to permit any licensee or concessionaire on the Premises without the prior written consent of Lessor in each instance. Consent by Lessor to be an assignment of this Lease or the subletting of the Premises shall not be a waiver of Lessor's rights as to any subsequent assignment or subletting. Lessor's rights to assign its interest in this Lease are and shall remain unqualified, and shall not relive Tenant from its obligations under the law.

#### ARTICLE 13 SUBORDINATION

13.1 It is expressly understood and agreed that this Lease shall be subject and subordinate to any mortgage or deed of trust now upon the demised Premises and any mortgage or deed of trust hereafter placed upon the demised Premises by Lessor. Lessee hereby agrees to execute, if the same is required, any and all instruments in writing which may be requested by Lessor to subordinate Lessee's rights acquired by this Lease to the lien of any such mortgages or deeds of trust. Lessee hereby appoints Lessor its attorney-in-fact irrevocably to execute, acknowledge and deliver any such instrument or instruments for the Lessee as Lessor may determine necessary to carry out the intent of this Article.

#### ARTICLE 14 SURRENDER OF POSSESSION

**14.1** Lessee covenants to surrender and deliver up the possession of the Premises promptly at the expiration of the lease term, or in the case of the exercise by Lessor of its rights under Articles 14 or 15 hereof to terminate this Lease or remove Lessee from possession. If Lessee shall fail or refuse to so surrender possession, and Lessor shall commence an unlawful detainer action to remove Lessee, Lessee agrees to pay all expenses and attorney's fees of Lessor in said proceeding, and specifically agrees to the entry by the Court in the unlawful detainer proceeding of an award of Lessor's reasonable attorney's fees, which are stipulated to be not less than \$300.00.

#### ARTICLE 1S MISCELLANEOUS PROVISIONS

- 15.1 Any notices to Lessor under the terms and provisions hereof shall be in writing and shall be delivered in person to the Town Clerk in her office at the Town Hall. Notice to Lessee under the terms and provisions hereof shall be in writing and may be delivered in person to any officer, partner or manager of Lessee, located on the demised Premises, or may be hand delivered, or sent by U.S. mail to Lessors addresses set forth herein. Service, if by mail, shall be complete as of the day following the mailing thereof. Either party shall have the right to designate in writing a different address to which notice is to be mailed or delivered.
- 15.2 Lessee acknowledges and agrees that it has not relied upon any statements, representations, agreements or warranties except such as are expressed herein, and that no amendment or modification of this Lease shall be valid or binding unless expressed in writing and executed by the parties hereto in the same manner as the execution of this Lease.
- 15.3 If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the term of this Lease, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected hereby, and it is also the intention parties to this Lease that in lieu of each clause or provision of this Lease that is

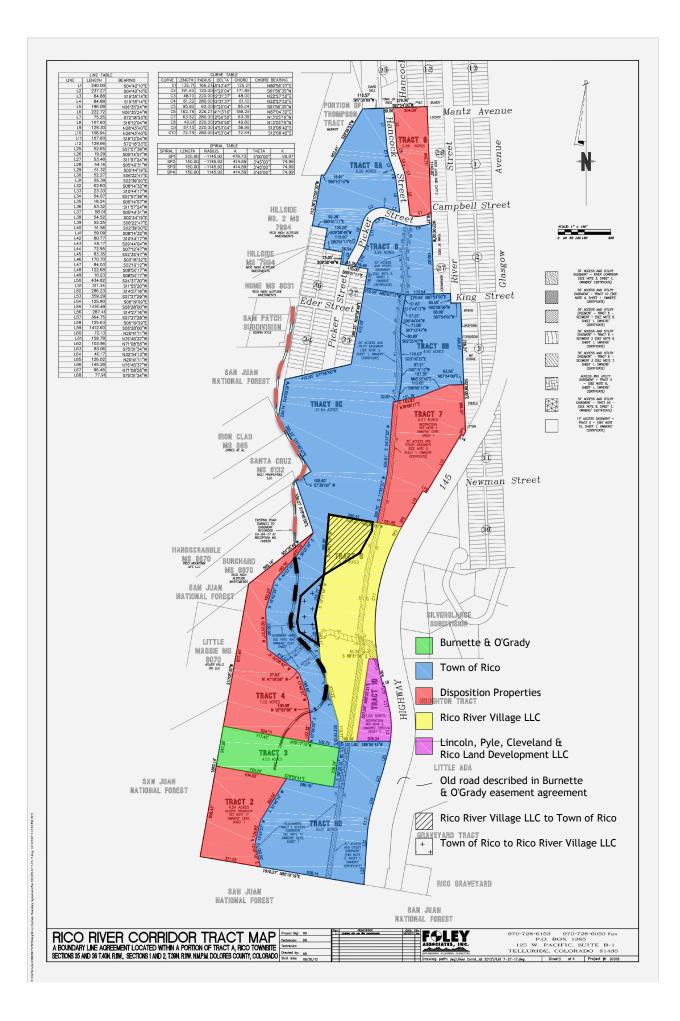
illegal, invalid or unenforceable, there be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

- 15.4 The caption of each Article hereof is added as a matter of convenience only and shall be considered to be of no effect in the construction of any provision or provisions of this Lease.
- 15.5 This Lease, its validity, interpretation and enforcement, shall be governed by the laws of the State of Colorado.
- 15.6 All terms, conditions and covenants to be observed and performed by the parties hereto shall be applicable to and binding upon their respective heirs, administrators, executors, successors and assigns. The obligations of Tenant under this lease and joint and several.
- **15.7** Time is of the essence in the performance of obligations under this lease.

**IN WITNESS WHEREOF,** the parties hereto have executed this Lease on the day and the year first above written.

LESSOR:		
TOWN OF RICO		
By:	Attest:	
Zachary McManus	Linda Yellowman	
Mayor, Town of Rico	Town Clerk	

ustin Bain	Adrian Heinbach
STATE OF COLORADO	}
COUNTY OF	}
The forgoing instrument was acknowledge.	owledged before me this day of2018
WITNESS my hand and official se	eal.



# TOWN OF RICO ORDINANCE NO. 2018-

# AN ORDINANCE OF THE TOWN OF RICO, CONCERNING THE ABILITY TO IMPLEMENT WATER RESTRICTIONS AND SET FORTH PENALTIES FOR NON-COMPLIANCE

WHEREAS, the water supply for the Town of Rico is a precious, valuable and critical resource;

WHEREAS, the Town has seen periods of drought that significantly impact the local water supply, threatening the health, safety and welfare of the Town of Rico and its inhabitants;

WHEREAS, pursuant to the Rico Home Rule Charter §10.3, the Town has the power to buy, exchange, lease, sell, own, control and otherwise deal in water rights;

WHEREAS, the interests of the Town and its inhabitants are best served by a plan ensuring continued availability and delivery of water at all times, including times of drought, environmental and, or, other man-made conditions;

WHEREAS, the Town of Rico recognizes the need to enforce and ensure the efficacy of such restrictions by penalizing noncompliance therewith to better protect its water resources; and

WHEREAS, the Board of Trustees has the authority to declare an emergency ordinance, if necessary, for the immediate preservation of the public peace, health or safety of the citizens pursuant to Rico Home Rule Charter §3.6, as amended.

### THE BOARD OF TRUSTEES OF THE TOWN OF RICO ORDAINS, as follows:

- **A. Water Shortage.** A water shortage shall be declared when one (1) or more of the following circumstances exist:
  - 1. When the Town of Rico's total water treatment capacity, as determined by the Town Manager utilizing the total combined treated water available from the Town's well and such other potable water supply systems as may be developed, and potable water consumption are approaching or at:
    - a. eighty percent (80%) for voluntary conservation;

- b. ninety percent (90%) for mandatory conservation; or
- c. the Town Manager otherwise determines that the Town's raw water supply or water treatment system is insufficient to satisfy the daily water use demands for the applicable time period.
- 2. When the Town is unable to treat sufficient water to maintain its treated water storage tanks located above the Town of Rico or any other raw or treated water storage reservoirs developed by the Town, at their maximum capacity.
- 3. When an emergency condition arises, such as a mechanical breakdown or reduced treatment capacity due to high stream turbidity, insufficient raw water supply or fire flow requirements.
- 4. When any or all of the above is anticipated to occur in the near future and it is determined that immediate imposition of conservation measures is necessary to ensure adequate time for public awareness and education to ensure the level of compliance required.
- 5. When implementation of water conservation measures is required by reason of any water court decree or stipulation.
- **B. Declaration of Shortage.** The Town Manager or the Rico Board of Trustees, as the case may be, shall determine if a water shortage exists, whether to implement voluntary or mandatory conservation measures and which of the measures identified below to implement. The Town Manager shall make public announcements in the news media that voluntary or mandatory conservation measures are in effect and shall include a description of the conservation measure or measures to be implemented.
- **C. Conservation Measures.** The Town Manager or Board of Trustees may impose any one (1) or more of the following as voluntary or mandatory conservation measures in the event of a water shortage. The listing below is not in order or preference, nor is imposition of one (1) a condition precedent to imposition of any following measures:
  - 1. Persons will be urged to conserve water in every possible way in their homes and businesses.
  - 2. Persons will be urged to avoid sprinkling their lawns and watering gardens, shrubs, trees or plants unless needed to avoid damage or loss and, at any rate, not more than every second day for not more than thirty (30) minutes within a twenty four (24) hour period.

- 3. Washing of public or private sidewalks, streets, driveways, parking areas, patios or other paved areas with municipal treated water shall be prohibited.
- 4. Power washing of structures with municipal treated water shall be prohibited.
- 5. Filling, refilling or replacement of water in hot tubs or landscape water features with municipal treated water shall be prohibited; provided, however, that the Town Manager may permit filling of hot tubs or water features to make up for losses through evaporation or use.
- 6. Installation of new public or private landscaping shall be prohibited. In the event that landscaping is required as a condition of development approval, the requirements will toll during the period of imposition of conservation measures but eventual installation will continue to be secured by any required bonding.
- 7. Service of water to restaurant patrons shall be prohibited unless requested by the patron.
- 8. Noncommercial washing of privately owned cars or other motor vehicles, trailers or boats with municipal treated water shall be prohibited, except by bucket.
- 9. Use of municipal treated water for commercial car washes shall be prohibited.
- 10. Use of municipal treated water for irrigation for any public or private lawns, gardens, trees, shrubs, plants, municipal or school fields, or similar grass areas shall be prohibited except for a period not to exceed thirty (30) minutes, between the hours of 9:00 p.m. to 9:00 a.m., and only on days designated by the Town Manager.
  - a. Pursuant to this subsection 10, the Town Manager shall establish a schedule for irrigation that may be determined by any method he or she deems appropriate, including the establishment of zones within the area receiving municipal water service.

- b. The restrictions in this subsection shall not apply to any person engaged in the business of growing or selling plants of any kind, with respect to water for such plants only.
- **D.** The Board of Trustees may, in the event of a water shortage, impose by ordinance the following conservation measure:
  - 1. A prohibition against any new connections to the municipal water system; including pending site-specific development plans on the date of the adoption of the ordinance imposing this restriction pursuant to Rico Land Use Code 110.6. For purposes of these restrictions, pending site-specific development plans means any applications for development that requires new or additional water taps.
  - 2. Prior to and as a condition of implementing , the Trustees shall find and determine:
    - a. the water shortage is of such severity or possible duration that imposition of the water conservation measures described above are inadequate and immediate imposition of the water conservation measures described in this section is required for the preservation of public peace, health or safety.
    - b. The facts underlying such a determination shall be specified in the ordinance imposing the measures.
- **E. Applicability.** The water conservation measures shall apply to all users and properties served by the municipal water system.
- **F. Duration.** Any voluntary or mandatory conservation measure imposed, and the duration thereof, shall be reasonably calculated to address the identified water shortage.
- **G. Termination.** Voluntary or mandatory conservation measures may be reduced or terminated upon the announcement of the Town Manager (or Board of Trustees with respect to measures imposed by the Board of Trustees) when the water shortage requiring such measures has abated.
- **H. Violations.** Whenever a violation of a mandatory water conservation measure is observed, or whenever probable cause exists to believe a violation of a mandatory water conservation measure has occurred, a written Notice shall be posted in a conspicuous place on the property where the violation occurs or occurred. Said Notice shall be deemed valid if:

- a. it shall be personally served upon the owner or occupant or placed in the U.S. mail, postage prepaid and addressed to the owner or occupant, according to the last known address given by the resident to the City;
- b. it describes the violation including the provision of this ordinance believed to have been violated;
- c. an order that the violation be abated, corrected or cured immediately or within such time as specified in the notice.
- d. the law enforcement official serving the occupant or owner shall complete an affidavit of service that contains a description of the documents served, the individual the information was served on, the date, time and location, if available, the information was served, and in what manner the information was served.
- e. the Town Marshall of Rico shall have the power to issue warning notices or a summons and complaint to any person in violation of this Chapter
- **I. Penalties.** The following penalties shall apply to any violation of this ordinance:
  - a. for a first offense: a penalty of five hundred dollars (\$500.00);
  - b. for a second or subsequent offense: a penalty of one thousand dollars (\$1,000.00);
  - c. if an order issued pursuant to Paragraph H is not complied with as specified in written notice, water service to the property upon which the violation occurred or is occurring may be disconnected.
  - d. in the event water service to the property in violation is disconnected, and in addition to any fine or penalty authorized under this Paragraph I, a fee of one hundred dollars (\$100.00) shall be paid for the reconnection of any water service if a violation is found to have occurred.
  - 2. The remedies provided for herein are cumulative. Any penalties or fees due and unpaid hereunder shall be a lien upon the property.

- 3. An owner or occupant of a residence or commercial establishment may be held responsible for a violation of this ordinance regardless of any agreement between the property owner and a third party. If the identity of the owner or occupant is not known, the entity responsible for payment of the water services for the subject property shall be held responsible for any penalties assessed pursuant to this section. Violations of this ordinance occurring at different locations but involving the same individual, regardless of whether that individual is an owner or occupant, shall not alter or waive the graduated penalties of this ordinance.
- 4. Any person aggrieved by a water service disconnection pursuant to this section, may seek a hearing before the Board of Trustees by requesting the same within five (5) days of the service disconnect or issuance of the fine. Such request shall be submitted to the office of the Town Manager in writing.

INTRODUCED, READ, APPROVED AS INTRODUCED, AND ORDERED PUBLISHED on first reading by Town of Rico Board of Trustees this \_\_ day of May, 2018.

READ, APPROVED AND ADOPTED BY FINAL READING by Town of Rico Board of Trustees this \_\_ day of June, 2018

	TOWN OF RICO, COLORADO
	Zach McManus, Mayor
ATTEST:	
	<del>_</del>

Linda Yellowman, Town Clerk

# TOWN OF RICO ORDINANCE NO. 2018-\_\_

# AN ORDINANCE OF THE TOWN OF RICO, REPEALING AND REPLACING ORDINANCE NO. 2014-06, BEING THE LICENSING AND PERMITTING OF RETAIL MARIJUANA ESTABLISHMENTS

WHEREAS, the Town of Rico voters approved the permitting of Retail Marijuana Establishments as defined under C.R.S. 12-43.3 103(17) on November 4, 2014;

WHEREAS, the Board of Trustees previously passed Ordinance 2011-02 which prohibits Medical Marijuana as defined under C.R.S. 12-43.3-104(11) and the repeal and replacement of Ordinance 2014-06 herein does not affect Ordinance 2011-02;

WHEREAS, the Board of Trustees previously passed Ordinance 2014-06, authorizing the licensing and regulation of Retail Marijuana Establishments, as defined under C.R.S. 12-43.4-103(17)

WHEREAS, the previous Ordinance 2014-06 prohibited Retail Marijuana Establishments from being located within 1000' of any school or church which limited the possible location of a retail marijuana establishment within the town limits;

WHEREAS, the Board of Trustees desires to reduce the distance within which a retail marijuana establishment can be located within any school or church from 1000' to 300' to allow a retail marijuana establishment to open in the Town of Rico; and

WHEREAS, the Board of Trustees desires to correct some grammatical errors in the previous Ordinance 2014-06 and to add some additional license application requirements when an applicant applies for a license or special use permit to operate a Retail Marijuana Store as defined under C.R.S. 44-12-103(28).

THE BOARD OF TRUSTEES OF THE TOWN OF RICO ORDAINS, as follows:

Ordinance 2014-06 is hereby repealed and replaced with the following:

#### **Section 1. Authority.**

This Ordinance is authorized pursuant to Article XVIII, Section 16, of the Colorado Constitution and the Colorado Retail Marijuana Code, C.R.S. 12-43.4-101, et seq. which authorizes the licensing and regulation of Retail Marijuana

Establishments, as defined under C.R.S. 12-43.4-103(17), as amended, and affords local governments the option to determine whether or not to allow retail marijuana businesses within their respective jurisdictions and to adopt licensing requirements that are supplemental to or more restrictive than the requirements set forth in state law.

#### Section 2. Colorado Retail Marijuana Code Compliance.

All Retail Marijuana Establishments in the Town of Rico shall be in compliance with the Colorado Retail Marijuana Code, C.R.S. 12-43.4-101, *et seq* as amended and no Retail Marijuana Establishment shall be operated in the Town of Rico except as permitted and licensed by the State of Colorado and the Town of Rico.

#### Section 3. License Required for Operation of Retail Marijuana Establishments.

It shall be unlawful for any person to establish or operate a Retail Marijuana Establishment in the Town of Rico without having first obtained a license from the local licensing authority. Such license shall be kept current at all times, and the failure to maintain a current license shall constitute a violation of this Ordinance.

#### Section 4. Licensing Authority.

The Board of Trustees shall act as the licensing authority for review and approval of all licenses for Retail Marijuana Establishments. The Town Manager shall act as support staff to the Licensing Authority and accept and process all applications for Retail Marijuana Establishments, and shall collect fees, draft and maintain such applications, forms, and administrative materials as may be required for operation of this Ordinance.

### Section 5. Requirements of Applications, Modifications and Renewals

- (A) A person seeking a license or renewal of a license issued pursuant to this Ordinance shall submit an application the local licensing authority on forms provided by the Staff. At the time of application, each applicant shall pay a non-refundable license fee to the Town in an amount to be determined by the Town by separate Resolution to defray the costs incurred by the Town including, but not limited to, processing the license, administration, inspection and enforcement of Retail Marijuana Establishments.
- (B) A copy of the application and all supporting documentation provided to the State of Colorado for licensing under state law and regulations shall be made available to the Town, upon its request.
- (C) The information provided with the application shall include, but is not limited to:

(1) a complete application and the application fee as set forth in the appropriate fee schedule;

(2) the name, address, and date of birth of the applicant or of each of the partners, officers, directors, or managers if the applicant is a corporation, limited

liability company, partnership, joint venture, or other business entity;

(3) a copy of the driver's license of each applicant or partner, officer, director or manager if the applicant is a corporation, limited liability company, partnership, joint venture, or other business entity, or such other evidence of lawful presence and residency, if applicable;

(4) a complete set of fingerprints of the applicant or of each of the partners, officers, directors or managers, if the applicant is a corporation, limited liability company, partnership, joint venture, or other business entity, unless a request is made and approved to use previously submitted fingerprints on file be used;

(5) such other information as the Local Licensing Authority or the Staff on its behalf may require in order to determine whether a local license should be

granted;

- (6) financial information regarding loans and investors necessary to determine whether all persons with a financial interest in the retail marijuana establishment have been included as owners pursuant to Colorado statute and regulations; and
- (7) information and such documentation as Staff may reasonably require demonstrating the availability of an adequate water supply for both irrigation and domestic uses during the term of the license and shall confirm such information and demonstrate continued availability of an adequate water supply as part of any renewal application. Hauled water may not be used as a source of water and shall not be considered an adequate water supply except as an emergency, temporary supply.
- (D) The local licensing authority shall direct the Town of Rico Marshall to conduct a criminal history background check pursuant to C.R.S. 12-43.4-307 to determine whether the applicant, or the partners, officers, directors, or managers if the applicant is a corporation, limited liability company, partnership, joint venture, or other business entity are qualified to hold a local license based upon the criteria and prohibitions set forth in C.R.S. 12-43.4-306.
- (E) Each application must be verified by the oath or affirmation of the applicant, or the person submitting the application on behalf of the applicant if the applicant is a corporation, limited liability company, partnership, joint venture, or other business entity.
- (F) Any misrepresentation, omission, or falsehood of material information provided and verified in the application may be grounds for immediate denial of the application or revocation of a license. Material information includes, but is not necessarily limited to: the name of the applicant, and any partners, officers, directors or managers if the applicant is a corporation, limited liability company,

partnership, joint venture, or other business entity; the residency of the applicant or any partner, officer, director, or manager if the applicant is a corporation, limited liability company, partnership, joint venture, or other business entity; information regarding land ownership of a marijuana cultivation facility; omission of existing agreements or contracts for change in ownership of the entity, or ownership of the land on which a marijuana cultivation facility is proposed; financial interests or financing; and criminal history.

- (G) Modifications of a license during the term of the license may be made by submitting an application identifying the modifications requested in the locally issued license. Minor modifications of premises approved by the State including internal premises changes or other minor modifications not increasing the overall size of the facility will be reviewed by Staff. Major modifications will be considered by the Local Licensing Authority and approved or denied in the discretion of the Local Licensing Authority. Modifications include substantial alterations to the facility, ownership, or other terms and conditions, as provided under state law and regulations. Modifications will also include any change in the lease or ownership of the property on which a facility is located. Any proposed modification that includes expansion of a greenhouse or other related facilities by more than 10% of the licensed square footage shall require on-site posting and notice to adjacent property owners.
- The Local Licensing Authority will consider all requests for transfer of a local license to a new person, or business entity upon the submittal by a licensee and proposed transferee of an application for transfer the license, after submitting the application to transfer, the fee and providing the license has been put to use and the Retail Marijuana Establishment is in operation and open for business. Any change in ownership, including restructuring of an existing business entity to include additional members, partners, shareholders or any financial arrangement that includes a financial interest in the entity, including a share of profits, future ownership rights or promise of future ownership rights, requires approval of the Local Licensing Authority. The application shall include documentation that a transfer of ownership application has been submitted to the State and is in process, or, documentation showing that the State has approved or conditionally approved, the transfer of the corresponding state license or permit to the proposed transferee. The application shall include the information provided for a new license, including a complete set of fingerprints for all persons, partners, members, officers, and managers. The Local Licensing Authority may request such additional investigation or information as it deems necessary to make an informed decision and may approve or deny the application for transfer in its discretion, and upon such terms and conditions as may be approved by the Local Licensing Authority and agreed to by the proposed transferee.

#### **Section 6. Cultivation Facilities.**

- (A) Licensed Marijuana Cultivation Facilities, defined under Colorado Constitution, Article XVIII, Section 16(2)(h), may propagate, cultivate, harvest, prepare, cure, package and label retail marijuana, whether in concentrated form or otherwise, and sell retail marijuana that they have cultivated to a person licensed by the State of Colorado to operate a Retail Marijuana Store, production facility, testing facility, or other cultivation facility. Licensed Marijuana Cultivation Facilities are prohibited from selling retail marijuana to any consumer.
- (B) Marijuana Cultivation Facilities may be located anywhere in the Town of Rico where agriculture, including greenhouses, may be conducted, either by right or by a special use permit. All cultivation activities shall occur within an enclosed space and shall be subject to all security requirements imposed by this Ordinance and by state law and regulations.
- (C) Marijuana Cultivation Facilities shall be subject to all provisions of the Town of Rico Land Use Code applicable to agricultural uses and facilities.
- (D) Operators of Marijuana Cultivation Facilities shall use best practices to conserve water in cultivation operations and shall avoid the use of treated water from a domestic water provider for irrigation purposes.
- (E) Internal lighting used during night-time hours (from sunset to sunrise) shall not be visible to adjacent properties. Exterior lighting shall be consistent with the Town of Rico Land Use Code.

# Section 7. Retail Marijuana Stores.

- (A) Retail marijuana stores and facilities may be located within the Town of Rico in any location where retail or commercial operations are permitted under the Town of Rico Land Use Code or pursuant to an approved special use permit. All applicable provisions of the Land Use Code shall apply, including requirements for a special use permit for retail or commercial uses in pertinent zoning districts.
- (B) No Retail Marijuana Establishment shall be located within 300' of any school or church.
- (C) Signage and advertising shall be permitted as provided in the Land Use Code and pursuant to state law and regulations, but in the event of a conflict between state law and the Land Use Code, the more stringent requirement shall apply.
- (D) In any Retail Marijuana Store in which edibles are sold to consumers, a sign shall be prominently and conspicuously displayed to inform consumers that the edible products have not been inspected by a local public health agency.

(E) There shall be posted in a conspicuous location in each Retail Marijuana Store a legible sign with the following warning:

"The use of marijuana or marijuana products may impair a person's ability to drive a motor vehicle or operate machinery. It is illegal under state law to drive a motor vehicle or operate machinery when under the influence of, or impaired by, marijuana.

"Possession and distribution of marijuana Is a violation of federal law.

"No one under the age of twenty-one (21) years is permitted on the premises."

#### Section 8. Retail Marijuana Products Manufacturers.

- (A) Retail Marijuana Product Manufacturing Facilities, including production of edibles, may be located within the Town of Rico at any location where food production or manufacturing is permitted by the Town of Rico Land Use Code as a use by right, or pursuant to an approved special use permit.
- (B) Licensed Retail Marijuana Products Manufacturers may manufacture, prepare, package and label retail marijuana products, whether in concentrated form or that are comprised of marijuana and other ingredients intended for use or consumption. Licensed retail marijuana products manufacturers may sell retail marijuana products of its own manufacture to persons holding a retail marijuana store license from the State of Colorado, or to other licensed retail marijuana products manufacturers. Licensed Retail Marijuana Products Manufacturers are prohibited from selling retail marijuana or retail marijuana products to any consumer.
- (C) Licensed Retail Marijuana Products Manufacturers are prohibited from manufacturing, preparing, packaging or labeling marijuana products in a location that is operated as a retail food establishment or as a wholesale food facility.
- (D) All packaging shall include a notice that the contents have not been inspected by the county public health agency.

# Section 9. Retail Marijuana Tasting Facilities.

- (A) Retail Marijuana Testing Facilities may be located within the Town of Rico at any location where agricultural, commercial or industrial uses are permitted by the Town of Rico Land Use Code as a use by right, or pursuant to an approved special use permit.
- (B) Licensed Retail Marijuana Testing Facilities may accept samples of retail marijuana or retail marijuana products from retail marijuana establishments for testing and research purposes only.

- (C)Licensed Retail Marijuana Testing Facilities are permitted to develop retail marijuana products; however, they may not engage in the manufacturing of retail marijuana. Licensed Retail Marijuana Testing Facilities are further prohibited from selling, distributing or transferring retail marijuana or retail marijuana products.
- (D) A person who has a financial interest in a Retail Marijuana Testing Facilities is prohibited from holding a financial interest in a medical marijuana business licensed pursuant to the Colorado Medical Marijuana Code, or a financial Interest in any other retail marijuana establishment.

#### Section 10. Dual Licenses.

Any person who has been licensed by the State of Colorado for multiple licenses to engage in multiple operations or for multiple facilities may apply for such dual operations in the Town of Rico County to the extent that such operations are otherwise permitted by this Ordinance and the Land Use Code.

## **Section 11. Continuing Compliance Documentation.**

Any person licensed for any Retail Marijuana Establishment in the Town of Rico shall demonstrate continued compliance with all state licenses, laws and regulations. Licensees shall provide the Town of Rico with copies of all documents updating information, agents, employees, operations, violations, enforcement actions, or other administrative matters sent to or received from the State of Colorado licensing and enforcement agencies.

#### Section 12. Issuance of License, Duration, Renewal, License Limitations.

- (A) A maximum of three (3) Retail Marijuana Establishment licenses shall be issued by the Local Licensing Authority. The Local Licensing Authority may, by resolution, increase or decrease the number of licenses allowed. An application for renewal of an existing retail marijuana establishment license shall receive a preference over an application for a new retail marijuana establishment license, if the existing business has substantially met all of the requirements of this Ordinance and the Colorado Retail Marijuana Code during the previous license term and is in good standing. If a new retail marijuana store license or a new retail marijuana cultivation license becomes available for issuance after the issuance of the initial licenses, the Town Clerk shall publish a notice stating when the Town will accept applications for such licenses. Any applications received before or after the period described in such notice will be considered null, void and of no effect
- (B) Upon issuance of a license, the Town shall provide the licensee with one (1) original of such license for each establishment or facility to be operated by the

licensee in the Town. This original license shall be displayed in a location visible to the public or to enforcement officials. The license shall include the name and address of the licensee, the type of facility permitted, and the address of the facility at which it is to be displayed.

- (C) Each license issued pursuant to this Ordinance shall be valid for one (1) year from the date of issuance and may be renewed only as provided by this Ordinance. A renewal application shall be filed not less than sixty (60) days prior to expiration and not more than ninety (90) days from expiration. The timely filing of a renewal application shall extend the current license until a decision is made on the renewal. An untimely application may be accepted upon the payment of a late application fee of \$500 to expedite processing, and such application shall serve to extend the license until a decision is made on the renewal.
- (D) Notwithstanding any state law to the contrary, a licensee whose license has expired and for which an application for renewal has not been received prior to the expiration date, shall be deemed to have forfeited its license under this Ordinance. The Town shall not accept a renewal application after the expiration of the license. A licensee whose license expires shall not cultivate, harvest, process, manufacture, produce, or sell retail marijuana or retail marijuana products until a new license has been obtained.
- (E) At the sole discretion of the licensing authority, a renewal license may be issued for a period in excess of one (1) year, depending upon the compliance history of the licensee, and such other factors as the licensing authority in its sole discretion may determine are relevant.

# Section 13. Authority to Impose Conditions on License, or to Deny License.

The local licensing authority shall have the authority to impose such reasonable terms and conditions on a license or to deny a license or renewal of a license as may be necessary to protect the public health, safety and welfare of the people of the Town of Rico, and to obtain compliance with the requirements of this Ordinance and applicable law.

# Section 14. Annual Operations Fee.

Upon issuance of a license or a renewal of a license, the Licensee shall pay to the Town a fee in an amount to be determined by the Board of Trustees by separate Resolution to be sufficient to cover the annual costs of inspections and for the purpose of determining compliance with the provisions of this Ordinance and any other applicable state or local laws or regulations.

# Section 15. Signage and Advertising.

All signage and advertising for a Retail Marijuana Establishments shall be in compliance with state laws and regulations, as well as the Town of Rico County Land Use Code, and any applicable special use permit.

#### Section 16. Security.

All security measures shall be in compliance with state law and regulations, and shall include security surveillance cameras, robbery and burglary alarms, a locking safe affixed to the premises, exterior lighting, and deadbolt locks on all exterior doors. Law enforcement officials may inspect the premises at any time to ensure appropriate security measures are in use, and to ensure compliance with state laws and regulations.

#### Section 17. Visibility of Activities, Odor and Control of Emissions.

- (A) All activities of Retail Marijuana Establishments, including without limitation, cultivation, growing, processing, displaying, selling, storage and packaging, shall be conducted indoors. For purposes of this Ordinance, greenhouse cultivation shall be deemed to occur indoors.
- (B) No devices, contrivances, instruments, and paraphernalia for inhaling or otherwise consuming marijuana shall be displayed or kept in a manner so as to be visible from outside the licensed premises.
- (C) No licensee shall operate in a manner that causes a nuisance. A licensee shall take appropriate measures and use best efforts to prevent smoke, odors, debris, fluids, and other substances from exiting a retail marijuana facility, and shall be responsible for immediate and full clean-up and correction of any condition creating a nuisance. A licensee shall properly dispose of all materials, items, and other substances in a safe, sanitary and secure manner in accordance with applicable laws and regulations,

## Section 18. Sales and Business Licenses Required.

At all times while a license is in effect, the licensee shall possess all required state and local sales tax and/or business licenses

# Section 19. Sales and Property Taxes.

Each licensee shall collect and remit all applicable sales, taxes, shall remit applicable real and personal property taxes, and shall remit any applicable excise tax, license fee or annual operations fee.

#### Section 20. Book and Records.

All books and records required to be maintained by the State of Colorado shall also be subject to inspection by the Town during regular business hours.

#### Section 21. Nonrenewal, Suspension or Revocation of License.

The local licensing authority may, after notice and hearing, suspend, revoke or refuse to renew a license for good cause, including suspension or revocation of the licensee's state license, or violation of this Ordinance. The local licensing authority is authorized to adopt rules and procedures governing the conduct of such hearings.

#### Section 22. Violations and Penalties.

In addition to the possible denial, revocation or nonrenewal of a license under the provisions of this Ordinance, any person, including, but not limited to, any licensee, manager or employee of a retail marijuana facility or any customer of such business, who violates any provision of this Ordinance shall be subject to the following penalties:

- (A) It shall be a petty offense for any person to violate any provision of this Ordinance. Any person convicted of having violated any provision of this Ordinance may be punished as prescribed by state law.
- (B) The operation of a retail marijuana facility or establishment without a valid license issued pursuant to this Ordinance may be enjoined by the Town in an action brought in a court of competent jurisdiction and may be otherwise prosecuted under state or federal law.
- (C) The operation of a Retail Marijuana Establishment without a valid license issued pursuant to this Ordinance shall be specifically deemed to be a public nuisance.

# Section 23. No Town of Rico Liability; Indemnification.

By accepting a license issued pursuant to this Ordinance, the licensee waives and releases the Town of Rico, its officers, elected officials, employees, attorneys and agents from any liability for injuries, damages, or liabilities of any kind that result from the arrest or prosecution or retail marijuana facility or establishment owners, operators, employees, clients, or customers for a violation of state or federal laws, rules or regulations. All licensees, jointly and severally in the case of more than one, agree to indemnify, defend and hold harmless the Town, its officers, elected officials, employees, attorney and agents. insurers and self-insurance pool against all liability, claims and demands on account of any injury, loss or damage, including without limitations, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other kind whatsoever arising out of or in any manner connected with the operation of the retail marijuana facility or establishment that is the subject or the license.

# Section 24. No Waiver of Governmental Immunity.

In adopting this Ordinance, the Board of Trustees is relying on, and does not waive or intend to waive, by any provision of this Ordinance, the monetary limitations or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act, C.R.S. 24-10-101, *et seq.*, as amended from time to time, or any other limitations right, immunity, or protection otherwise available to the Town, its officers or its employees.

#### Section 25. Other Laws Remain Applicable.

To the extent the State of Colorado has adopted or adopts in the future any additional or more stringent law or regulations governing the sale or distribution of retail marijuana products, the additional or more stringent law or regulations shall control the establishment or operation of any such facility or establishment in the Town of Rico. Compliance with any applicable state law or regulations shall be deemed an additional requirement for Issuance or denial of any license under this Ordinance, and noncompliance with any applicable state law or regulation shall be grounds for revocation or suspension of any license issued hereunder.

In the event that the State of Colorado prohibits the sale or other cultivation, production or distribution of marijuana, any license issued hereunder shall be deemed immediately revoked by operation of law, with no grounds for hearing, appeal or other redress on behalf of the licensee.

The issuance of any license pursuant to this Ordinance shall not be deemed to create an exception, defense or immunity to any person in regard to any potential criminal liability the person may have for the cultivation, possession, sale, production, distribution, or use or marijuana.

To the extent that any other court of competent jurisdiction or agency of the United States acts to enforce federal laws and regulations or otherwise determines that the issuance of a license, possession, distribution, cultivation, production, sale, distribution or use of marijuana in the State of Colorado is an illegal activity subject to enforcement, the Board of Trustees reserves the right to immediately repeal or amend this Ordinance, and/or to revoke or suspend as a matter of law any and all licenses issued pursuant to this Ordinance.

#### Section 26. Effective Date.

Pursuant to C.R.S. 31-16-106 and Section 3.5 of the Charter of the Town of Rico, this Ordinance shall be published in full following its initial introduction and reading and published by title only following final adoption by the Board of Trustees, with a statement indicating the effective date of the Ordinance, and that the full text of the Ordinance is available at the office of the Town Clerk.

## Section 27. Interpretation.

This Ordinance shall be so interpreted and construed as to effectuate its general purpose. Section headings of the Ordinance shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or extent of the provisions of any article or section thereof.

INTRODUCED, READ, APPROVED AS INTRODUCED, AND ORDERED PUBLISHED on first reading by Town of Rico Board of Trustees this 16th day of May, 2018.

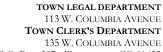
READ, APPROVED AND ADOPTED BY FINAL READING by Town of Rico Board of Trustees this 20th day of June, 2018

TOWN OF RICO, COLORADO

Zach McManus, Mayor

ATTEST:

Linda Yellowman, Town Clerk





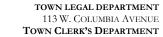
P.O. Box 397 • Telluride, CO 81435 Office: (970) 728-2158

# Town of Telluride Retail Marijuana License Application

This Application contains terms that may be defined in either the Telluride Municipal Code Chapter 6, Article 6 or the Colorado Retail Marijuana Code, codified at C.R.S. § 12-43.4

# Please add additional pages if you need to explain your answer to any of the questions on this application form.

Application for a	New Ret	ail M	arijua	na S	tore Licens	e		
Retail Marijuana License Type:   Re	etail Mari	juana	Store	□ Re	etail Marijua	ına Sto	ore w	vith OPC
□ Re	tail Marij	uana '	Testing	Fac	ility			
11 0	poration			vidu		rtnersł		
	nited Liab	ility (	Compa	ny	$\Box$ As	sociati	on o	r Other
Describe Other:		0.7.0.0						
	SS OF PR				SE			
Applicant's Legal Business Name		Trade	Name/	DBA				
Physical Address of Proposed Licensed Pren	nises		Busine	ess Pl	none Number	•		
	T		(	)				
Mailing Address	City		State	Zip				
	RIMARY	CON	ITACT	1				
Name	Phone				Email			
Physical Street Address	City				State	7	Zip	
APPLICANT OWNER	SHIP AN	D MA	NAGE	MEN	T STRUCT	URE		
Is Applicant a resident of, or entity registered						Yes		No
is Applicant a resident of, or entity registered	a with, the s	state of	COlora	uo:		103		110
If Yes, when (date) did you become a resident in	the state of C	Colorado	o?					





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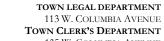
Please provide the names and addresses of ALL OWNERS, OFFICERS, DIRECTORS, PARTNERS, MANAGING MEMBERS, BUSINESS MANAGERS, FINANCIERS AND ANY OTHER INDIVIDUALS OR ENTITIES that own any percentage to total 100% ownership of the Applicant or entity applying for this license.

FILIRIDE

<u>Name</u>	Home Address, City, State, Zip (Do not use P.O. Box)	<b>Position</b>	% Owned

(If necessary, provide additional information on a separate sheet.)

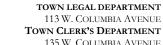
TOWN OF TELLURIDE		
Town Retail Marijuana Sales Tax # Town Retail Marijuana Business License #		
Did the Applicant receive approval for a Town of Telluride Medical Marijuana Center License, Certificate of Zoning Compliance and a Retail Sales Tax License prior to October 1, 2013?	Yes	No
Does Applicant intend to operate a medical marijuana center and a retainmarijuana store out of the same Licensed Premises?	Yes Yes	No
If yes, describe how the medical and retail operations will be maintaine one from the other. (This should be a detailed description. Please includor signage that will be used to achieve separation).	-	
Will retail marijuana cultivation occur on the proposed Licensed Premises?	Yes	No
Does the proposed Licensed Premises have a suitable limited access area where the cultivation, if applicable, display, storage, processing, weighing, handling, and packaging of retail marijuana occurs, which is posted "employees only," and is separated from the areas accessible to the public by a wall, counter, or some other substantial barrier designed to keep the public from entering the area?	Yes	No





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# REGISTERED MANAGER State the name of the registered manager who is delegated the authority over day to day operations of the licensee and who has the responsibility to ensure that the proposed Licensed Premises are operated in compliance with Chapter 6 Article 6 of the Telluride Municipal Code. First Name Last Name STATE OF COLORADO APPLICATION Did the Applicant complete and submit the forms and pay the fees to Yes No the Colorado Department of Revenue required under C.R.S. § 12-43.4-101, et seq.? Provide a copy of the entire application submitted to the State Department of Revenue (pdf, disk or thumb drive versions of the State application are preferred). CONTROL AND SECURITY OF THE LICENSED PREMISE Does Applicant have sole legal control of the proposed Licensed Yes No Premises at the time the application is submitted by virtue of lease or present ownership interest? Attach a copy of lease/dead/contract. **SECURITY PLAN** Please submit a security plan for the proposed Licensed premises. Attach it to the application labeled "Security Plan." Explain in detail at a minimum the following security measures: A) All doors, windows and other points of entry have secure, functioning commercial grade locks A locking safe or enclosed metallic storage vault located inside the proposed Licensed Premises in which any Retail Marijuana and Retail Marijuana Products will be secured when the Licensed Premises are not open to the public If the Licensed Premises are connected by any passage or entryway to any other Premises, there is a door between the two Premises that can be locked from the Licensee side and cannot be opened from the other side A professionally installed and continuously monitored burglar alarm system that detects unauthorized entry at all doors, windows, and other points of entry to the Licensed **Premises** → State whether this system is continuously monitored by a professional monitoring company or whether there is a system in place to self-monitor; → If the alarm system is continuously monitored professionally, please state the name and address of the alarm company and attach a contract with such alarm company.



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E) Windows facing Adjacent Grounds and lighting of the Adjacent Grounds sufficient to ensure that customers entering and leaving the Licensed Premises, entering and exiting parked cars on the adjacent grounds, and walking across the Adjacent Grounds can be observed by Employees from inside the Licensed Premises.

#### OPERATIONAL ELEMENTS OF THE PROPOSED LICENSED PREMISES

Please submit an operational plan and attach it to the application labeled "Operational Plan" with information provided for each item a) through i). This should show how the business, proposed Licensed Premises and adjacent grounds will be operated, including but not limited to:

- A) How and where marijuana will be cultivated, processed, stored, packaged, purchased, exchanged, exhibited, advertised, and sold
- B) How the business, Licensed Premises, and Adjacent Grounds will comply with each requirement contained in State law and Town ordinances, especially Chapter 6, Article 6 of the Telluride Municipal Code
- C) How the operation will reduce or mitigate adverse effects on the area in which it is situated, including but not limited to any adverse effects related to crime, odors, traffic, parking, noise and lighting
- D) How the area of the proposed Licensed Premises where cultivation operations are located are equipped with a ventilation system with carbon filters sufficient in type and capacity to eliminate marijuana odors
- E) Hours of operation
- F) Number of and names of all employees
- G) Parking for employees and customers on the Adjacent Grounds
- H) Traffic flow into and out of the Licensed Premises and Adjacent Grounds
- Record keeping as required under State law and Chapter 6, Article 6 of the Telluride Municipal Code

# REQUIREMENTS SPECIFIC TO A RETAIL MARIJUANA TESTING FACILITY Are you applying for a Retail Marijuana Testing Facility? Yes No If Yes, Does Applicant and/or any of its Principal Owners hold any interest in any medical marijuana business(es) licensed or pending application for a license pursuant to the local or state Medical Code or in any Telluride Retail Marijuana Establishment licensed or pending application for a license pursuant to the Retail Code



TOWN LEGAL DEPARTMENT 113 W. COLUMBIA AVENUE TOWN CLERK'S DEPARTMENT

135 W. Columbia Avenue P.O. Box 397 • Telluride, CO 81435 Office: (970) 728-2158

	AFFIRMATION
<u>Initial</u>	
	I understand that the employees of the proposed Retail Marijuana Establishment including the Applicant, jointly or severally, applying for this license, may be subject to prosecution under federal law.
	I understand that the Town of Telluride, Colorado accepts no legal liability in connection with the approval and subsequent operation of the applied for Retail Marijuana Establishment. I hereby release the Town of Telluride, Colorado, Town employees and elected/appointed officials from any and all liability in connection with the proposed approval and subsequent operation of the applied for Retail Marijuana Establishment.
	I agree and authorize that Service of Process may be made upon any employee of the Licensee on behalf of myself, all owners, officers, directors, partners, managing members, business managers, financiers, primary caregivers and any other individual or entity that own any percentage of Applicant.
	I understand that I shall not make any major changes to the License, Licensed Premises, or Adjacent Grounds without first obtaining written approval of the Authority.
I agree t	o report the following to the Authority, in writing, within <b>ten</b> (10) days of such event:
	Any new credits or debts that the Licensee or its Principals may incur that are related to the Licensed Premises, Adjacent Grounds, or any ownership interest in the Licensee in a single or cumulative amount greater than ten thousand (\$10,000)
	Any charges filed against or any conviction of any Principal, Registered Manager, or Employee for any felony, misdemeanor, or serious traffic offense including but not limited to any deferred judgment or entry into any diversion program ordered or supervised by a court of law; or
	The hiring, dismissal, or resignation of <u>any</u> Employee.

UNDER PENALTY OF PERJURY IN THE SECOND DEGREE, I ATTEST THAT ALL OF THE INFORMATION CONTAINED IN THIS APPLICATION AND ALL ATTACHMENTS HERETO ARE TRUE, CORRECT AND COMPLETE TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Signature:		Date:	
Printed Name:			
STATE OF COLORADO	)		

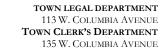


#### TOWN LEGAL DEPARTMENT 113 W. COLUMBIA AVENUE TOWN CLERK'S DEPARTMENT

135 W. Columbia Avenue P.O. Box 397 • Telluride, CO 81435

OFFICE: (970) 728-2158

) SS.	
COUNTY OF )	
Subscribed, sworn to and acknowledged before me	this day of . 20 by:
WITNESS my hand and official seal. My commissi	on expires:
	Notary Public Signature
	1 total y 1 dolle Digitatale







Retail Marijuana License Application Checklist
Complete, and notarized Town of Telluride application
Signed by officer – we will not accept applications signed by employees or
managers
Fees – Made Payable to Town of Telluride
\$25 – if paper packet is requested (will be credited to application fee <u>if</u> complete application is received)
\$1,000.00 Application for New License
\$1000.00 Retail Marijuana Testing Facility
Business Documentation
Operating Agreement (LLC)
Articles of Organization (Corporation) Bylaws complete and signed
Certificate of Good Standing from Secretary of State
Copy of current Town of Telluride Business License
Copy of current State of Colorado Retail (if applicable) License; or application to the State of Colorado
Other
Lease Agreement – Copy of your current, amended or new lease, in the name of
the business, fully executed and signed. We will not accept a lease in an individual's name.
Floor plan of facility, to scale, on 8.5 x 11 inch paper. These drawings should identify walls, fixtures, countertops, entrances, exits, safes, storage areas, location of cameras, DVR(s) and security rooms.
List of all employees
Security Plan
Operational Plan
Affidavit of Age Compliance
Copy of Security Monitoring Agreement with off-site monitoring company
Certificate of Zoning Compliance from Town of Telluride Planning Department
Individual History Form
Submitted for each applicant, owner, members, or employee
Fingerprints – Arrangements are made through the Telluride Marshal's Department. Each individual that submitted an individual history must be fingerprinted and have a background check.
[



TOWN LEGAL DEPARTMENT
113 W. COLUMBIA AVENUE
TOWN CLERK'S DEPARTMENT
135 W. COLUMBIA AVENUE

P.O. Box 397 • TELLURIDE, CO 81435 OFFICE: (970) 728-2158

# AFTER INITIAL DETERMINTATIONS ARE ISSUED BY THE LOCAL LICENSING AUTHORITY'S, THE APPLICANT MUST MAKE ARRANGEMENTS FOR INSPECTIONS WITH THE FOLLOWING DEPARTMENTS.

TELLURIDE FIRE PROTECTION DISTRICT
Written comments or a letter from the appropriate fire district in which the proposed licensed premises are to be located demonstrating compliance with the applicable adopted fire code provisions.
No objection to the Retail Marijuana facility as proposed.
Signature TFPD Date
Signature IFPD Date
Applicant must comply with the following adopted fire code provisions:
·
Signature TFPD Date
TOWN OF TELLURIDE BUILDING DEPARTMENT
For all licensed facilities located within a building or structure for which a Town of Telluride permit is required, documentary proof of compliance with all applicable county building code standards, as well as documentary proof of compliance with all applicable Colorado Plumbing/Electrical Code standards.
· · · · · · · · · · · · · · · · · · ·
No objection to the Retail Marijuana Store as proposed.
Signature TOT Building Official Date
Signature 101 Bunding Official Bate
Applicant must comply with the following county building code standards:
Signature TOT Building Official Date



#### TOWN LEGAL DEPARTMENT 113 W. COLUMBIA AVENUE TOWN CLERK'S DEPARTMENT

135 W. COLUMBIA AVENUE
P.O. BOX 397 • TELLURIDE, CO 81435
OFFICE: (970) 728-2158

TOWN OF TELLURIDI	E MARSHAL'S DEPARTMENT
Written comments or a letter from the Tellur	ide Marshal's Department to the Local Licensing
Authority concerning the issuance of the lice	ense(s) for which the application has been made.
No objection to the Retail Marijuana facility	y as proposed.
Signature	Date
Signature	Build
Application should be Denied. See attached	d written report of the results of the SMCSO
investigation of the proposed licensee(s).	•
Signature	Date

## EXHIBIT A

#### Fee Schedule Marijuana-Related Business Applications 2016

\$2500	
\$2500	
\$1000	
\$1200	
\$1000	Application
\$ 250	Application
\$ 200	Application
\$ 200	Application
	\$2500 \$1000 \$1200 \$1000 \$ 250 \$ 200

