

Dear Commerce City, Colorado City Council:

We are writing to provide feedback on a proposed Ordinance 2624, an Ordinance Amending Division 3 of Article II of Chapter 8 of The Commerce City Revised Municipal Code pertaining to adding new sections Related to Security and Storage Requirements. As a current licensee, we acknowledge that these requirements would not require us to comply with the new security standards at present, however we are looking to expand within the city and wanted to offer a licensee's perspective on these proposed operational requirements.

To summarize, each commercial property is different and each licensee is very incentivized to prevent theft in a way that makes sense in light of their individual property and operations. Therefore, we respectfully ask that the City Council build in a degree of flexibility and the ability for licensees to offer equivalent security measures to protect their own property, as opposed to an inflexible set of requirements that may be difficult to implement, unnecessary, or less effective overall given the unique layout of individual commercial properties.

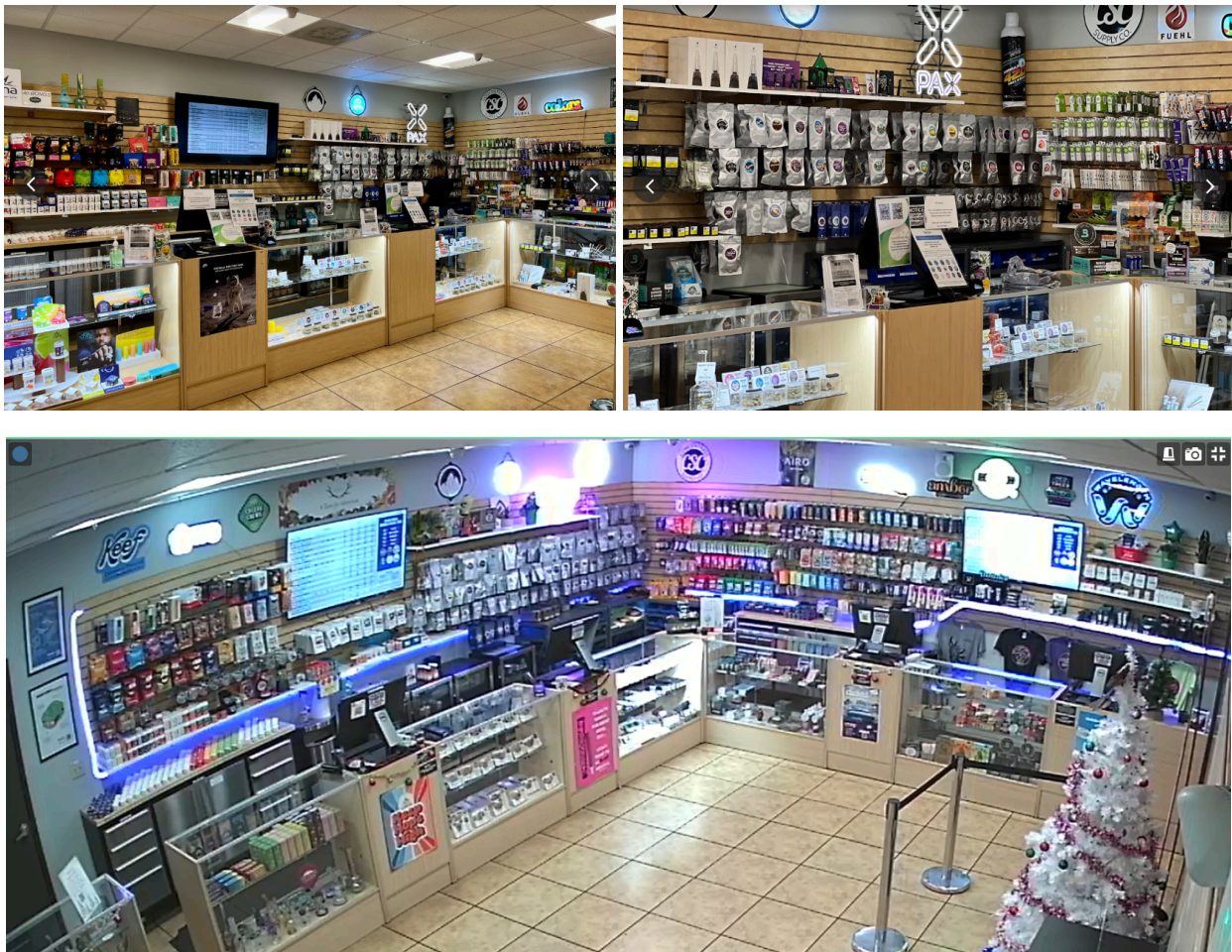
The Colorado Marijuana Enforcement Division (MED) has established a set of stringent security standards that every licensed cannabis business, including ours, is already required to follow. These regulations cover critical security aspects, such as camera placement and recording quality, video recording and retention capabilities, locks, alarm sensors and monitoring, and the location and maintenance of surveillance equipment.

As a business, we are strongly motivated to protect ourselves against break-ins. These incidents not only cause substantial property damage but also disrupt operations and can result in significant revenue loss. Consequently, we have chosen to implement security measures that exceed the state's requirements, ensuring our premises are secure.

Silver Stem Fine Cannabis has been operating in the licensed cannabis industry for 15 years and understands that break-ins are all too common. We have a licensed retail marijuana store in Ward 1 of Commerce City, and 10 other stores across Colorado and Oregon. Through our extensive industry experience, we have come to understand that break-ins are a common threat, and we have honed our security practices over time to mitigate these risks. We have been operating at our Commerce City store location for almost 6 years and have never had a break-in, which is a testament to how effective our internal security standards are.

With this context in mind, we would like to respectfully suggest that the City Council consider amending the ordinance that would give store licensees an alternative to transferring all inventory into a safe for overnight storage. We believe it places an unnecessary burden on cannabis businesses. Having to put away all inventory at the close of business and then transfer it back for opening adds significant time to employees' opening and closing tasks.

The photos below illustrate an average amount of inventory we have on the sales floor that would have to be transferred back and forth between the sales floor and the vault on a daily basis.



We propose allowing store licensees to have a “Secure Storage Room”, or the equivalent thereof, where inventory can stay overnight. A Secure Storage Room could be defined as a room or space, including a sales floor, secured using:

1. Commercial-grade, non-residential locks, hardware and steel doors with reinforced frames;
2. At least 2 doors of separation between such room/space and any exterior door of the building;
3. Pry guards on all exterior doors and all doors leading into the room/space; and
4. Live remote monitoring of video surveillance at all points of ingress and egress during non-business hours, with loudspeakers allowing the monitoring entity to communicate directly with individuals on-site, or alternatively, on-site security personnel who patrol the premises at all times during non-business hours.

In conclusion, we respectfully ask the city council to build a degree of flexibility into the new requirements that will allow licensees to adopt appropriate security measures that are well suited to their individual properties. Specifically, we ask that the licensee be permitted to secure the sales floor with product in place so as to avoid having to move product to a separate vault each evening and restock it every morning.

We believe this solution strikes a balance between maintaining high levels of security and reducing the operational burden on cannabis businesses. Ultimately, this will make Commerce City a more attractive jurisdiction for well-qualified operators and boost the city's revenue.

Thank you for your consideration of our feedback,

Silver Stem Fine Cannabis Executive Management Team