



Meeting Minutes - Draft

Marijuana Licensing Authority

Friday, May 18, 2018

1:00 PM

Room 2108

1. Call To Order

Hearing Officer Ablao called the meeting to order at 1:00 p.m.

2. Approval of Minutes

Min 18-36 Meeting Minutes of February 24, 2017

Min 18-37 Meeting Minutes of September 15, 2017

3. Public Hearings

Pres 18-291 Application for a new retail marijuana cultivation and retail marijuana-infused products manufacturer for Boulder Built at 5305 Vasquez Blvd

Hearing Officer Ablao opened the public hearing.

Appearances:

Sean McCalister, attorney, appeared on behalf of the applicant

Jeff Guard, attorney, appeared on behalf of the applicant

Tony Wibbeler, appeared on behalf of the applicant

Orion Hurley, appeared on behalf of the applicant

Senior Assistant City Attorney Rachel Allen appeared on behalf of the city

Orion Hurley was sworn in and testified to his criminal background that occurred over 12 years ago. Mr. Hurley stated that he had a recent traffic incident in Boulder and he disclosed that to the city. He testified to his work history in the marijuana industry. In response to questions from the city and from the licensing authority, Mr. Hurley testified to odor mitigation and funding.

Attorney McCalister submitted letters of support, provided to the licensing coordinator earlier.

Attorney Allen objected to the letters that were duplicative or contradictory of the people who signed the petition submitted as evidence of the neighborhood desires.

Tony Wibbeler was sworn in and testified to his education and work history. Mr. Wibbeler stated that he has no criminal history. He testified to employing about six people at the start. In response to questions from the city, Mr. Wibbler stated that they

will hire consultants to provide training and the business investors are all personally known to him.

Eva Garretson of Liquor Pros was sworn in and testified to the petition process and results.

Neighborhood Testimony:

Josh Bloom, Hooligan Offroad, 5315 Vasquez Blvd.

Attorney Allen noted that Mr. Bloom signed the petition, letter, and was now testifying and she asked that his support be counted only once.

There being no further testimony, the public hearing was closed.

Attorney McCalister stated that the applicants are fit to hold the license and there doesn't appear to be significant opposition from the neighborhood in issuing this license

Attorney Allen stated that she didn't believe the applicant has fully satisfied the requirement of neighborhood support. The survey was only 59% in favor of licensure, and of the six letters submitted in support of the license, four had already signed the petition.

Hearing Officer Ablao made the following findings: the applicants meet the conditions of licensure and even though the petitions weren't overwhelmingly in support, there was a majority of signatures in favor. Hearing Officer Ablao approved the license with the following conditions:

- (1) Satisfactory inspection by the police department to ensure the diagram is consistent with how the building is built out*
- (2) Satisfactory inspection by the fire department*
- (3) Certificate of Occupancy issued prior to opening*
- (4) All inspections completed within 120 days.*

Pres 18-292

Application for a new medical marijuana infused products license and a new medical marijuana optional premise cultivation license at QCI Labs at 5303 Vasquez Blvd Unit 102

Hearing Officer Ablao opened the public hearing.

Appearing:

Jerrico Perez, Registration #48910, on behalf of the applicant

Jeff Botkin, applicant representative

Eva Garretson, petitioning company representative

Senior Assistant City Attorney Rachel Allen on behalf of the city

Eva Garretson was sworn in and testified to the petition process and results.

Josh Bloom, 5315 Vasquez Blvd., testified in support of the license being issued. In

response to questions from the city, Mr. Bloom stated that he signed the petition. It was noted that Mr. Bloom was sworn in previously.

Faustino Fernandez, neighboring business owner, was sworn in and testified in support of the license being issued.

Jeff Botkin appeared on behalf of the applicant and was sworn in. Mr. Botkin testified that he is one of the five officers of QCI Labs and is COO and Chief Compliance Officer. Mr. Botkin testified that he identified the location, secured the location and put the people in place to start construction. Mr. Centola will be Chief Science Officer in charge of the extraction department, Mr. Carroll will be Chief Development Officer and also provides an array of services and resources from marketing, packaging, branding and other ancillary sources. Mr. Kirvan will be Chief Financial Officer, and Mr. Morrison will be their business advisor with a long history of paralegal work. Mr. Botkin has a state-issued occupational license. Mr. Botkin testified to prior work experience in the marijuana industry in Colorado. While involved in the ecigarette business, he came into relations with Mr. Kirvan, Mr. Carroll, and Mr. Morrison. Mr. Carroll invited Mr. Centola into the group.

In response to questions from Attorney Perez regarding staffing, Mr. Botkin stated that he and Mr. Centola will be operating solely by themselves and will onboard employees as needed. Mr. Centola has performed and received certification from Cloverleaf and has been into the extraction side of the industry for quite some time.

In response to questions from Attorney Allen, Mr. Botkin stated that his contribution is sweat equity and all owners have been approved by the state for pre-suitability. He stated that he has experience in the marijuana industry; however, Mr. Centola does not. Mr. Centola moved to Colorado years ago to get involved in the marijuana industry and learn the trade. Mr. Centola's current employment status is helping Mr. Botkin get this business off the ground.

Attorney Allen stated that she had additional questions regarding Mr. Centola's work experience and financial status. She asked Mr. Botkin if he wished to continue the hearing or attempt to answer those questions.

Mr. Botkin stated that Mr. Centola has not been employed since 2015 and has been living off the money he received from selling his possession in New York. Mr. Centola has been a stay-at-home entrepreneur trying to build his cannabis portfolio while living with his wife who owned a restaurant.

Samuel Carroll was sworn in and testified to knowing Mr. Centola for a very long time and providing cash loans to him to get him to this point. Mr. Carroll stated that Mr. Centola was living with his wife who owns a restaurant. In response to questions from Attorney Allen, Mr. Carroll said it was plausible that he loaned Mr. Centola \$500 on October 11th, \$460 cash loan on October 17th and an \$80 cash loan on October 17th.

When asked by Attorney Allen if he kept records of these loans, Mr. Carroll stated the loans were all done through the banks. When Attorney Allen said she was asking about the daily cash deposits, Mr. Carroll stated that he has been providing bank transfers and is not aware of any other employment for Mr. Centola because of all the time he is spending on this project. Mr. Carroll testified that he invested all this money into Mr. Centola because of his deep knowledge and instinct.

In response to questions by Attorney Allen, Mr. Botkin stated he does not know where

Mr. Centola gets his money; however, he knows it's not from the illegal sale of marijuana. Mr. Carroll made the same statement.

Attorney Allen stated she would still like to speak to Mr. Centola regarding his finances.

Hearing Officer Ablao stated that Mr. Kirvan's investment will need to be clarified prior to anything further happening with this application. On the Commerce City background investigation, Mr. Kirvan lists \$250,000 in one place and \$500,000 in another place.

Attorney Perez stated that Mr. Kirvan is about \$50,000 short of a \$500,000 investment.

Mr. Carroll telephoned Mr. Centola who stated he could not come to the hearing but his financial explanation is that he sold all his possession.

No one from the public came forward to speak.

Hearing Officer Ablao closed the public hearing but will continue the matter to hear from Mr. Centola.

Attorney Allen stated she thinks she could be o.k. if Mr. Centola provides a sworn statement explaining the recurring cash deposits including the source of those deposits and a sworn statement from Mr. Kirvan regarding his total investment.

Hearing Officer Ablao closed the public hearing.

During closing statements, Attorney Allen stated the city is requesting additional disclosures of the frequent recurring cash and paypal deposits into Mr. Centola's account and clarification from Mr. Kirvan regarding his investment in this application. The city cannot make a recommendation until these disclosures and clarification have been received.

Hearing Officer Ablao requested that Mr. Kirvan's application be corrected and resubmitted within one week's time and Mr. Centola provide a sworn statement explaining the deposits within one week's time. Counsel is to confer with each other and if the explanations are sufficient and another hearing is not needed, counsel is to inform the Authority so she can provide a written order within 30 days.

4. Administrative Business

Pres 18-293 Request for Extension of Licensing Conditions of C3D, Co dba Highline located at 5846 Dahlia St

*Dave Rodman, Registration #46389, appeared on behalf of the licensee
Senior Assistant City Attorney Rachel Allen appeared on behalf of the city.*

Attorney Rodman stated that the licensee is in the same position as the last time they appeared before the Authority in April 2018. The licensee just received their building permit and have not had the chance to begin construction.

Senior Assistant City Attorney Allen stated that this is the licensee's second request for an extension of the conditions placed upon their license approval and construction has yet to occur. Ms. Allen asked for the reasons of the delays.

Mr. Rodman and the licensee, Mr. Soucie stated that the delays came from the city's engineers and the South Adams County Water and Sanitation District. Specifically, since appearing before the authority in April, the building plans were approved and stamped and they were ready to move forward. However, they found out at the last minute, their grading permit was held up in the public works department for nearly one year. The licensee received the grading permit on May 17, 2018, and is ready to move forward. Mr. Soucie said his contractor has informed him the project will take six months from today.

Hearing Officer Ablao ordered the licensee appear on July 20, 2018, to provide a construction update.

Pres 18-294**Request for Extension of Licensing Conditions for CGFR dba Krystaleaves located at 5301 Vasquez Blvd Units 101 and 102**

Justin Johnson, attorney, appeared on behalf of the licensee

Faustino Fernandez, appeared on behalf of the licensee

Michael Burnstein, general contractor, appeared on behalf of the licensee

Attorney Johnson stated that the licensee immediately began buildout of the facility after their December 2017, hearing.

Mr. Fernandez was sworn in and testified to completing training that was a condition of licensure.

Mr. Burnstein testified that the tenant finish permit was issued in January 2018; however, there have been delays because the property is situated between two water districts: Denver and South Adams County Water and Sanitation District and there have been issues in getting water to this site. The other major delay has been with Xcel Energy.

Attorney Johnson requested another 120-day extension.

Hearing Officer Ablao ordered a continuance to September 14, 2018, for a construction update.

5. Adjourn

The meeting adjourned at 3:45 p.m.