



To: City Councilors
CC: City Manager Ken Coleman
From: City Clerk Gail Davidson
Date: June 4, 2015
Re: Resolution No 12, Series 2015 – Marijuana Fees

Councilors:

When developing the proposed marijuana fees, staff estimated the time and hard cost items that would be needed to process a license application. Those costs are reflected in the proposed fees. Those fees may be adjusted in the future by Council resolution if the City costs are not being met or are more than required.

To clarify some licensing fees questions from the June 2nd work session meeting, listed below are the sections of draft Ordinance No 5, Series 2015, regarding marijuana facilities regulations that require additional marijuana inspections or permitting.

- LDC Section 2701.7 A. – an infused products manufacturer utilizing carbon dioxide gas in the processing of concentrates: the system must receive permit approval from the City of Gunnison Fire Marshal prior to issuing a CO. **Permit fee included in the licensing fee.**
- LDC Section 2701.7 C (1) – all carbon dioxide equipment utilized in marijuana cultivation establishments must receive permit approval from the City of Gunnison Fire Marshal prior to issuing a CO. **Permit fee included in licensing fee.**
- LDC Section 2701.7 C (5) re: fumigation of cultivation facility using the injection of carbon dioxide shall only be conducted after receiving a marijuana fumigation permit from the City of Gunnison Fire Marshal. **Fumigation Permit fee included in licensing fee.**
- LDC Section 3.15 D (3) re: licensed marijuana product manufacturing establishments: A licensed manufacturing establishment shall pay all costs for related inspections and reports and pay all costs for City-ordered inspections and reports of licensed manufacturing establishment. **Fee will be set by the licensed inspector and paid for by the licensee.**
- LDC Section 3.15 D (5b) re: products manufacturing facilities: The City PW Director may order a wastewater discharge inspection without notice and **all costs for city-ordered inspections and reports shall be responsibility of licensed marijuana product manufacturing facility.** The licensed marijuana cultivation establishment shall pay all costs for related inspections and reports established by an independent testing laboratory acceptable to the PW Director. **Fee will be set by the licensed laboratory or inspector and paid for by the licensee.**

- LDC Section 3.15 E (4c) re: discharge conformance standards testing; The PW Director may order a wastewater discharge inspection without notice, and all costs for city-ordered inspections and reports shall be the responsibility of the licensed marijuana cultivation establishment. The licensed marijuana cultivation establishment shall pay all costs for related inspections and reports established by an independent testing laboratory acceptable to the PW Director. Fee will be set by the licensed laboratory or inspector and paid for by the licensee.

As noted in the LDC standards, all required building permit fees, sign permit fees, conditional use application fees, etc. shall be paid by the applicant and are not included in the marijuana facility licensing fee.

The annual renewal fee will provide for the yearly or on-going semi-annual inspections conducted by City personnel. Any additional enforcement actions will be covered by the sales or excise taxes collected and paid by the facilities and incorporated into the City General Fund. These additional costs will be reviewed by Staff and Council during the annual budget development process.

Thank you for your consideration of the proposed fees.
Gail