RESOLUTION NO. 14
SERIES OF 2017

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF CARBONDALE, COLORADO, APPROVING STIPULATED ADDITIONAL CONDITIONS FOR SPECIAL USE PERMIT FOR LAUGHING DOG GROUP, LLC MARIJUANA INFUSED PRODUCT MANUFACTURING FACILITY IN LIEU OF FURTHER PROCEEDINGS CONCERNING REVOCATION OF SAID SPECIAL USE PERMIT

WHEREAS, on October 27, 2015, the Town of Carbondale’s Board of Trustees approved a Special Use Permit for a Marijuana Infused Product Manufacturing Facility to be located within Units LL4 and UL 2 and 3, Lots 11 through 133, Village Business Center, Carbondale, Colorado (with a business address of 500 Buggy Circle); and

WHEREAS, the approved Special Use Permit was recorded in the office of the Garfield County Clerk & Recorder on December 16, 2015, Reception No. 871480; and

WHEREAS, sub-section C.3 of the approved Special Use Permit requires “that the facility shall significantly control or mitigate any odor, waste water, and hazardous material impacts to the Town and surrounding properties;” and

WHEREAS, Laughing Dog Group, LLC, has operated a Marijuana Infused Product Manufacturing Facility pursuant to the Special Use Permit in 2016 and 2017; and

WHEREAS, after Town staff received numerous odor complaints about this facility, on October 10, 2017, the Board of Trustees convened a public hearing concerning potential revocation of this Special Use Permit due to alleged violations of its terms by the holder, Laughing Dog Group, LLC pursuant to Sub-Sections 4.3.4.S.3, 4.3.1.F and 1.8.3.B of Title 17 of the Carbondale Municipal Code (a/k/a the Town’s “Unified Development Code”); and

WHEREAS, on October 10, 2017, after receiving evidence from Town staff, Town police, the permit holder and various other individuals, the Board of Trustees determined to continue the public hearing until November 14, 2017; at that time the Board of Trustees also directed the Town prosecutor and the permit holder to explore whether stipulated conditions might be agreed to in lieu of the Town taking further action concerning revocation; and

WHEREAS, without admitting or denying the various allegations pertaining to alleged violation of the Special Use Permit to date, the Town prosecutor and the permit holder have proceeded to negotiate a list of stipulated proposed additional conditions of the Special Use Permit, a copy of which Stipulation and Agreement is attached to this Resolution as Exhibit A, and submitted the same for approval by the Board of Trustees; and
WHEREAS, after receiving additional input from Town staff, and any additional public comment, the Town Board finds and determines that it is in the interest of the public health, safety and welfare for the Town to accept and adopt the conditions listed on Exhibit A as additional conditions of the Special Use Permit, rather than further consider revocation of said permit at this time.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Town of Carbondale, Colorado, that:

1. The Board of Trustees hereby approves and adopts the additional conditions listed on the attached Exhibit A (Stipulation and Agreement) as additional terms and conditions of the Special Use Permit recorded at Reception No. 871480.

2. The Board of Trustees’ approval of said additional conditions shall have not limit or amend the Town’s rights to review future renewals of the Special Use Permit or the marijuana license associated with the facility operating pursuant to said permit, or to pursue further enforcement or revocation of said permit should there be future violations of Town Code requirements or permit conditions.

3. A copy of this resolution shall be recorded in the Office of the Garfield County Clerk & Recorder to provide notice to third parties of the additional conditions that shall be imposed upon the Special Use Permit.

INTRODUCED, READ, AND PASSED this 14th day of November 2017.

THE TOWN OF CARBONDALE

By: Dan Richardson
Mayor

ATTEST:
Cathy Derby, Town Clerk

SEAL
BEFORE THE TOWN OF CARBONDALE, COLORADO
BOARD OF TRUSTEES

In the Matter of the Request to Revoke
the Special Use Permit of
Laughing Dog Group, LLC

STIPULATION & AGREEMENT

Town Prosecutor (in consultation with Staff) and Steven Garcia (in his capacity as owner
of Laughing Dog Group, LLC, referred to as “LDG” and “Applicant”) have agreed to the addition
of the following conditions to the current Special Use Permit held by LDG:

13. That the Applicant shall cease use of the oven on premises until a proper hood
has been installed, inspected and approved by the Town Building Inspector. This
shall be accomplished on or before December 31, 2017. That the Applicant shall
install and use additional appliances and equipment in compliance with the
Building Code or be subject to immediate abatement.

14. That the Applicant shall obtain a written report, on or before November 10,
2017, from a mechanical engineer in relation to odor mitigation at the facility. Said
report shall contain the following information: (1) inspection of the b-vent at the
adjacent facility (Novus Auto Glass), which is connected to an air handling unit in
the corner of the Novus garage, to ensure that odors from the facility are not
entering the adjacent garage at this location; (2) if odors are entering the adjacent
facility from the b-vent, identify what is the recommended action to mitigate the
odor seepage; (3) whether additional air sealing can be done and if so, how and
where; (4) whether any other testing would assist in odor mitigation; (5)
recommended air cooling system which will meet the odor mitigation requirements;
(6) recommended mechanical servicing contract terms for long-term maintenance
of odor mitigation; and (7) whether replacement of carbon filters should be tied to
a timeframe or the weight of the filter given the size of the facility, number of
employees and feasibility of implementation.

15. That the Applicant shall contract with a mechanical company to comply with
the mechanical engineer’s recommended long-term maintenance plan related to
odor mitigation at the facility.

16. That the Applicant shall maintain on premises written documentation of
compliance with the mechanical contract related to odor mitigation. Additionally,
Town staff shall be permitted to inspect the documents immediately upon request
during normal business hours of 9:00 a.m. to 5:00 p.m., when facility is open.

17. That the Applicant shall provide regular reports from a mechanical engineer
which shall state the date of inspection and findings related to the functionality of
the air handling system in addition to the Applicant’s adherence to the odor

Page 1 of 2
mitigation plan provided by the mechanical engineer’s November 2017 report. Said reports shall be provided to the Town every month for four months, due on the 15th of each month, starting on November 15, 2017. Thereafter, the reports shall be provided to the Town bi-monthly, on the 15th of every other month, with the last report due on the November 15, 2018. The Applicant shall bear all costs related to the contracting of the mechanical engineer and provision of all reports to the Town. The mechanical engineer shall provide the reports directly to the Town. If the reports are not provided by the mechanical engineer as required, the Town shall give notice to the Applicant, who shall provide the reports directly to the Town within five business days.

18. That the Applicant shall address the air cooling issue which will meet odor mitigation requirements with proof to the Town on or before January 31, 2018. The air cooling system shall remain operational at all times it is in use, but nothing in this requirement shall require its use.

Town Prosecutor and LDG request that these stipulated conditions be considered by the Board of Trustees and added to the current Special Use Permit.

Stipulated and agreed this 7th day of November, 2017.

BY: TOWN PROSECUTOR

[Signature]

Angela M. Roff

BY: LAUGHING DOG GROUP, LLC

[Signature]

Steve Garcia