



Designated Consumption Area Licenses Update

February 12, 2018

Department of Excise and Licenses

Marijuana Special Issues Committee



Designated Consumption Area (DCA) License Eligible Businesses

I-300 allows businesses to designate an area for social cannabis consumption. Using data provided by DRCOG and working with GIS, we have approximated of the number of potentially eligible existing businesses based on location.

About 30% of all Denver businesses are potentially eligible for a DCA license.

I-300 Examples of Potentially Eligible Outfits

Business Type	Total Denver Count	Percentage Eligible	Count Eligible
ART GALLERIES & DEALERS	130	27%	35
BEAUTY SALONS	413	23%	97
BOOK DEALERS-USED & RARE	18	50%	9
BOOK DEALERS-RETAIL	35	23%	8
COFFEE & TEA	88	27%	24
COFFEE SHOPS	34	24%	8
HEALTH CLUBS STUDIOS & GYMNASIUMS	74	31%	23
HOTELS & MOTELS	91	26%	24
MANICURING	117	26%	31
MASSAGE THERAPISTS	126	30%	38
SPAS-BEAUTY & DAY	27	33%	9
TATTOOING	49	18%	9
YOGA INSTRUCTION	39	26%	10

Federal Guidance

- MJ illegal under federal law
- “Strict rules and robust enforcement”
- 2012 - Feds shut down 47 MMJ dispensaries within 1000' of schools

State Laws and Rules

- Not allowed on liquor-licensed premises
- Not allowed on marijuana-licensed premises
- Only marijuana-licensed businesses allowed to sell MJ; so must be BYOC
- No smoking indoors (Colorado Clean Indoor Air Act)
- No public consumption of MJ

Initiative 300 Ordinance Language

- Have to have an existing underlying business or event
- Can't be within 1000' of a school
- Evidence of Community Support
- Community Engagement Plan
- Health and Sanitation Plan
- Responsible Operations Plan
- Only 21+

EXL Rules

- Fleshed out I-300 requirements and State laws and rules
- Not on public property
- Can't be within 1000' of childcare, city-owned pools and rec centers and treatment facilities

Eligible for a Designated Marijuana
Consumption Area



Designated Consumption Area (DCA) License Applications and Inquiries

Although EXL has not received any inquiries from existing businesses, we have received and responded to 13 inquiries from potential applicants who want to establish an underlying business for the purpose of obtaining a DCA.

- 2 have submitted applications
- 5 had identified eligible locations
- 4 had not yet identified a location
- 2 inquired about rules and regulations for “mobile units” (no designated location)

Feedback gathered from inquiries and applications

They want to have liquor and since not allowed by state law, no longer interested

They want to have indoor smoking and without it, not sure about interest from customers

Difficulty obtaining neighborhood support, responses

Unable to obtain approval from the property owner

Permitting processes, meeting building and fire codes, obtaining a C.O., etc.)

Start-up costs associated with opening a new business

Difficulty finding investors interested in a pilot program



Questions?