

From: evan@honeypotlounge.com <evan@honeypotlounge.com>
Sent: Friday, January 25, 2019 2:04 PM
To: Black, Kendra A. - CC Member Denver City Cncl <Kendra.Black@denvergov.org>
Subject: [EXTERNAL] Fwd: Social Consumption Vote

Councilwoman Black,

Thank you for taking the time to read this email.

My name is Evan Butman, and I am one of the founders, and CEO of Dean Ween's Honey Pot Lounge.

I am writing you because you sit on the Marijuana Committee, and will be discussing the recommendations made by the Social Consumption Task Force on Monday.

Dean Ween's Honey Pot Lounge began two years ago, as a concept that would bring live entertainment and social consumption together. Novel idea, I know. As our bandleader and entertainment director Dean Ween once said in an interview with Rolling Stone, "People have been smoking pot at concerts since the stone age."

Our goal is to be the first ones doing it legally.

We created a model which involves a partnership with two social consumption experts, Cannabis industry veterans, Compliance guru's and an artist who headlines Red Rocks on a yearly basis.

Not an easy feat, but as well all know, social consumption business models need to get creative in order to succeed, and I think all of us vying for a spot will agree, this was the easiest part of the journey.

The real issues started arising once we all began putting this model in place. From the get-go, Dean Ween's knew we would have to find a very unique investor, one that was willing to extend a great deal of faith in The City of Denver. Current rules have the social consumption pilot ending in two years. If Denver fails to act, all investment could be moot, if the program suddenly ends, with no extension or replacement in sight. It's hard for a business to honestly project five years of financials, knowing the whole business could be kaput in 24 months. By extending or replacing, you would allow us, and other social consumption models to seek the proper amount of financing required to do social consumption correctly.

Once we all realized that to make this happen quickly was to self-fund, next came the issue of location. While we have all seen the "Green Zone" maps, let me tell you, I have lived them. Yes, there is a lot of space available off I-70, in the industrial areas, but for a business who lives and dies by accessibility, these locations are not suitable for most social consumption concepts.

I can also tell you that the reality is, it made more sense to seek out neighborhood approval before finding a location. Given that these "green zones" are fairly similar to the disbursement of cannabis business, most neighborhoods within these green zones, and not in industrial districts, have no interest in seeing more cannabis business in their boundaries. I can't tell you how many times we would not even be granted a meeting or phone call to discuss our concept, before voting us down outright. That is their right, and we respect it, but it does make for a difficult search.

When we finally found a neighborhood that not only wrote us a letter of support, but actively wants us there, the neighborhood itself was difficult to find space in, due to the restrictive distance requirements put forth on TOP OF the voter approved requirements. If Council only got rid of the recreation center distance requirement, which is even more restrictive than dispensaries and grows I might add, our ability to move into a welcoming neighborhood would be almost certain. If council took the task force's recommendations, and set 500 ft. distance requirements for all but schools, we would feel confident that any social consumption applicant could find acceptable space much easier.

Nobody in social consumption is seeking anything controversial. Denver voters overwhelmingly approved of I-300, with regulations already written in the language. And while we believe the added regulations had its heart in the right place, it has proven to be detrimental to a business model which by all accounts should be thriving right now.

It is my understanding that these additional rules and regulations were put in place to counter the potential flood of social consumption business that the city foresaw.

It didn't happen. Instead you have two open facilities that are going to struggle to make ends meet.

Dean Ween's will be filing its application next week, and I can attest, this was not an easy feat. On top of it, we had to adjust our business model significantly, in order to avoid the same pitfalls as our competitors.

By approving the task force's recommendations, such as addressing the sunset, changing distance requirements" lowering fees for special events, and allowing the tour bus business model, it is our belief that the social consumption pilot program will be given a fair chance to succeed and change this city for the better. By allowing social consumption to thrive, the city of Denver will remain on the forefront of cannabis legalization, as well as addressing public concerns like tourist overconsumption, public consumption, and "private clubs" operating without oversight.

Please do not wait for state legislation to deal with social consumption, because it will just punt this back to city council anyway. Let's get this done while Denver still has time to be innovators.

Thank you again for your time and attention. If you would like to discuss social consumption, or have any questions, please don't hesitate to reach out.

Evan Butman
CEO
Evan@honeypotlounge.com
(303)842-3724