

[Back](#)

Article published Sep 9, 2011

What it won't cure: Red-tape headaches

Medical marijuana suppliers say rules are threatening to sink them



Photo by: JERRY McBRIDE/Durango Herald

An employee works with marijuana plants in the growing area at Medical Marijuana Services. Laws that went into effect July 1 now require medical marijuana dispensaries to grow 70 percent of their product and install 24-hour video security cameras.

By Jordyn Dahl
Herald Staff Writer

Local medical marijuana dispensaries say they're barely breaking even after the latest round of Colorado's ever-changing regulations bumped up the cost of doing business.

House Bill 1074, which went into effect July 1, required medical marijuana dispensaries to grow 70 percent of their product, install 24-hour video security cameras and slightly relaxed requirements that employees be state residents with clean criminal records.

The bill also made the location of large growing operations – known as optional premises – public but kept the location of private caregivers' plants secret.

"I don't think people who are following the rules are making any money," said Joelle Riddle, office manager for Medical Horticultural Services. "It's expensive."

Riddle, a former county commissioner, said the store has never had trouble growing 70 percent of its product, but installing security cameras and licensing fees have been a huge expense.

The store needs 12 cameras to meet regulations and each costs about \$1,500. Despite the

relaxed requirements for employees, they still have to pass a background check and get fingerprinted, which costs \$26.

Riddle isn't alone in her concerns.

"We're all just doing business to stay alive," said Travis Pollock, Nature's Own Wellness Center owner. "I think the community feels like the industry is a cash cow when realistically it's a harder business to stay alive in, opposed to a regular facility selling jeans."

Pollock has three cultivation sites and two centers: one in Durango and another in Cortez. He originally had eight sites but La Plata County land-use regulations forced him to consolidate into three.

He said his center has no trouble cultivating 70 percent of its product but the new regulations have decreased the number of strains of marijuana the center can offer.

"Realistically we produce about 90 percent of our medicine," he said. "The biggest downfall of 70/30 is not providing the same amount of variety."

But Riddle and Pollock said they're here to stay, despite the new regulations. City Manager Ron LeBlanc said he thinks he knows why.

The city's code enforcement is in charge of conducting random checks at the centers to ensure they are complying with all the regulations.

LeBlanc said five centers have received violations but not for anything major. One center put fliers on the windshields of cars at Fort Lewis College, which isn't allowed under the center's business license.

LeBlanc said the centers cooperate with code enforcement and pay the violations because they are making a lot of money and it's to their advantage to cooperate.

"I've had conversations with officials in other cities and been to workshops in the industry," he said. "I think it's very lucrative."

The other offshoot of the most recent law changes is the public can now request a list of locations for the centers' optional premises, but Riddle and Pollock said it hasn't been an issue for them.

Medical Horticultural Services is the only center that has a cultivation site in city limits. The center was grandfathered in because it had a business license before the city decided to outlaw growing sites within the city limits.

La Plata County has four approved growing locations and three more applications in the process, according to Carolyn Pakeltis, planner with the La Plata County Planning Department.

"These few applicants are in comparison to the approximate 100 initial preapplications the Planning Department received last June," Pakeltis said in an email. "It appears most of them were speculators who didn't want to pay the state application fees with so much uncertainty."

Riddle said the center has never had issues with its neighbors or with theft.

Pollock went to his potential neighbors before building any of his cultivation sites or centers.

“I have one cultivation site where I actually did a whole neighborhood meeting and went out and advocated to surrounding property owners to come in and speak with me about their concerns,” he said.

He called the meeting a success and said most people didn’t have a problem with the product but were concerned with security surrounding the center.

“With the new state requirements, it was pretty easy to address those concerns,” he said.

But one owner said the growing locations released to the public are a safety concern for his workers with potential break-ins.

“It hasn’t been a problem, and I hope it doesn’t lead to potential problems,” Durango Organics owner Jonny Radding said.

Radding said his neighbors aren’t aware they live next to a growing facility and said issues could arise if they find out.

The centers are still working to comply with the newest regulations, but that doesn’t mean there won’t be more in the future.

“I keep thinking I see lights at the end of the tunnel, and then I have to adapt again,” Pollock said.

jdahl@durangoherald.com



Photo by: JERRY McBRIDE/Durango Herald

Joelle Riddle, office manager for Medical Horticultural Services, describes, Bio Track THC, a computer software program that is used as a sales-tracking system at the business. The software also tracks the actions of all employees, by their fingerprints, in the office and in the growing operation. The state can remotely access the program at any time. The video camera Riddle is pointing to records all transactions on the computer screen in the dispensary room.



Photo by: JERRY McBRIDE/Durango Herald

Every plant grown at Medical Horticultural Services has an individual bar code tag attached to it for tracking.



Photo by: JERRY McBRIDE/Durango Herald

Every plant that is grown at Medical Horticultural Services has an individual bar code tag attached to it for tracking purposes.



Photo by: JERRY McBRIDE/Durango Herald

A employee works with Marijuana plants in the growing area at Medical Marijuana Services on Sept. 1st.
