

State OKs plan for growing pot in Taos

By Andrew Oxford

The Taos News, 11/5/2015

One hundred and fifty marijuana plants could be budding at a facility on Salazar Road next summer with a thumbs-up from state officials after the New Mexico Department of Health announced last month it will issue a license to one of two groups that applied to grow pot as part of its medical cannabis program.

The license comes as a growing number of Taos County residents obtain cards to buy marijuana for medicinal purposes.

But the selection of Southwest Wellness Center, backed by a former mayor and represented by a former member of the Public Regulation Commission, has raised questions about the state's hazy process for licensing growers.

The possibility of growing medical marijuana on a large scale in Taos became a reality March 5, when the Department of Health announced it would accept applications from groups wishing to become licensed nonprofit producers.

The department manages New Mexico's medical cannabis program, which allows patients with qualifying health conditions to obtain a card for the legal purchase of marijuana from a regulated dispensary. With 21 qualifying conditions — chronic pain and post-traumatic stress disorder being the most common — the number of cardholders has grown substantially in recent years.

There were 8,206 medical cannabis patients at the end of 2012 and 18,628 by Oct. 28, according to health department data. Taos County had 541 cardholders at the end of last month, an increase from 191 at the end of 2012.

But the department had not issued new licenses for largescale producers since 2010, leading to what some patients and their advocates decried as a shortage of medical cannabis.

There were 23 licensed nonprofit producers as of mid-August with a total of 4,447 plants. None of the producers were located in Taos County, though a dispensary operated by one Santa Fe-based nonprofit opened here earlier this year.

With the market seen as ripe for production in Taos, two groups from the area submitted applications for licenses.

The application was extensive, requiring groups submit a \$10,000 fee (refundable up to \$9,000) and a production plan replete with details of the facility and equipment that would be used right down to diagrams of the property. The application also required groups submit a business plan

and plans for sales, distribution, security as well as quality assurance. Groups were required to submit detailed information regarding personnel and finances, too. The application required a report from a surveyor or zoning official guaranteeing the prospective production facility did not fall within 300 feet of a school, church or daycare center.

At the end of August, the Department of Health announced a four-person committee narrowed the pool of applications from 86 to 17.

On Oct. 5, the department announced it would award a license to only one group from Taos, along with 11 other applicants from around New Mexico.

Much about the winning applicants remains a mystery.

The Department of Health will not disclose the names of licensed producers and only makes such information available to patients.

But a nonprofit group in Taos noted on records filed with the Secretary of State's Office that it applied for licensing as a medical cannabis producer.

Acceptance

Jason Marks, a lawyer and former member of the New Mexico Public Regulation Commission, says he has seen for himself the growing acceptance of marijuana as a medicine. Marks now represents Southwest Wellness Center, the Taos nonprofit that received a nod last month from state officials to grow marijuana.

One acquaintance — a law enforcement officer struggling with chronic pain — found cannabis a better alternative to prescription opioids, he recounted.

“At first, the people adopting it were people already receptive to it,” Marks said. “As word has gone around that it is effective medicine, you’ve seen people who are maybe skeptical of medical cannabis find there’s effective relief and that it’s not as debilitating as some of the alternatives.”

The group’s plans call for purchasing part of what is now the Taos County Economic Development Center at Bertha Lane and Salazar Road, according to Marks.

There, Southwest Wellness Center will start production with a crop of 150 marijuana plants and provide a full range of products including extracts as well as edibles, he said. The facility will include a dispensary and provide between three and five full-time jobs with additional part-time work on an as-needed basis, according to Marks.

Southwest Wellness Center was formed earlier this year by entrepreneurs Clint and Jeraldine Crawford. Records filed with the Secretary of State’s Office say the board also includes Natalie Anderson, El Prado dermatologist Dr. Marshall Reich and Darren M. Cordova, the former mayor of Taos.

“It can grow,” Marks said “It’s not going to grow to the size of the larger producers down in Albuquerque because the market’s not big enough but Clint and Jeraldine [Crawford] feel a lot of dedication to Taos.”

The production facility is not likely to be operational until the spring or summer as the property requires renovation, Marks indicated.

“It takes some work. It’s not just putting up lights in the closet,” Marks explained.

But the organization cannot move a single seed into the facility until a charter school vacates a neighboring building.

Taos Integrated School of the Arts rents two buildings at the economic development corporation, one for an elementary school campus and another for its after-care program. The school hoped to purchase the property but Jill Cline, president of its governing council, said those plans fell through.

The school later agreed to vacate its space at the Taos County Economic Development Corp. if Southwest Wellness Center was granted a license to produce marijuana at the facility.

“We didn’t want to stand in the way of what appeared to be a real opportunity for TCEDC,” Cline said.

The school is currently spread across two locations but aims to consolidate on one campus at an as-yet-undetermined property, she noted.

TISA will stay put until the end of the school year, Cline confirmed, though it will vacate the building to be used by Southwest Wellness Center.

Hazy process

Backers of the other local group that applied for a license from the Department of Health this year are wondering why their proposal was not approved and suspect politics had something to do with it.

Mountain Medicinal Group has not been able to confirm whether it was among the finalists but Department of Health Secretary Retta Ward did not sign off on its application, according to Pascualito Maestas, one of its founders. Maestas wants to know why.

“We were suspicious,” he said. “We had a very strong application. It was a very strong board with lots of nonprofit experience. We really feel like it came down to political connections and that was confirmed for us when we saw who was on the board behind the winning application.”

Mountain Medicinal Group, Inc. was formed in April 2014 by Maestas, a veteran, as well as small business owner Lisa Gordon-Romero. Its board consists mostly of veterans and the group planned on hiring former service members, according to Maestas.

Like Southwest Wellness Center, Mountain Medicinal proposed starting with 150 plants, Maestas said, adding the crop would be all organic.

Its facility would have been based just a few blocks away from TCEDC near Stray Hearts Animal Shelter, where the group planned to construct a new building, according to Maestas.

And the nonprofit planned to donate thousands of dollars in revenue each month to local community groups, he added.

Despite Taos County only having 541 residents enrolled in the state's medical cannabis program, Maestas said there would be plenty of demand for the organization's crop.

"Even if we saturated our demand in Taos, we could fill our demand at dispensaries around the state," he said.

But with the state refusing to release the applications of other groups or even identify licensees, many observers are left wondering why the state chose the applications it did.

"If we were denied our application and someone else had a legitimately better application, we'd be OK with that," he added.

"How do we know if there is favoritism if the whole program is clouded in secrecy?" said Susan Boe, executive director of the New Mexico Foundation for Open Government.

The New Mexico Foundation for Open Government joined journalist Peter St. Cyr earlier this year in filing a lawsuit against the Department of Health, seeking an order declaring invalid the department's rule providing confidentiality for medical marijuana producers. The suit also asked for an order directing the department to release names of the organization.

Less than one week after the lawsuit was filed, Gov. Susana Martinez directed the Department of Health to rewrite its rule on confidentiality for medical cannabis producers. Boe said the New Mexico Foundation for Open Government is now in talks with the agency to revise the rule.

A spokesperson for the Department of Health said Wednesday (Nov. 4) the changes are anticipated soon.

Boe said that while she has only heard rumors about politics influencing decisions regarding the medical cannabis program, she argued the broader issue at stake is ensuring New Mexicans know and understand how the program is administered.

Releasing the names of medical marijuana producers would be a public service, providing those with prescriptions information about where they can get their medicine, she said.

Boe also suggested the entire licensing process should be open and include opportunities for public input, similar to the process for awarding a liquor license.

While growers may have been concerned sharing such information would make targets of their facilities, Boe suggested the safety concerns are no different for a pharmacy. Meanwhile, producers are already advertising online.

Marks said Southwest Wellness Center intends to operate transparently.

"The Department of Health has said it selected licenses based on an objective scoring of the applications," he replied when asked about suspicions regarding its successful application. "Based on my limited information, I have no reason to believe that it's anything other than the best applications [that] were successful. Neither I nor the board members of the Southwest Wellness Center have any special ties at the Department of Health."

Marks said the department appeared to be trying to find a balance between ensuring enough competition to bring down costs for patients while not flooding the market and pushing producers to sell outside the legal market to survive.