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Denver Collaborative Model

One City's Experience
Managing Marijuana

February 6, 2017



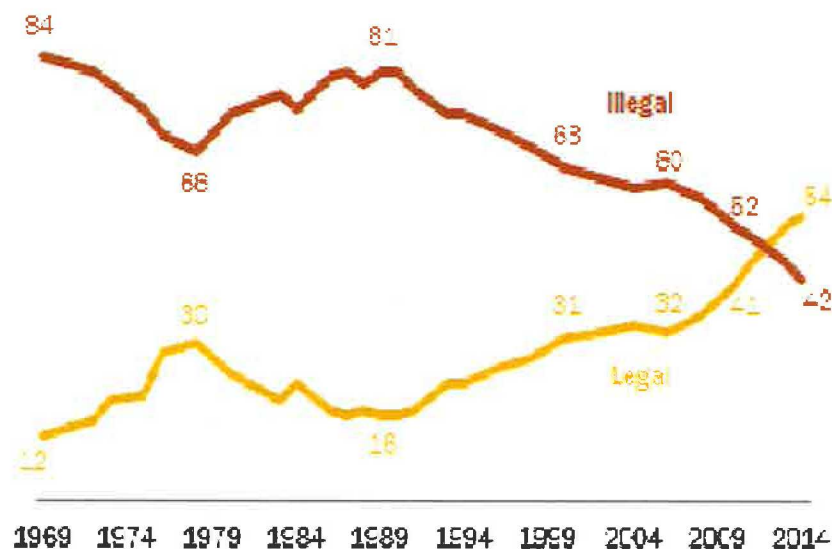


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Legalization Trends

Growing Support for Marijuana Legalization

% saying marijuana should be...

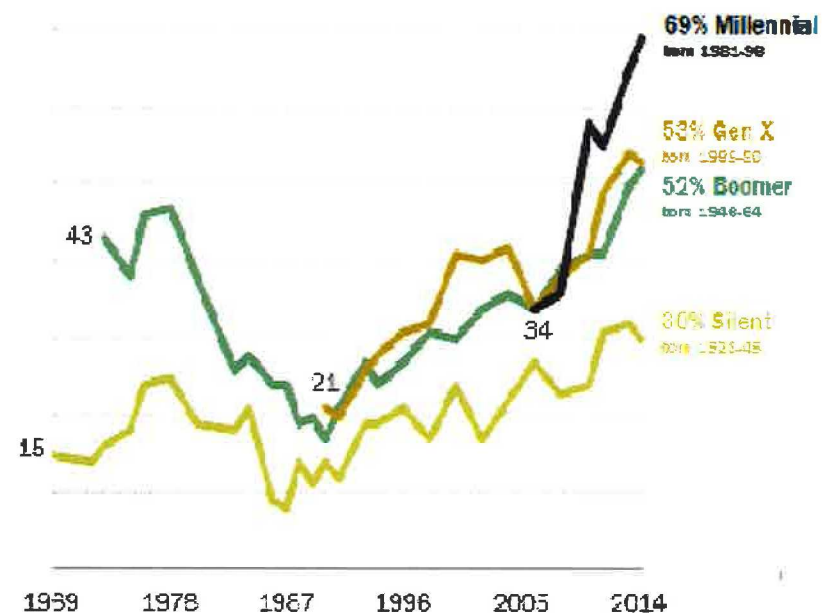


Survey conducted Feb. 12-23, 2014. 1973-2008 data from General Social Survey; 1969 and 1972 data from Gallup.

PEW RESEARCH CENTER

Growing Support for Marijuana Legalization

% saying use of marijuana should be made legal



Note: Generational lines shown when significant sample is available.

Source: Pew Research survey, Feb. 12-26, 2014; 1973-2008 data from General Social Survey; 1969 and 1972 data from Gallup.

PEW RESEARCH CENTER

- **2000:** Voters approve Amendment 20, legalizing medical marijuana
- **2012:** Voters approve Amendment 64, legalizing retail marijuana
- Since the passage of these amendments, the State of Colorado and City of Denver have adopted various laws and regulations governing medical and retail marijuana.
- Retail sales of marijuana began in Denver on January 1, 2014, the first in the country.



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State vs. Denver Responsibilities

- The State regulates matters of statewide concern
 - E.g., licensee requirements, operational requirements, consumer safety, advertising, packaging, labeling, testing, cultivation handling and packaging, etc.
- Local municipalities can opt in or opt out
- Local municipalities regulate matters of local concern
 - Can provide additional requirements related to time, place, manner and number
- Denver opted in
 - Added a local licensing scheme, distance requirements, public hearing process, a phase-in period, specific agency regulations, special sales tax, etc.

- Mission
 - Policy
 - Federal, state and local policy work
 - Citywide Coordination
 - Oversight and coordination of city agencies
 - Liaison
 - Point of contact for external stakeholders such as the State, the community, the marijuana industry, business and tourism associations, healthcare partners, schools, other jurisdictions, the media

Multiple City agencies are working collaboratively on marijuana issues:

Citywide Coordinated Marijuana Team:

- Marijuana Policy Team
- Community Planning & Development
- Excise & Licenses
- Fire Department
- Police Department
- Department of Environmental Health
 - Public Health
 - Environmental Quality
- City Attorney's Office

Citywide Partners:

- Treasury Division
- Parks & Recreation
- Denver 3-1-1
- Technology Services
- Budget and Management Office
- Office of Children's Affairs
- Office of Behavioral Health
- Denver International Airport

- Internal
 - Elected Officials
 - Department Heads
 - Trusted Advisors
 - Team Members
- External
 - Residents and Neighborhood Organizations
 - Consumers
 - Industry
 - Media
 - Governments
 - Working Groups



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Denver Marijuana Landscape

Licensed Business <ul style="list-style-type: none">• Medical / Retail• Taxed / Regulated	# of Licenses	# of Locations
Grows	596	295
Stores + Centers	352	219
MIPs	156	84
Testing Facilities	10	10
Total	1114	481*

*Some locations have several licenses and license types at one location. E.g., one location could have both medical and retail grow licenses, a MIP license and a retail and medical store license. Therefore, the total number of locations will not be a sum of the various location types.

- **Non-licensed**

(Locations mostly unknown, not supposed to be for profit, not taxed)

- Medical MJ Collectives
- Retail MJ Collectives
- Caregivers
- Home Grows
- Illegal Operations

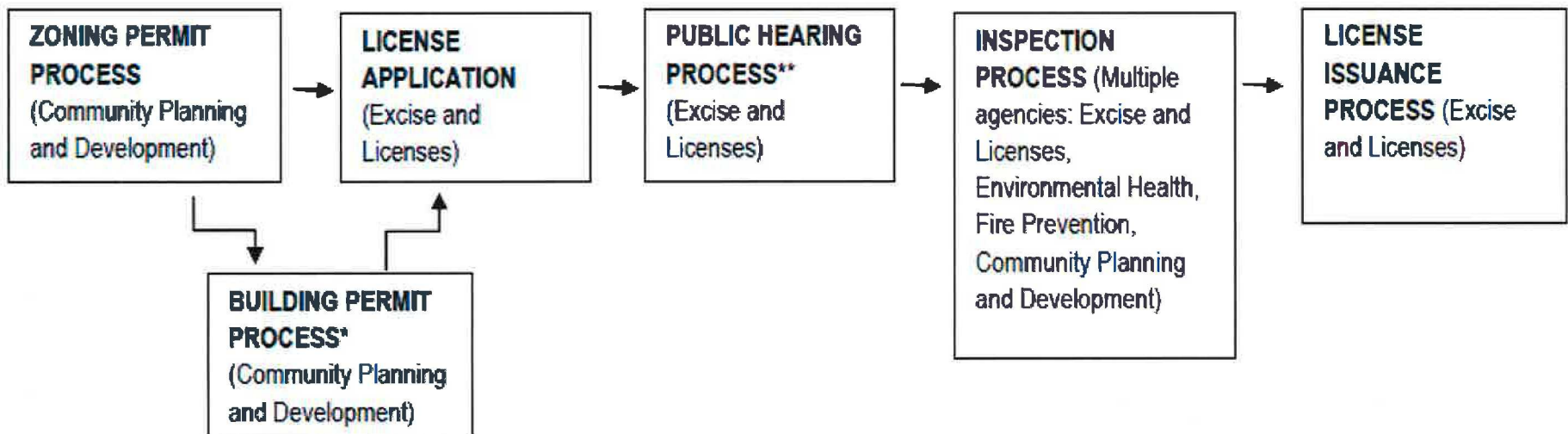


Standard illegal collective grow / fire hazard



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Licensing Process



*Building permits are required in order to modify the premises. Building permits must be finalized before a business license can be issued. However, you may apply for building permits and a business license at the same time.

**Public hearings are only required for Medical Marijuana Dispensaries and Retail Marijuana Stores.

Denver Marijuana Information

Email Campaign Archive

- 01/26/2017 - [Odor Control Plan Deadline Approaching](#)
- 01/19/2017 - [Marijuana Products Recalled Due to Pesticide Residues](#)
- 01/18/2017 - [Social Consumption Advisory Committee begins today](#)
- 01/05/2017 - [Social Consumption Advisory Committee](#)
- 12/29/2016 - [Cannabis Sustainability Work Group Seeking New Members](#)
- 12/02/2016 - [Odor Control Plan Information & Guidance](#)
- 11/10/2016 - [Marijuana Products Recalled Due to Pesticide Residues](#)
- 10/31/2016 - [Office of Marijuana Policy to transition into Denver Excise & Licenses](#)
- 10/24/2016 - [Marijuana Products Recalled Due to Pesticide Residues](#)
- 08/23/2016 - [Marijuana Products Recalled Due to Pesticide Residues](#)
- 08/10/2016 - [Tips for Protecting Your Business](#)
- 08/01/2016 - [Updated rules and regulations](#)
- 07/11/2016 - [Please Take Our Survey](#)
- 06/23/2016 - [Marijuana Products Recalled Due to Pesticide Residues](#)
- 06/14/2016 - [Marijuana Products Recalled Due to Pesticide Residues](#)
- 06/06/2016 - [Marijuana Products Recalled Due to Pesticide Residues](#)
- 06/01/2016 - [Medical Marijuana Products Recalled Due to Pesticide Residues](#)
- 05/31/2016 - [Burglaries to Licensed Marijuana Businesses](#)
- 05/13/2016 - [Marijuana Products Recalled Due to Pesticide Residues](#)
- 05/05/2016 - [Changes to Denver Marijuana Codes](#)
- 04/27/2016 - [Marijuana Products Recalled Due to Pesticide Residues](#)

Denver Marijuana Informational Bulletin

Odor Control Plans Due Feb. 8; Help Available

Jan. 26, 2017

Denver's updated regulations [governing nuisance odors](#) require certain industries, including marijuana cultivation and infused-product manufacturing business, to develop an odor control plan (OCP).

The plans are due to Denver Environmental Health (DEH) by Wednesday, Feb. 8 and can be emailed to EQcomments@denvergov.org.

DEH has been meeting with businesses one-on-one to review the OCPs and provide edits. Due to high demand additional dates have been added, although some of those dates do fall after the Feb. 8 deadline.

In November 2014, the voters approved to establish a 3.5% special sales tax on retail marijuana.

1. Regulation
2. Enforcement
3. Education
4. Programs to prevent the illegal diversion of retail marijuana and retail marijuana products to persons under the age of 21
5. To otherwise pay the expenses of operating and improving the City and its facilities

Broken down, in Denver for 2015, the retail marijuana tax rates were as follows:

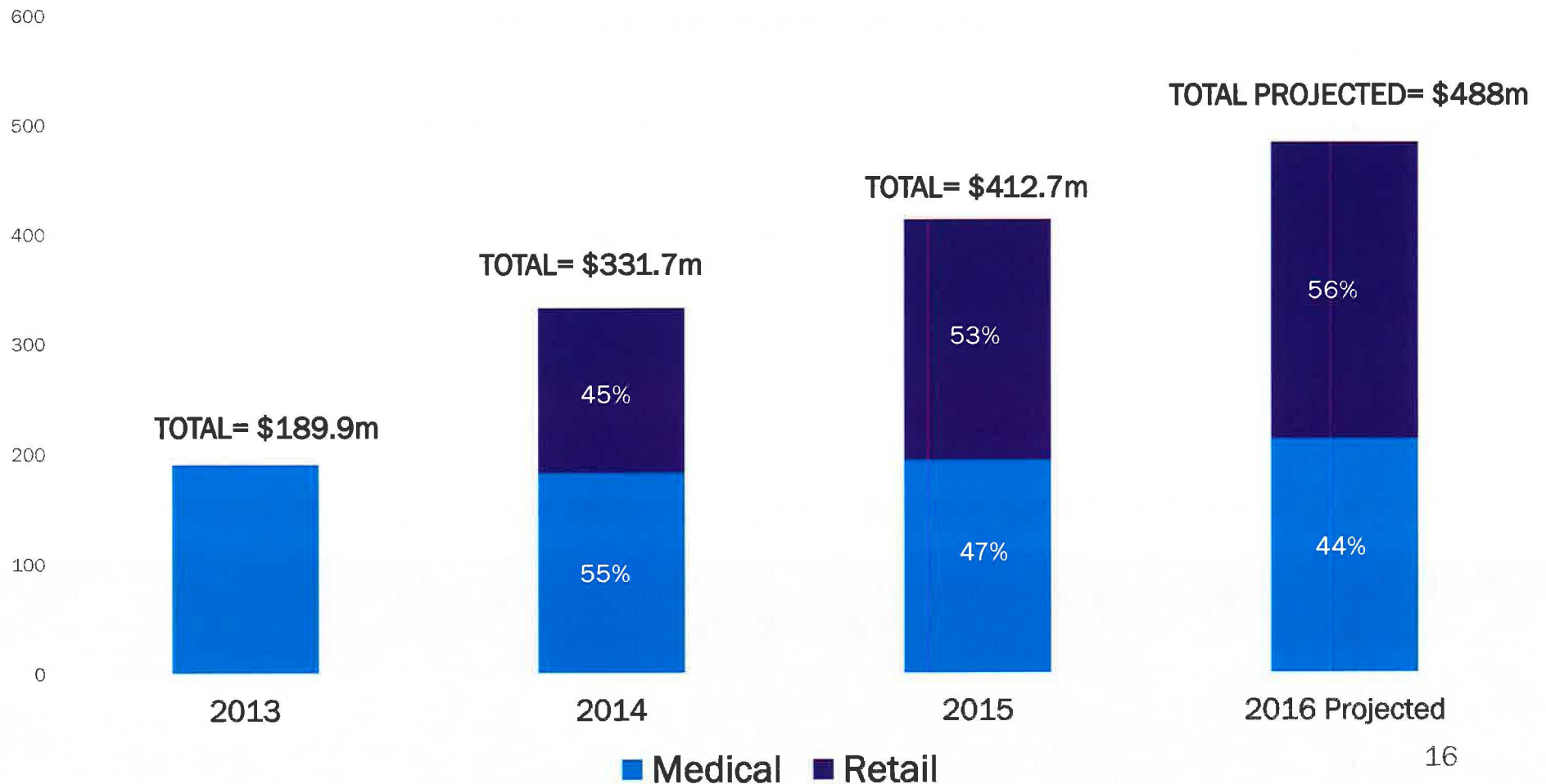
- 7.15% Denver Sales Tax (3.5% special tax and 3.65% standard sales tax)
- 12.90% State Sales Tax (10% special tax and 2.9% standard sales tax)
- 1.00% RTD Sales Tax
- 0.10% Cultural Facilities District
- **Total Denver Retail Marijuana Sales Tax: 21.15%**
- **(Total Medical Marijuana Sales Tax less the special sales tax on retail: 7.65%)**



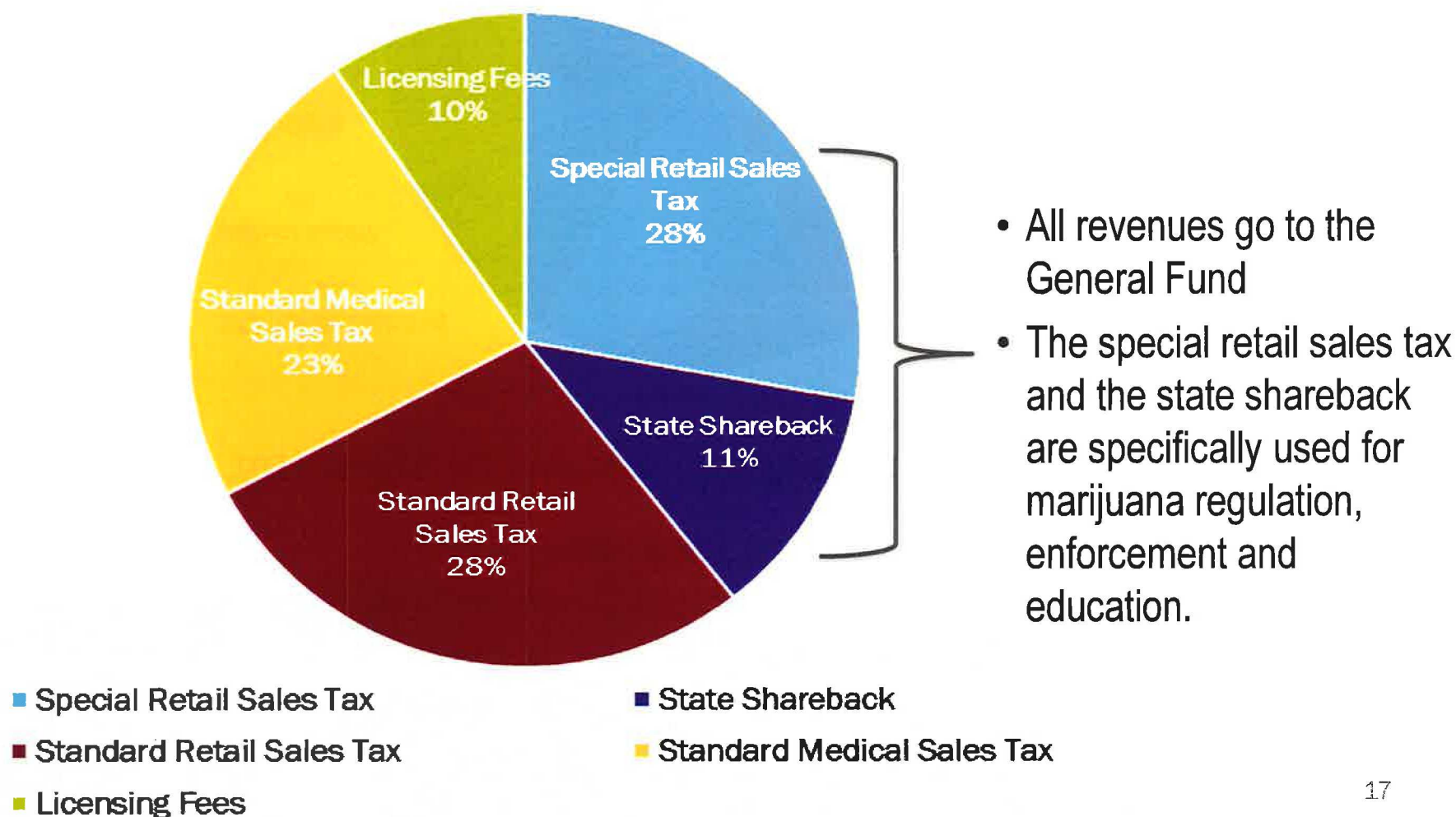
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Marijuana Landscape – Sales

Denver Gross Marijuana Sales

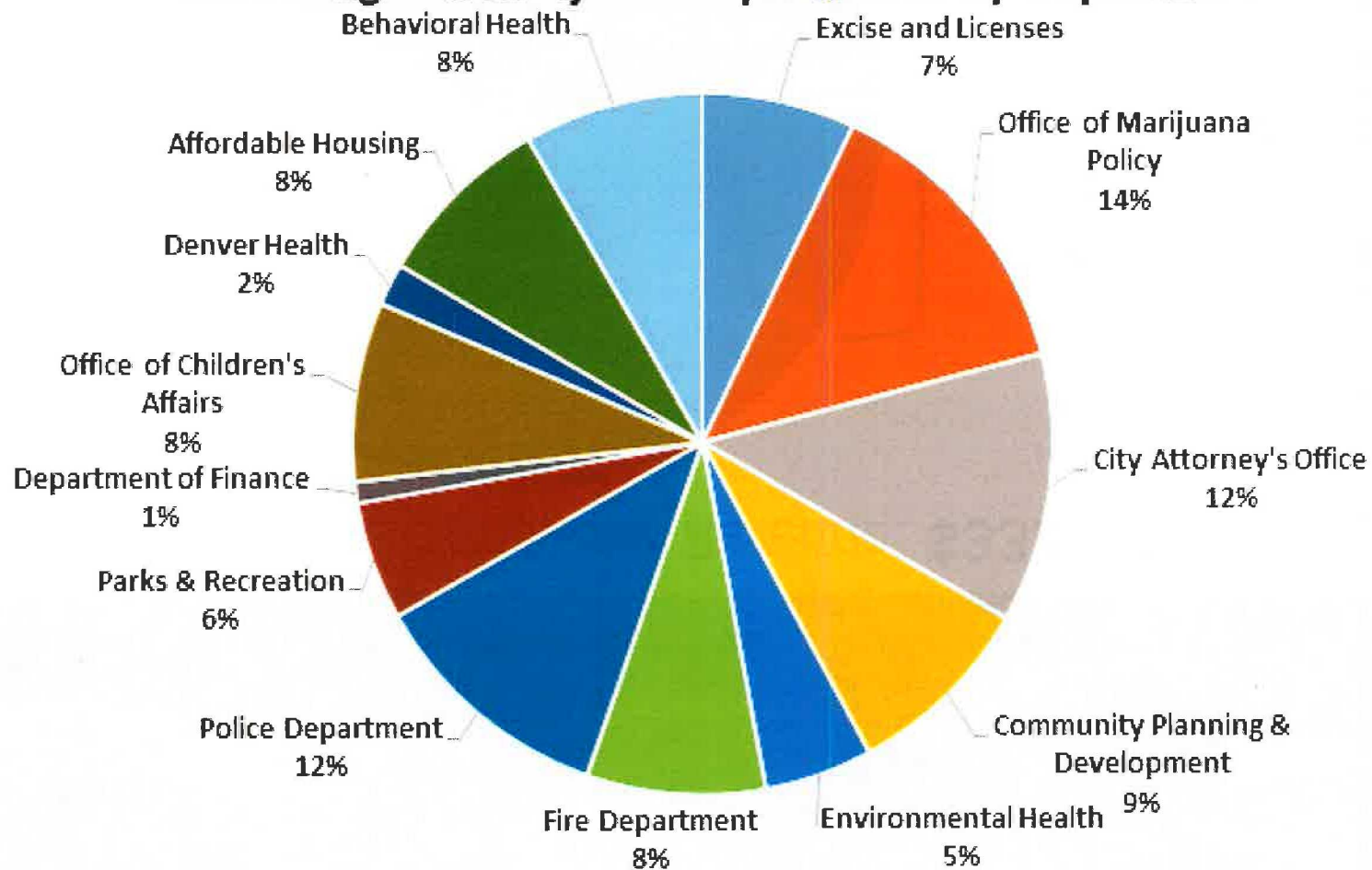


2016 Marijuana-Related Projected Revenue: **\$33.5 million**



Total: \$9.1 Million

2016 Budgeted Marijuana Expenditures-By Department



Youth Prevention/Education

- In both 2015 and 2016, the City allocated \$1.5M of retail marijuana sales tax revenue towards grant programs. The grant funds were set up in two different programs:
 - Healthy Lifestyles for Youth through the Office of Children's Affairs (OCA)
 - Youth Opportunity for Behavioral Health Diversion through the Office of Behavioral Health (DHS).

Assessing the Impact: Challenges

What impact will legalization have on my community?

What are the negative consequences and how can they be mitigated?

What resources are needed to manage legalization?



Assessing the Impact: Challenges

Primary Challenges in Data Collection

- Marijuana has not been tracked.
- Marijuana has not been tracked separately from other drugs.
- Marijuana has not been tracked in a reportable way.
- Databases are incredibly difficult to modify.
- Other factors skew data.



Assessing the Impact

Early findings - legalization's impact on:

- Crime
- The Economy
- Public Health
- Schools
- Youth Perceptions
- Usage Rates

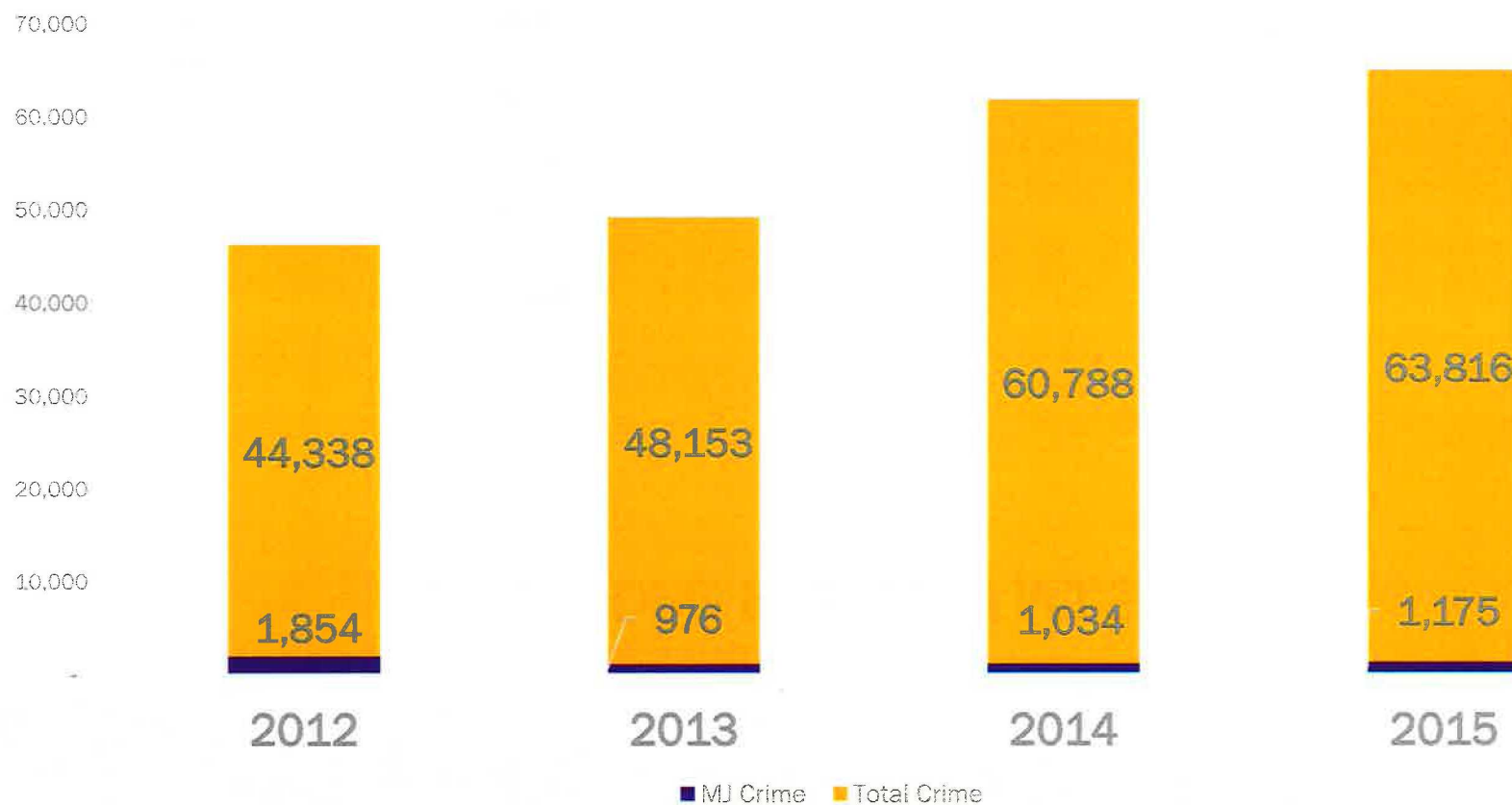




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Assessing the Impact: Crime

Denver MJ Crime Vs Overall Crime

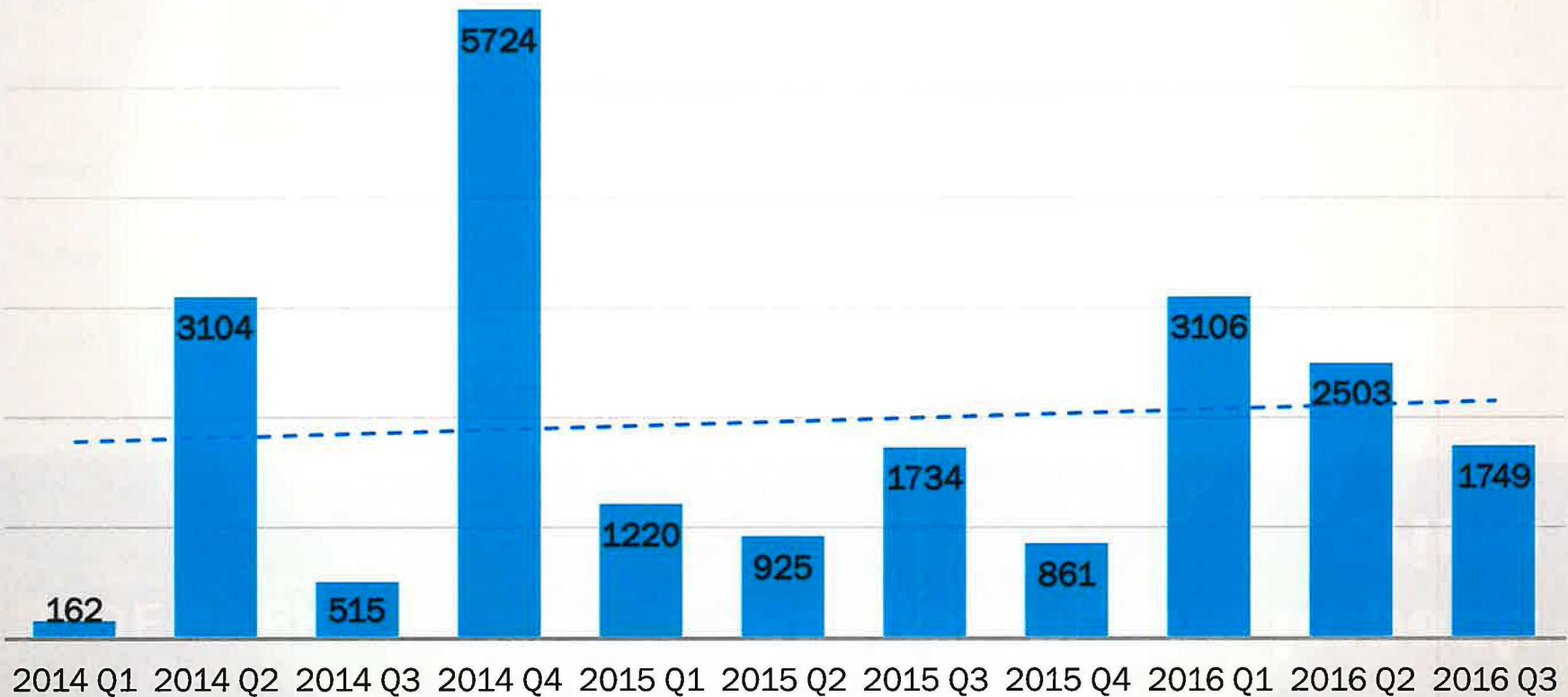




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Assessing the Impact: Crime

Denver - DPD Pounds of MJ Seized

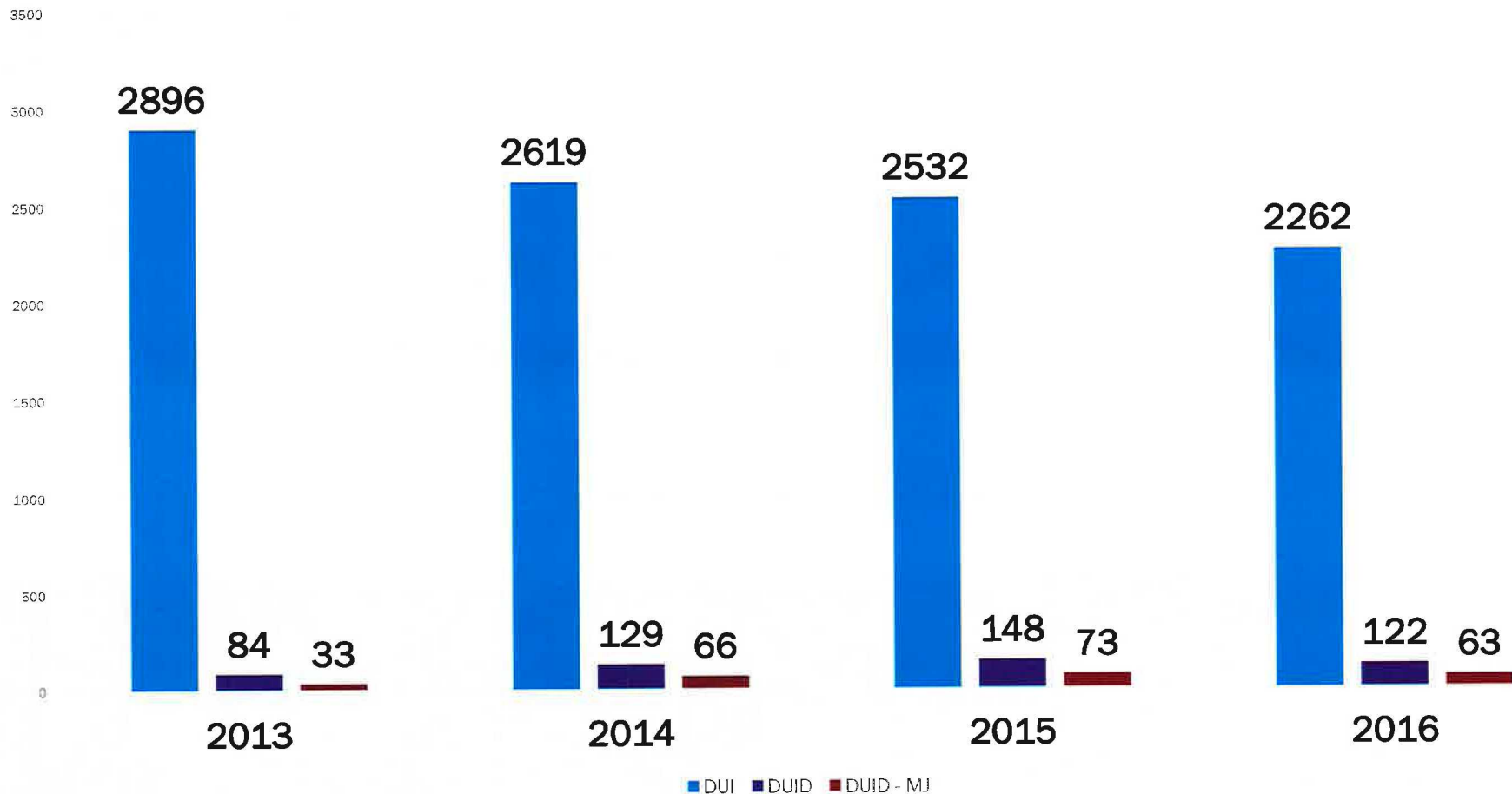




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Assessing the Impact Crime

Denver - Impaired Driving Citations





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Assessing the Impact: The Economy

Fact or Fiction

**Marijuana has singlehandedly turned
around Colorado's economy.**

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Legal marijuana: Colorado's 'Green Rush'

By Aleem Maqsoodi
BBC News, Denver

© 2 August 2014 US & Canada



CBS News / CBS Evening News



60 MINUTES



NEWSMAKERS

*Medical Pot: Will
Colorado's "green rush"
last?*

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**MARIJUANA
IN AMERICA**
COLORADO POT RUSH

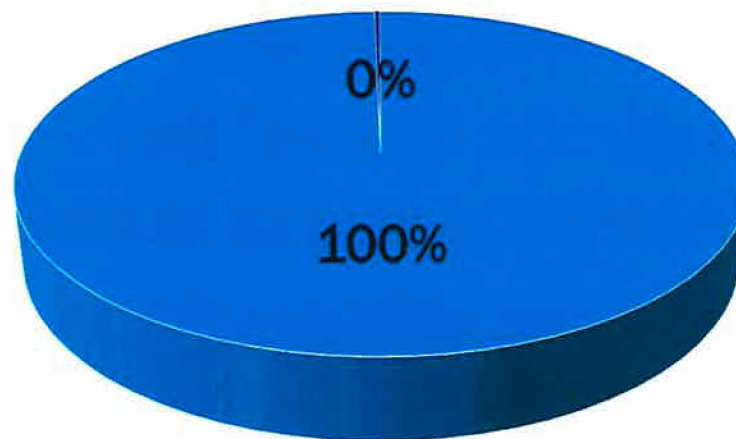


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Assessing the Impact: The Economy

MJ as a Percent of CO Economy		
	2014	2015
CO GDP	\$306 billion	\$333 billion
CO MJ GDP	\$699 million	\$996 million
Percent of State GDP	0.229%	0.299%

2015 - MJ as percent of CO Economy



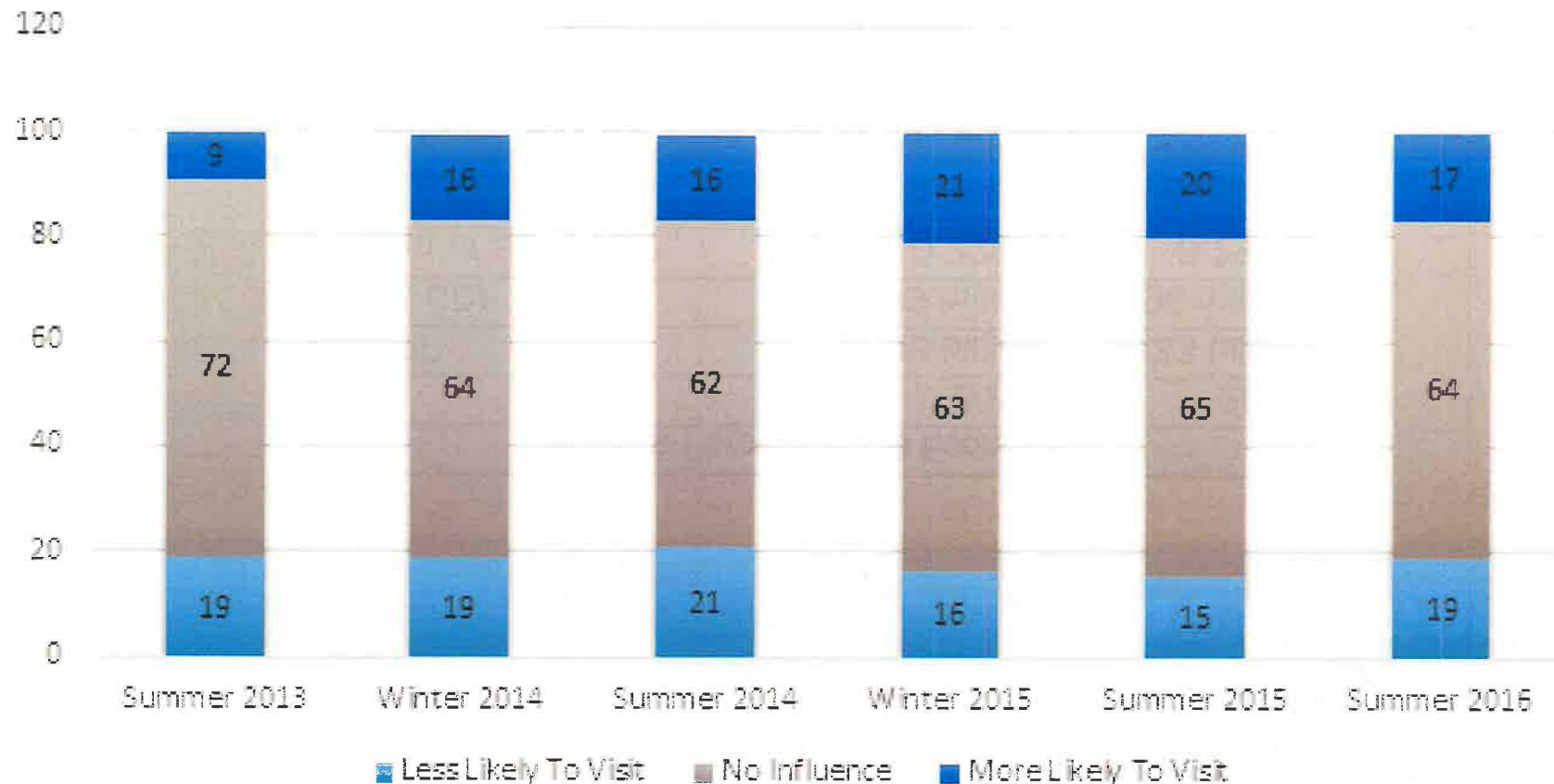
■ CO GDP ■ CO MJ GDP



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Assessing the Impact: The Economy

LEGALIZATION REPORTED INFLUENCE ON LIKELIHOOD TO VISIT

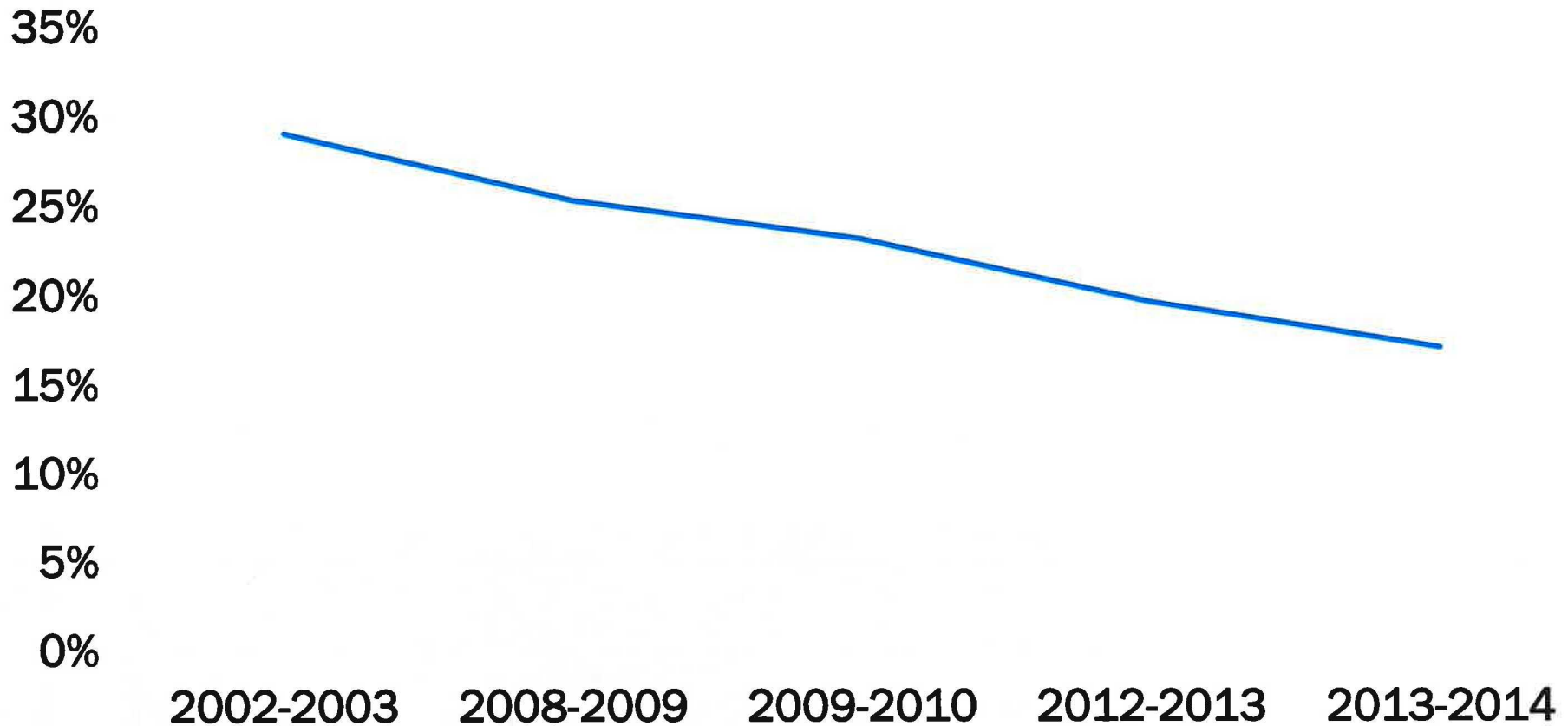




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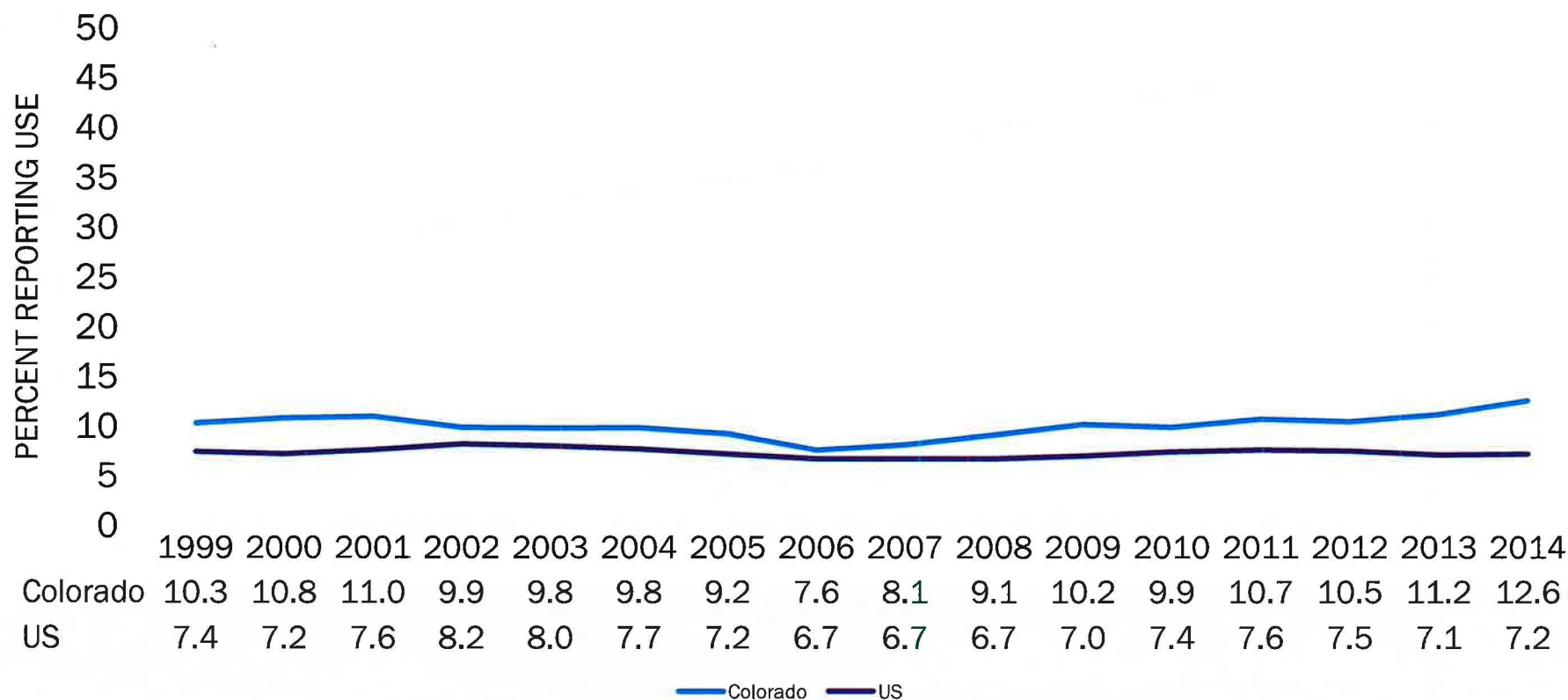
Assessing the Impact: Youth Perceptions

Colorado - Perception of "Great Risk" of Smoking MJ Once a Month
(12-17 year olds)



Assessing the Impact: Youth Impacts

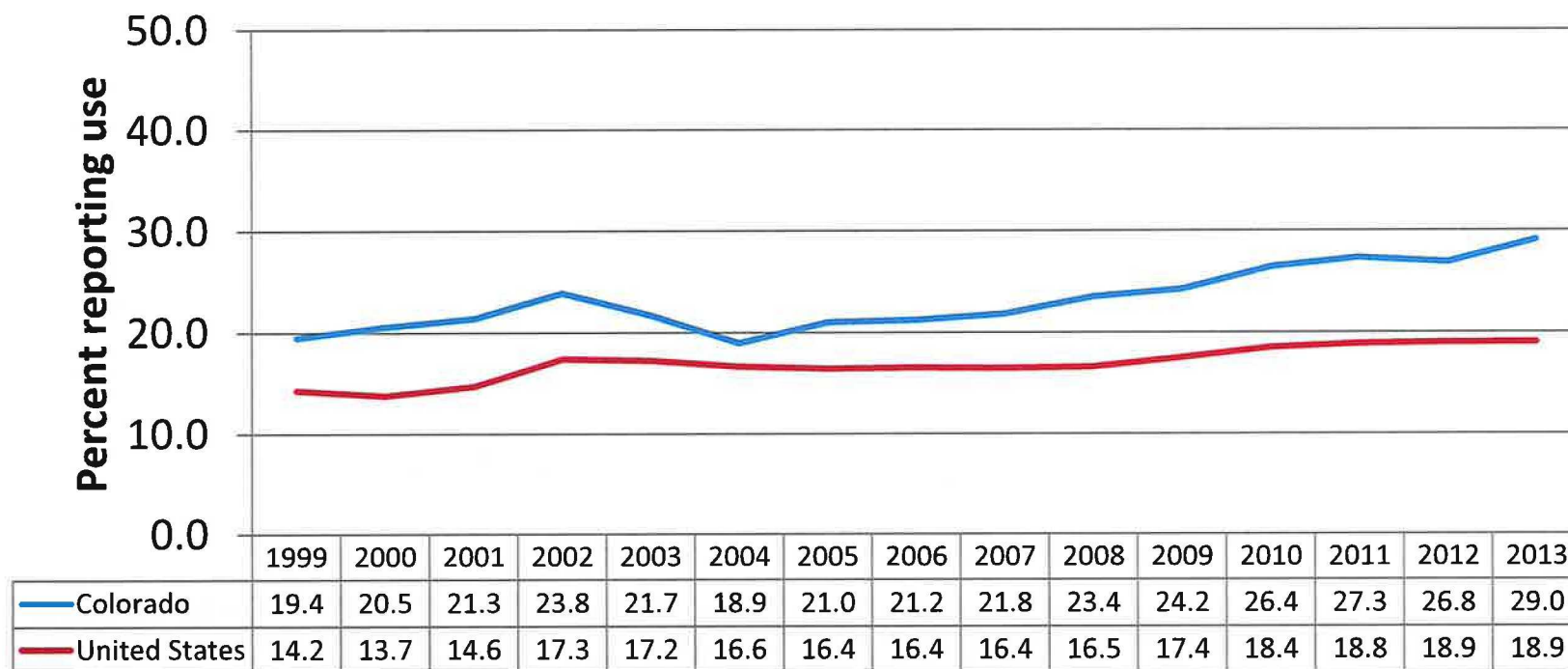
Colorado Past 30 day marijuana use, 12-17 year olds



Source: Substance Abuse and Mental Health Services Administration, *National Survey on Drug Use and Health*.

Assessing the Impact: Youth Impacts

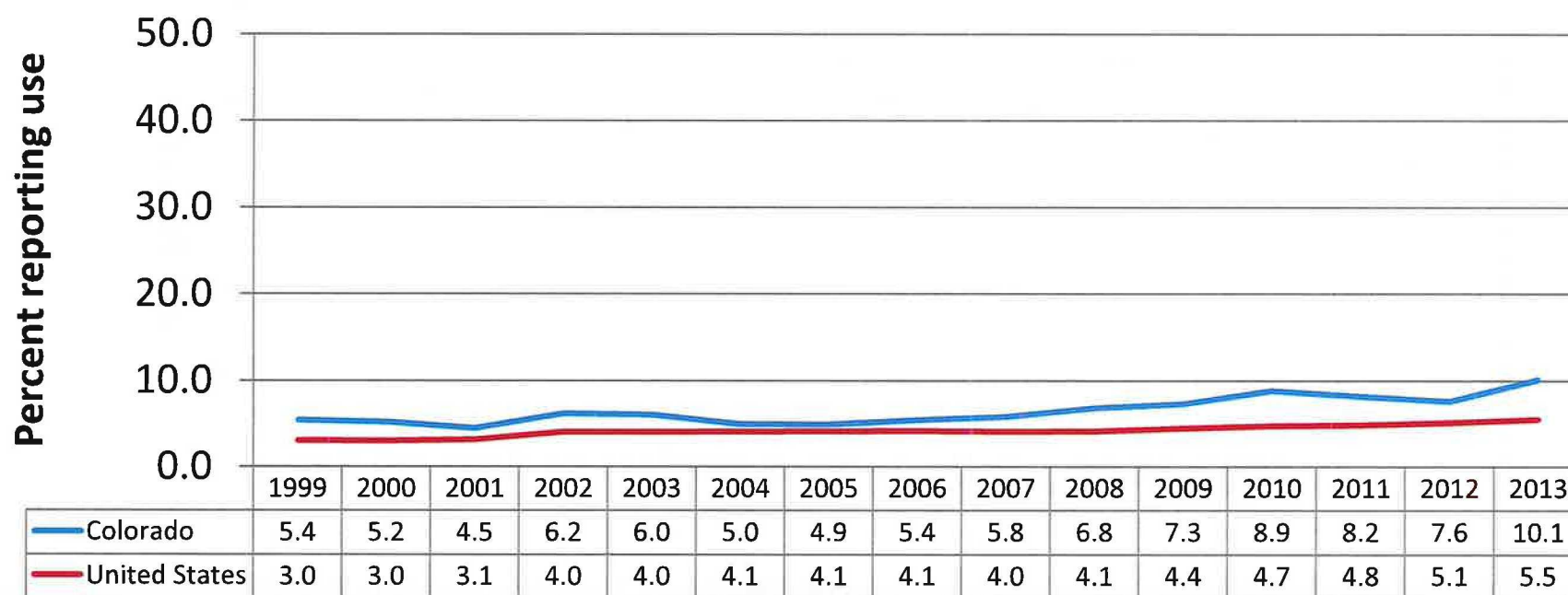
Past 30 day marijuana use, 18-25 year olds



Source: Substance Abuse and Mental Health Services Administration, *National Survey on Drug Use and Health*.

Assessing the Impact: Older Adults

Past 30 day marijuana use, 26 years or older



Source: Substance Abuse and Mental Health Services Administration, *National Survey on Drug Use and Health*.



- Sustainability
- Neighborhoods
- Image and culture
- Industrial warehouse space
- “Urban travelers”
- Unanticipated consequences



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Conclusions?



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DMMS2016.org



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MARIJUANA MANAGEMENT SYMPOSIUM 2016

Join us in the Mile High City to share ideas and learn about
Denver's collaborative approach to marijuana management.

October 27 & 28, 2016 | Colorado Convention Center



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Thank You!

Web: Denvergov/MarijuanaInfo

Email: MarijuanaInfo@Denvergov.org

Dan Rowland, Citywide Communications Advisor