Office of Marijuana Policy Strategic Plan

• **Mission:** To recommend, administer, and implement policies, to oversee and coordinate City agencies and to act as a liaison between the City and other local, state and federal officials, agencies and stakeholders.

• **Vision:** To partner with Denver agencies, departments, institutional stakeholders and the community to ensure effective and efficient implementation of the first-of-its-kind sales and commercialization of retail marijuana.

• **Strategies:**
  1. Allocate the resources to “get it right”
  2. Build and sustain trusting relationships
  3. Maximize education strategies
  4. Foster innovation and agility
Marijuana Policy Timeline to Date

2014
- Transition to Retail and new Med. Applications
- Ban Home Hash-Oil Extractions
- Permitting of licensed hash oil machines

2015
- Moratorium on all NEW MJ licenses, extended transition phase for RMJ
- Restrict non-licensed, commercial grows to 36 plants
- Re-zone MIPs
- Require explosion-proof rooms for extractions

2016
- Cap on number of unique MJ locations
- Omnibus Bill with 20+ changes to MJ Licensing codes
- Odor control
- Pesticide enforcement
- Social Consumption review
- Safety training for inspectors

Next...
- Social Consumption
- Hours of Operation
- Residential Grows
- New License Types (Transporter & Operator)
- Marijuana Special Issues Committee
Denver Gross Marijuana Sales

- 2013: TOTAL = $189.9m
  - Medical: 55%
  - Retail: 45%
- 2014: TOTAL = $331.7m
  - Medical: 45%
  - Retail: 55%
- 2015: TOTAL = $412.7m
  - Medical: 47%
  - Retail: 53%
- 2016 Projected: TOTAL PROJECTED = $483m
  - Medical: 44%
  - Retail: 56%
Denver Marijuana Landscape – Revenue and Expenditures

Where it comes from...

2016 Marijuana-Related Projected Revenue

- Special Retail Sales Tax: 28%
- Standard Retail Sales Tax: 28%
- Standard Medical Sales Tax: 23%
- State Shareback: 11%
- Licensing Fees: 10%

Total: $33.5M

Where it goes...

2016 Budgeted Expenditures*

- General Fund: 73%
- Marijuana-Related Expenditures (in General Fund): 27% **

*Excludes Excise and Licenses Budgeted Expenditures
**MJ Related Expenditures includes $750,000 for Affordable Housing
Marijuana Revenue as Share of General Fund Revenue

- MJ Revenue Share of Total GF Revenue
- MJ Tax Revenue Share of GF Sales Tax Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual 1.95%</th>
<th>Projected 2.74%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>3.44%</td>
<td>4.95%</td>
</tr>
<tr>
<td>2015</td>
<td>2.47%</td>
<td>4.36%</td>
</tr>
<tr>
<td>2016</td>
<td>2.74%</td>
<td>4.95%</td>
</tr>
</tbody>
</table>
STRATEGY 1: ALLOCATE THE RESOURCES TO "GET IT RIGHT"
How is the 3.5% Special Retail Marijuana Sales Tax Revenue Budgeted?

- **2015**
  - Affordable Housing: $2
  - Regulation: $4
  - Enforcement: $2
  - Education: $2
  - Total: $6.28

- **2016**
  - Affordable Housing: $2
  - Regulation: $2
  - Enforcement: $2
  - Education: $4
  - MJ Contingency: $2
  - Total: $10.41

- **2017**
  - Affordable Housing: $2
  - Regulation: $2
  - Enforcement: $2
  - Education: $4
  - Total: $10.12

*Excludes Excise and Licenses Budgeted Expenditures*
Budgeted Marijuana Expenditures, 2016*
(Total: $8,414,867)

*Excludes Excise and Licenses Expenditures of $640,260
Denver currently has 1091 active marijuana business licenses operating out of 481 unique locations.

That's 37% of the state’s licenses. Denver is home to 12% of the state’s Population.
Allocating Resources: Licenses and Locations

Denver - Number of Active Marijuana Business Licenses By Month

Denver - Number of Unique Marijuana Business License Locations
Excise and Licenses Marijuana Workload Summary
<table>
<thead>
<tr>
<th>Number of Annual Compliance Inspections Performed</th>
<th>By Each City Agency per License Type</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Environmental Quality</td>
</tr>
<tr>
<td>Retail Stores/Medical Centers</td>
<td>-</td>
</tr>
<tr>
<td>Retail/Medical Cultivation Facilities</td>
<td>1</td>
</tr>
<tr>
<td>Retail/Medical Infused Products Manufacturers</td>
<td>-</td>
</tr>
<tr>
<td>Retail/Medical Testing Facilities</td>
<td>-</td>
</tr>
</tbody>
</table>
Allocating Resources: Inspections

Number of Inspections Performed by Year

2014
- CPD Building: 2875
- CPD Zoning: 557
- DEH EQ: 408
- DEH PHI: 599
- DFD Compliance: 680
- DFD Licensing: 230
- EXL: 620
- Total: 5969

2015
- CPD Building: 3798
- CPD Zoning: 641
- DEH EQ: 437
- DEH PHI: 1450
- DFD Compliance: 305
- DFD Licensing: 940
- EXL: 515
- Total: 8086

2016
- CPD Building: 1822
- CPD Zoning: 554
- DEH EQ: 99
- DEH PHI: 872
- DFD Compliance: 718
- DFD Licensing: 205
- EXL: 398
- Total: 4668
Allocating Resources: Workload

Average Time to Inspect for New Licenses or License Amendments (approximations)

- CPD Building: 50 minutes
- CPD Zoning: 120 minutes
- DEH EQ: 90 minutes
- DEH PHI: 60 minutes
- DFD: 150 minutes
- EXL: 55 minutes

TOTAL 8.75 inspecting hours for license sign off with NO reinspections
STRATEGY 2: BUILD AND SUSTAIN TRUSTING RELATIONSHIPS
Build and Sustain Relationships: External Audiences

Residents, BIDs & RNOs

Researchers & work groups

Consumers

Governments

Industry

Media
Email Campaign Archive

- 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 - 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
- 04/19/2016 - Industry Bulletin: Updates from the Denver Fire
- 03/31/2016 - Cannabis Sustainability Newsletter

Build and Sustain Relationships: Marijuana Information Bulletins

List growth

February 3, 2015

Dear Denver Marijuana Industry Members,

The City and County of Denver understands that the marijuana industry is developing rapidly and that businesses are often expanding or contracting in size, transferring locations, adding or removing operations, and making modifications to premises. This bulletin serves as a reminder of the city notifications and approvals required when making such changes.

- Adding extraction processes: A MIP business license is required to conduct extractions other than cold-water extractions. Additionally, valid fire permits are required for all extraction systems. If extractions are being added to an existing MIP license, you will also need to verify that you have the correct zone use permit and that you have obtained proper building permits. If you moved into a commercial space that was
Denver Marijuana Symposium Attendance

Year | Paid attendees | Staff | Presenters | Media | Total
--- | --- | --- | --- | --- | ---
2015 | 2014 | 0 | 0 | 0 | 330
2016 | 2015 | 0 | 0 | 0 | 384
In 2016, the Office of Marijuana Policy worked with OHR and Risk Management to develop an online marijuana facility safety awareness course geared towards city inspectors.

114 employees assigned the course in City U

Including employees from 12 different agencies

100% of marijuana facility inspectors took the training
STRATEGY 3: MAXIMIZE EDUCATION STRATEGIES
In 2015 OMP reviewed all marijuana-related 311 call records and identified FAQs in an effort to:

1. Reduce overall call volume by adding information to the EXL MJ website
2. Increase the FCR (first call response) rate by equipping 311 call reps with the information they need to answer questions
3. Develop an educational seminar for the Marijuana Industry to increase compliance.
4. Implement a Citizen’s Academy to address community concerns
As a result...

1. Informational calls to 311 decreased substantially...

2. And FCR rates increased substantially
Average Number of Violations Noted per Public Health Compliance Inspection (excluding investigations)
Currently, OMP is meeting with community representatives to develop educational materials to help address any issues identified through 311 and RNOs:

**DAY 1:**
- **Marijuana 101**
  - Timeline
  - Regulations affecting licensing:
    - Posting and petitions
  - Capping bill
- City Attorney’s Office presents on policies and procedures around the Needs and Desire hearing and how a license is Show Cause.
- Presentation on Good Neighbor Agreement and Community Engagement Plan
  - Industry Representatives present
- Presentation on how to prepare for a Needs and Desire Hearing – Offer Case Examples
  - Breakout into groups to prepare for a presented case:

**DAY 2:**
- Hands-on training to develop a Good Neighbor Agreement
  - Break-out session with industry and community representative to craft the agreement
- Breakout session – Community Engagement Plan
  - New groups of Industry and Community members to discuss an effective and robust community engagement plan
Maximizing Education: Identifying New Issues

Medical vs Recreational Number of Products Recalled

- Recreational: 41%
- Medical: 59%

<table>
<thead>
<tr>
<th>Product</th>
<th>Number of Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recreational</td>
<td>174</td>
</tr>
<tr>
<td>Medical</td>
<td>247</td>
</tr>
</tbody>
</table>
In 2015 and 2016, the Office of Children’s Affairs, in conjunction with OMP, has distributed a total of $1.5 million in grant funds to increase the availability of quality afterschool and summer programs for youth.

- A component of those programs is the newly developed Healthy Lifestyles curriculum where youth learn skills about making healthy decisions and leading positive lives.

**Healthy Lifestyles Curriculum: Decision-Making Results**

- Role in decision-making
- Sense of agency
- Integrated identity

![Graph showing decision-making results](image-url)
**Maximizing Education:**

**Healthy Lifestyles for Youth**

<table>
<thead>
<tr>
<th></th>
<th>Pre-Intervention</th>
<th>Post-intervention</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Marijuana use can lead to lower grades in school.&quot;</td>
<td><img src="image1" alt="Graph" /></td>
<td><img src="image2" alt="Graph" /></td>
</tr>
<tr>
<td>&quot;Eating an edible can be just as dangerous as smoking marijuana.&quot;</td>
<td><img src="image3" alt="Graph" /></td>
<td><img src="image4" alt="Graph" /></td>
</tr>
</tbody>
</table>

- **Agree/Strongly Agree**
- **Not sure**
- **Disagree/Strongly Disagree**

Healthy Lifestyles Curriculum: Marijuana Knowledge Results

(Note: Images and data represent hypothetical scenarios for demonstration purposes.)
In 2015 and 2016, the Office of Behavioral Health Strategies, in conjunction with OMP, has distributed a total of $1.5 million in grant funds for behavioral health and drug diversion programs.

### YoBD Contractor Data

- **Marijuana Current Use**
  - None: 29
  - 1/Month: 2
  - 1/Week: 9
  - Daily: 14

### YoBD participants School Grade

- 5th Grade: 2
- 6th Grade: 9
- 7th Grade: 14
- 8th Grade: 11
- 9th Grade: 14
- 10th Grade: 26
- 11th Grade: 32
- 12th Grade: 13
STRATEGY 4: FOSTER INNOVATION AND AGILITY
In 2016 OMP supported DEH in putting on the first-ever Cannabis Sustainability Symposium

The goal – to encourage the adoption of innovative, sustainable practices in the industry

• 210 individuals attended the symposium

• 73% of respondents said they were either very likely or extremely likely to attend next year, with another 20% saying they were moderately likely to attend again.

• Four of the six breakout sessions were rated as good or excellent by at least 85% of the respondents
  • Community Engagement was the highest rated session with 93% of attendees describing it’s content as good or excellent.
  • Integrated Pest Management took the second place with 90% describing it’s content as good or excellent.

Support will continue as we help create a Best Sustainable Practices Guide and a industry specific Certified – Green program
OMP is also dedicated to data sharing to drive innovation.
Questions?

Thank You!