THE DENVER COLLABORATIVE APPROACH

LEADING THE WAY IN MUNICIPAL MARIJUANA MANAGEMENT

2018
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I. INTRODUCTION

MARIJUANA IN THE MILE HIGH CITY

The first retail sales of recreational marijuana in the United States began in Denver on Jan. 1, 2014. Under Mayor Michael B. Hancock, Denver created a collaborative model of marijuana management and emerged as a global leader in marijuana regulation. Because the industry is developing and innovating so rapidly, and because the laws are changing and evolving at such a fast rate, Denver has embraced a management model that is quick, responsive and nimble.

Medical marijuana has been legal in Colorado since 2000, when voters approved Amendment 20. In November 2012 the voters of Colorado approved Amendment 64, which legalized retail marijuana. Since the passage of these amendments, the City and County of Denver has adopted ordinances to regulate, license and tax both medical and retail marijuana.
WHERE ARE WE NOW?

As legalization spreads across the United States, and as other countries debate and prepare for legalization, Denver remains squarely in their focus. More than ever, the city is looked at to provide guidance on how it effectively implemented and continues to manage the first-of-its-kind sales and commercialization of voter-approved retail marijuana.

Through a far-reaching, collaborative approach, Denver’s Office of Marijuana Policy, now housed in Denver’s Department of Excise and Licenses, supports and coordinates the work of hundreds of city employees. The city’s dedicated team of experts manage a complex and ever-changing regulatory and licensing process. This work includes legislation to create, improve and clarify ordinances, management of education and health initiatives, coordination of enforcement efforts, and allocation of sufficient resources – all in concert with the industry and the community.

In 2017, Denver marked the fourth year of retail sales of marijuana and the fourth year of the Office of Marijuana Policy’s operation. The industry grew to more than 1,100 business licenses operating out of nearly 500 locations. Initiative 300, which was approved by Denver voters in 2016, gives business the ability to apply for a permit to allow adult marijuana consumption in a designated area.

In 2017, Denver Excise and Licenses adopted rules and regulations that govern the issuance and enforcement of the city’s new Cannabis Consumption Establishment and Cannabis Consumption Special Event permits. Holding public meetings and listening to the communities input was key in creating rules that worked to protect the public’s health, safety and welfare.

Denver continues its collaborative approach to marijuana management, remaining nimble and flexible to keep pace with the sustained growth of sales and innovation in the marijuana industry, while remaining in constant communication with the industry and residents to ensure balance among many competing interests.
II. Industry

Denver’s Marijuana Industry

The City of Denver actively coordinates with its departments and agencies, business owners, residents, neighborhood groups and industry representatives to ensure that it has a robust and effective regulatory system for the city’s marijuana industry.

There are currently seven types of marijuana business licenses issued by the City of Denver:

1. Medical/Retail Storefront
2. Medical/Retail Cultivation
3. Medical/Retail Infused Product Manufacturer (MIP)
4. Medical/Retail Testing Facility
5. Medical/Retail Transporter
6. Medical/Retail Off-premises Storage
7. Cannabis Consumption Establishment/Special Event

Number of Active Licensed Marijuana Businesses From Jan 2014 to Jan 2018

<table>
<thead>
<tr>
<th>PERIOD</th>
<th>MEDICAL LICENSES</th>
<th>RETAIL LICENSES</th>
<th>UNIQUE LOCATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2014</td>
<td>731</td>
<td>270</td>
<td>455</td>
</tr>
<tr>
<td>January 2015</td>
<td>621</td>
<td>301</td>
<td>414</td>
</tr>
<tr>
<td>January 2016</td>
<td>657</td>
<td>392</td>
<td>454</td>
</tr>
<tr>
<td>January 2017</td>
<td>682</td>
<td>429</td>
<td>481</td>
</tr>
<tr>
<td>January 2018</td>
<td>671</td>
<td>478</td>
<td>492</td>
</tr>
</tbody>
</table>

*The decrease from 2014 to 2015 happened in part because medical marijuana businesses that did not obtain both state and city licenses by July 1, 2014 were required to cease operations.*

Number of Active Licenses by Type Over Time:

Active Medical Center licenses dipped slightly (down -1%) from 197 in Jan 2017 to 196 in Jan 2018.

Active Retail Store licenses are up 8% over last year, 167 in Jan 2018 compared to 154 in Jan 2017.
Active Licenses for both Medical and Retail Marijuana Infused Products Manufacturers increased Year over Year.

- **Medical**: Up 8% from 87 in Jan 2017 to 97 in Jan 2018
- **Retail**: Up 19% from 67 in Jan 2017 to 83 in Jan 2018

Active Medical Marijuana Testing Facility licenses increased 33% from Jan 2017 to Jan 2018, up from 4 in Jan 2017 to 6 in Jan 2018. Over the same period, Retail Marijuana Testing Facility licenses remained unchanged with 6 active licenses.

Marijuana Transporter licenses (both Medical & Retail) are up 100% from Jan 2017 to Jan 2018 - each going from 0 to 1 active license.

### II. TAX, SALES AND REVENUE

#### HOW IS MARIJUANA TAXED IN DENVER?

Medical marijuana is subject to standard state and local sales taxes:

- **Denver Standard Sales Tax**: 3.65%
- **State Standard Sales Tax**: 2.90%
- **Medical Marijuana Sales Tax**: 6.55%

*The Denver Preschool Fund directly receives .15% of the city’s 3.65% overall standard sales tax.

In November 2013 Denver voters approved adding a special 3.5% sales tax on retail marijuana. The tax is in addition to standard sales tax and all other applicable state taxes. As of 7/1/17, retail marijuana is exempt from the state standard sales tax, but is subject to both state and local special sales taxes:

- **Denver Standard Sales Tax**: 3.65%
- **Denver Special Sales Tax on Retail Marijuana**: 3.50%
- **State Special Sales Tax on Retail Marijuana**: 15.0%
- **Retail Marijuana Sales Tax**: 22.15%

*The Denver Special Sales Tax can increase from 3.5 to 15% when authorized by City Council.

- Prior to 7/1/17, 15% of the State Special Sales Tax was shared with local jurisdictions. As of 7/1/17, 10% of the State Special Sales Tax will be shared with local jurisdictions.
**MARIJUANA SALES**

**Denver:** From 2016 to 2017, Retail marijuana sales increased by 29% year over year. Medical marijuana sales saw a slight decline of -3% over that same period.

**Colorado:** Retail marijuana sales increased by 27% from 2016 to 2017. Medical marijuana sales for the State declined by -7% from 2016 to 2017.

*Note: 2014 and 2015 values for Colorado marijuana sales published in previous reports have since been updated with current Treasury data.*

### DENVER MARIJUANA SALES 2014 – 2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Retail</th>
<th>Medical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$149.7M</td>
<td>$180.1M</td>
<td>$329.8M</td>
</tr>
<tr>
<td>2015</td>
<td>$219.3M</td>
<td>$191.4M</td>
<td>$410.7M</td>
</tr>
<tr>
<td>2016</td>
<td>$291.5M</td>
<td>$212M</td>
<td>$503.5M</td>
</tr>
<tr>
<td>2017</td>
<td>$377.5M</td>
<td>$206.4M</td>
<td>$584M</td>
</tr>
</tbody>
</table>

Total YoY% Change: -25% 23% 16%

### COLO. STATE MARIJUANA SALES 2014 – 2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Retail</th>
<th>Medical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$303.2M</td>
<td>$380.3M</td>
<td>$683.5M</td>
</tr>
<tr>
<td>2015</td>
<td>$577.5M</td>
<td>$418.1M</td>
<td>$1,011.9M</td>
</tr>
<tr>
<td>2016</td>
<td>$861.6M</td>
<td>$445.6M</td>
<td>$1,307.2M</td>
</tr>
<tr>
<td>2017</td>
<td>$1,091B</td>
<td>$416.5M</td>
<td>$1,507.5B</td>
</tr>
</tbody>
</table>

Total YoY% Change: -46% 31% 15%

**DENVER MARIJUANA SALES AS A % OF COLORADO MARIJUANA SALES**

From 2014 – 2017, Denver’s portion of Colorado marijuana sales has declined nearly -10%, from 48.3% in 2014 to 38.7% in 2017. This indicates marijuana sales increased outside of the City (at a higher rate than within the City) during that period.

**HOW MUCH REVENUE IS GENERATED IN DENVER FROM MARIJUANA?**

Marijuana is helping to pay for the resources the city must put toward the robust regulation and enforcement involved with the responsible implementation of legalized marijuana.

However, it’s important to understand that marijuana revenue constitutes only about 3.5% of the city’s general fund revenue.

- Overall – 2017 Revenue from Marijuana in Denver was up about 20% over 2016 totals.
- Shareback revenue was up about 28% Year over Year.
- 2018 revenue from Marijuana in Denver is expected to grow by 8%.
- 2017 revenue from Licensing Fees was up 2% over 2016.
- Medical Sales Tax revenue declined -3% from 2016 to 2017.
- 2017 Retail Sales Tax revenue increased 30% over 2016 and is expected to grow by 14% in 2018.
- 2017 Retail Special Tax revenue went up 29% over 2016 and is expected to grow by 15% in 2018.

<table>
<thead>
<tr>
<th>Year</th>
<th>Medical Sales Tax</th>
<th>Retail Sales Tax</th>
<th>Retail Special Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$5,300,000</td>
<td>$8,000,000</td>
<td>$3,200,000</td>
</tr>
<tr>
<td>2015</td>
<td>$5,500,000</td>
<td>$8,100,000</td>
<td>$7,400,000</td>
</tr>
<tr>
<td>2016</td>
<td>$6,500,000</td>
<td>$8,200,000</td>
<td>$7,700,000</td>
</tr>
<tr>
<td>2017</td>
<td>$7,100,000</td>
<td>$8,300,000</td>
<td>$7,900,000</td>
</tr>
<tr>
<td>2018</td>
<td>$7,700,000</td>
<td>$8,400,000</td>
<td>$8,100,000</td>
</tr>
</tbody>
</table>

**Total General Fund Revenue/Marijuana Revenue as a % of General Fund Revenue**

<table>
<thead>
<tr>
<th>Year</th>
<th>2014 Actuals</th>
<th>2015 Actuals</th>
<th>2016 Actuals</th>
<th>2017 Actuals</th>
<th>2018 Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,124,674,402</td>
<td>$1,204,306,900</td>
<td>$1,238,208,804</td>
<td>$1,309,418,915</td>
<td>$1,336,466,137</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>%</th>
<th>1.95%</th>
<th>2.57%</th>
<th>3.02%</th>
<th>3.41%</th>
<th>3.6%</th>
</tr>
</thead>
</table>

*2018 revenue projections are based on 2017 actuals and other revenue forecasting tools available in the Fall of 2017 during the development of the 2018 budget. 2018 projections will be updated for the 2019 budget process based on more recent revenue information.*

*“Shareback”: The State of Colorado contributes a portion of its 15% special sales tax on retail marijuana back to the City of Denver and other local Colorado jurisdictions with retail marijuana sales*
IV. BUDGET

WHAT DOES THE CITY DO WITH THAT REVENUE?

All of Denver’s marijuana-related revenue goes to the city’s general fund to pay for city services. The city first allocates the special retail sales tax and state shareback to fund the key areas of:

- Regulation
- Education
- Enforcement

Of the projected $21.2 million that can be appropriated for marijuana-specific spending in 2018, the city has budgeted $8.8 million in expenditures across city departments and agencies for regulation, enforcement, and education efforts.

Eleven CITY AGENCIES working collaboratively on marijuana issues

Additionally, in 2018, $12.4 million from marijuana-related revenue was appropriated to add investments for deferred maintenance, affordable housing and opioid intervention.

Finally, the standard sales tax received from retail and medical marijuana and the revenue from marijuana licensing fees ($26.9 million in 2018) is treated the same as the city’s other sales tax revenue sources (such as clothing and other goods) in that it goes into the general fund and is spread across the city for a variety of general operating needs (libraries, parks, recreation programs, street maintenance, auditors, attorneys, etc.).

### MARIJUANA REVENUE SOURCES FOR 2017

Through the special sales tax revenue and state shareback funds, the city has funded marijuana regulation, enforcement and education.

- These funds go into the city’s general fund and are allocated toward Denver’s immediate needs to responsibly regulate the marijuana industry, enforce the law, and educate the public about marijuana with a focus on youth.
- The licensing fees and retail/medical standard sales tax collected goes into the city’s general fund to pay for city services, as is the case with medical marijuana taxes collected.

<table>
<thead>
<tr>
<th>Source</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Sales Tax - Retail 3.5%</td>
<td>17%</td>
</tr>
<tr>
<td>State Shareback</td>
<td>30%</td>
</tr>
<tr>
<td>Licensing Fees</td>
<td>31%</td>
</tr>
<tr>
<td>Standard Sales Tax - Retail</td>
<td>12%</td>
</tr>
<tr>
<td>Standard Sales Tax - Medical</td>
<td>10%</td>
</tr>
</tbody>
</table>

### TOTAL MARIJUANA REVENUE VS. TOTAL “DEDICATED” EXPENDITURES

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Marijuana Revenue</th>
<th>Total “Dedicated” Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$10M</td>
<td>$10M</td>
</tr>
<tr>
<td>2015</td>
<td>$10M</td>
<td>$10M</td>
</tr>
<tr>
<td>2016</td>
<td>$20M</td>
<td>$20M</td>
</tr>
<tr>
<td>2017</td>
<td>$30M</td>
<td>$30M</td>
</tr>
<tr>
<td>2018</td>
<td>$40M</td>
<td>$40M</td>
</tr>
</tbody>
</table>

![Graph showing total marijuana revenue vs. total dedicated expenditures from 2014 to 2018.](chart.png)
Governments across the U.S. and the world are tackling – or are preparing for – the new and evolving challenges that come with the regulation of legalized marijuana. On the leading edge of this challenge, Denver is committed to ensuring that its regulations address both current and future issues.

Change continues in Denver at a rapid pace and the collaborative approach enables the city to respond quickly and effectively to address issues as they arise.

Denver partners with city agencies, departments, institutional stakeholders and the community to develop sensible policies which balance the needs of industry, consumers, families and neighborhoods and preserve Denver’s quality of life, public health and safety.

Under the leadership of Mayor Hancock, the city has adopted a collaborative model to manage marijuana, which includes multiple agencies working together to preserve, protect and enhance Denver’s excellent quality of life. This work is grounded in the city’s priorities of marijuana management, including robust regulation, strict enforcement, and effective education.
PUBLIC EDUCATION & COMMUNICATION

Youth Prevention & Education

Denver once again committed millions of retail marijuana sales tax dollars to be distributed to youth-serving organizations by the city’s offices of Children’s Affairs and Behavioral Health.

$11 MILLION of marijuana revenue from 2014-2018 will be granted to these important programs to protect and educate our youth.

The “Healthy Lifestyles for Youth” funds administered by Children’s Affairs support quality afterschool and summer programs.

- The funds leverage existing best practices and processes to enhance quality programs and promote pro-social activities to youth living in an environment with legalized marijuana.
- The funds utilize youth development programs as a place for early education and as a first step to preventing marijuana use for fourth-through eighth-grade youth.
- To help youth build the skills they need to make positive, healthy lifestyle choices, existing programs already using effective positive youth development and social-emotional learning strategies were provided additional funding to expand or enhance services.
- With that money we were also able to create a Marijuana Curriculum, designed to teach youth the different facts about marijuana and underage use. The curriculum is available at after school programs.

The Diversion Accountability and Behavioral Health funds administered by the Office of Behavioral Health provide for intervention, treatment, education and alternatives for youth and young adults who have violated a city or state law or school code. The funds help:

- Create alternative consequences for unlawful marijuana use or possession.
- Prevent further involvement of youth and young adults in the justice system.
- Improve outcomes for youth through coordinated services.
- Reduce and address the potential harm of substance use.
- Promote sharing of best practices and networking opportunities for youth serving professionals.

Information & Outreach

- Sponsored a Denver Police radio campaign educating listeners about Denver marijuana laws, responsible consumption and safe storage.
- Continued collaboration with the State of Colorado’s education campaigns and serving on the state’s Marijuana Education Oversight Committee.
- Updated Denver.gov/MarijuanaInfo website - Continuous “Know the Law” updates and created a hub for all state and local laws and regulations.
- Attended community meetings of all stripes, including:
  - Registered Neighborhood Organizations
  - City Council district gatherings
  - Inter-Neighborhood Cooperative committee meetings
  - Community meetings
- Continued with the Denver Marijuana Citizens Academy
  - Free, two-part academy provided 50 participants with information relating to various marijuana rules and regulations.
  - Provided education on participating in needs and desires hearings and gave an overview of Colorado amendments and Denver ordinances.

THE CITY CREATED AN EDUCATION CAMPAIGN AIMED AT YOUTH AGES 12-17.

The campaign is called “High Costs”, and its goal is to increase accurate knowledge among Denver youth of the legal, health and social consequences of underage marijuana use. Increasing education and awareness is where we start, and good marketing can help with that.

WWW.THEHIGHCOSTS.COM
Collaboration & Communication

- Participated in Mayor Hancock’s quarterly Cabinet in the Community.
- Continued to present updates to the Downtown Denver Partnership, Visit Denver, the Denver Chamber of Commerce and other groups upon request.
- Continued conference calls with other states with legalized marijuana.
- Continued to host information briefings for other jurisdictions, states and countries requesting information on how Denver regulates and enforces marijuana.
- Supported the “Marijuana Issues in Youth Development Summit” sponsored by the Denver Afterschool Alliance.
- Met with neighborhood groups, SMART Colorado, nonprofits and other entities requesting information about marijuana.
- Coordinated with Denver Health on marijuana impacts to public health and data collection.
- Continued to participate in the Denver Partnership for Youth Success working group.

Industry Outreach

- Continued to educate the industry through regular Marijuana Informational Bulletins on new and changing regulations.
- Assisted as needed with other efforts including the Denver Fire Prevention Newsletter and Environmental Health’s Cannabis Sustainability Newsletter.
- Held quarterly check-in meetings with the marijuana industry.
- Held special meetings, as needed, on educational topics or for input on policies, procedures and regulations.
  - Invited industry members to participate in the Social Consumption Advisory Committee.
  - Invited industry members periodically to attend internal meetings to brainstorm, report out, and provide an industry viewpoint.
- Attended industry association meetings of the Marijuana Industry Group, Cannabis Business Alliance, and Colorado Cannabis Chamber of Commerce.
- Attended industry-sponsored educational events, tours and briefings.
- Created a Permitting Assistance Team to help businesses navigate the social consumption rules and regulations.

Customer Service

- The city continues to develop and publish marijuana informational dashboards, that will allow for better public-facing data that will live on the Denver Marijuana Info website.
- Enhanced the city’s licensing database to allow all city inspectors to view each other’s inspection history at any given facility.
- Analyzed 311 inquiries to identify frequently asked questions and provide answers.
- Created the option for scheduled appointments for marijuana licensing transactions.

Resource Analysis, Efficiency & Economic Impact

- Continued to ensure that marijuana funds are allocated effectively to different city departments.
- Participated in an Indirect Cost Analysis to identify and quantify the indirect costs of marijuana regulation and enforcement incurred throughout the city.
- Created a mechanism to obtain feedback from internal agencies regarding operational efficiencies, effectiveness of policies, and the quality of the decision-making model.

DENVER MARIJUANA MANAGEMENT SYMPOSIUM

- In 2017 Denver hosted the third annual Marijuana Management Symposium to share information with regulators and policymakers from around the world.
- The three-day event had 427 attendees from 5 countries, 17 U.S. states and the District of Columbia.
- The symposium has become the centerpiece of Denver’s collaboration with other governments, as the city has become a model for those who are adjusting to newly legalized marijuana or facing the possibility of future legalization.
  - The city is committed to exchanging information and best practices with others to contribute to the public good, build better communities and develop common ground for the future.
- The 2018 Denver Marijuana Management Symposium will be held on November 1st and 2nd.
THE LEADER IN CONSUMER HEALTH & SAFETY PROTECTION

• Denver’s Department of Public Health and Environment took the lead globally to address consumer safety issues such as pesticide and mold contamination, evaluating ingredients lacking safety information used in smoking and vaping products, and unregulated hemp derived cannabidiol ingestible products sold for therapeutic or wellness purposes.
  - In the absence of state and federal regulations and guidelines, the city stood in the gap, looking out for its residents and visitors as well as protecting consumer health and safety.

Denver coordinated with other local and state agencies and the marijuana industry to establish protocols and procedures for identifying potentially harmful marijuana products and placing them on hold and/or recalling them when necessary.
• Through its inspection process, Denver discovered that some marijuana products were contaminated with unapproved pesticide residues, mold, pests, and that some businesses were using industrial grade solvent that could pose a threat to consumer health.
  - Denver’s Department of Public Health and Environment has overseen more than 39 product recalls to date due to pesticide contamination, unclean equipment, and shelf stability issues.
• Denver created the Cannabis Health & Safety Advisory Committee
  - This committee is comprised of public health experts, scientists, marijuana industry professionals, and consumer advocates and is tasked with providing suggestions to Denver’s local public health department regarding health and safety issues associated with the production and consumption of cannabis products.

Odors
• The city continues to work with neighborhoods and the industry on controlling odors caused by marijuana facilities.
• Denver’s updated nuisance odor ordinance includes a provision that requires all marijuana grow operations and infused-products manufacturers to develop, submit and implement an odor control plan approved by the city.
  - Environmental Health takes an active role in advising businesses on developing effective odor control plans, to lessen the negative impacts on quality of life in Denver’s neighborhoods.

Sustainability
The city educates business owners on the importance of actions and technologies that can be used to minimize the environmental impacts of operating a marijuana business.
• Denver Public Health and Environment collaborated with the marijuana industry to put together “best practices” for sustainable growing.
• Individual businesses are pledging to implement these best practices.
• Leading into the fourth annual Denver Marijuana Management Symposium in November 2018, the city will also support the third annual Cannabis Sustainability Symposium that will happen in October 2018.
VI. ENFORCEMENT

DENVER REMAINS COMMITTED

to robust regulation and strict enforcement of the laws around marijuana. The city continues its focus on education about the laws and regulations, seeking compliance ahead of enforcement.

Remaining consistent with its commitment to the voters and to the federal government, the city has a high level of focus on illegal marijuana activities outside the boundaries of amendments 20 and 64.

PATROLLING THE BOUNDARIES OF LAW

The implication of a legal commercial market is not that enforcement needs will necessarily decrease.

• The opposite is true in the short run. The black market will not simply vanish.

• People will continue pushing the boundaries and operating outside of the rules.

WHAT DOES THE BLACK MARKET LOOK LIKE?

The market for Denver marijuana is lucrative and extends across the U.S. and includes:

• Internet sales (Craigslist, Facebook groups, etc.)
• Mid-level trading: Continuous market of people purchasing $5,000-$10,000 of Colorado marijuana and transporting/shipping it out of state for resale.
• Large criminal organizations

The city has intensified its focus on those who refuse to play by the new rules with increased education and enforcement.

The Denver Police Department Marijuana Team’s work around illegal marijuana has increased significantly over the last couple of years.

MARIJUANA PROCESSED BY DPD CRIME LAB:

- 524 LBS.
- 9,504 LBS.
- 4,738 LBS.
- 8,868 LBS.
- 7,686 LBS.

2013 2014 2015 2016 2017

• This data reflects only seizures processed through the Denver Police Department (DPD) crime lab.

• DPD’s marijuana team has been involved in numerous other operations in which the marijuana was processed by the Drug Enforcement Agency, but those numbers are not reflected here.

- For example, in 2013 DPD worked with federal agencies and seized more than 10,000 pounds in one case alone, all of which was processed by the Drug Enforcement Agency.

POLICE OUTREACH

DPD has worked proactively with marijuana business owners to provide them with crime fighting tips.

• Best practices shared with and among marijuana businesses.

• In 2017, DPD continued the district outreach program which allows industry members to meet the commander and officers in their district.

• Continued to educate the industry with Crime Prevention Through Environmental Design (CPTED), which provides crime fighting and safety tips.

• Created outdoor grow video for educating voters on marijuana grow rules.

• Marijuana monthly Twitter campaign.
HOME GROWS

Denver residents can cultivate up to 6 plants per adult in a household and never more than 12 plants total. Additionally, Denver created a limitation of 36 plants on a non-residential zone lot. Over the last several years, the City has received many complaints of home growing that exceeds the legal plant count.

The City is addressing these issues with:

• Streamlined communications processes between police and city inspectors to help address complaints.
• Increased number of officers working to address illegal home grows.
• Development of an education campaign on home grow safety and how to spot illegal activity.

MARIJUANA CRIME & ARREST DATA

1. Marijuana-Related Crime

Definition: Crimes reported to the Denver Police Department that, upon review, have a clear connection or relation to marijuana. Crimes that have an incidental relation to marijuana are not included.

Note: These data do not include violations restricting the possession, sale and/or cultivation of marijuana (see Arrests on page 26).

• Marijuana-Related Crime accounts for less than 1 percent of overall crime in Denver.
• Total Marijuana-Related Crime (and percentage of crime overall):
  - 2012: 256 (0.58%)
  - 2013: 257 (0.53%)
  - 2014: 293 (0.48%)
  - 2015: 274 (0.44%)
  - 2016: 267 (0.42%)
  - 2017: 199 (0.30%)

2. Marijuana Industry-Related Crime

Definition: The subset of Marijuana-Related Crime where licensed marijuana businesses were either the victim or the perpetrator of a crime.

• Marijuana Industry-Related Crime represents less than ½ of 1 percent of overall crime in Denver.
  - 2012: 191 (0.43%)
  - 2013: 167 (0.35%)
  - 2014: 179 (0.29%)
  - 2015: 192 (0.30%)
  - 2016: 209 (0.32%)
  - 2017: 139 (0.21%)

In 2017, burglary or attempted burglary accounted for 67% of Marijuana Industry-Related Crime. Larceny (theft) accounted for another 12% of all Marijuana Industry-Related Crime.

• Marijuana businesses make up less than 1% of all businesses in Denver but account for approximately 10% of all reported business burglaries (2012-2016).
  - 2012: Of 191 industry crimes, 142 were burglaries and 13 were larcenies
  - 2013: Of 167 industry crimes, 130 were burglaries and 16 were larcenies
  - 2014: Of 179 industry crimes, 118 were burglaries and 24 were larcenies
  - 2015: Of 192 industry crimes, 118 were burglaries and 22 were larcenies
  - 2016: Of 209 industry crimes, 164 were burglaries and 19 were larcenies
  - 2017: Of 139 industry crimes, 93 were burglaries and 16 were larcenies.
MARIJUANA CRIME & ARREST DATA CONTINUED

Violent Crime related to the licensed marijuana industry is rare, with seven reported in 2013, 10 reported in 2014, eight reported in 2015, three reported in 2016, and 8 reported in 2017.

Note: Violent Crime includes such things as homicide, rape, robbery, aggravated assault and arson.

- There were eight violent crimes related to the marijuana industry in 2017, or one violent crime related to the marijuana industry for every 615 violent crimes overall.

PUBLIC CONSUMPTION

Since 2014 Denver has tracked public consumption using citations for “Unlawful Public Display or Consumption of Marijuana” and “Marijuana Prohibited in Parks.”

- Public consumption citations declined last year for the third consecutive year, decreasing from 591 in 2016 to 369 in 2017.
- Additionally, the city issued 129 citations for marijuana prohibited in parks in 2017.

MARIJUANA CRIMINAL VIOLATIONS 2014 2015 2016 2017

<table>
<thead>
<tr>
<th>Violation</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Consumption</td>
<td>762</td>
<td>761</td>
<td>591</td>
<td>369</td>
</tr>
<tr>
<td>Prohibited in Parks</td>
<td>248</td>
<td>183</td>
<td>182</td>
<td>129</td>
</tr>
</tbody>
</table>

ARRESTS

Definition: City and County of Denver arrest data include citations and bookings for violations of marijuana laws in State of Colorado statute and/or City of Denver municipal code.

PUBLIC CONSUMPTION

Since 2014 Denver has tracked public consumption using citations for “Unlawful Public Display or Consumption of Marijuana” and “Marijuana Prohibited in Parks.”

- Public consumption citations declined last year for the third consecutive year, decreasing from 591 in 2016 to 369 in 2017.
- Additionally, the city issued 129 citations for marijuana prohibited in parks in 2017.

DENVER: TOTAL CRIME WITH % MARIJUANA CRIME

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Crime in Denver</th>
<th>Total Marijuana-Related Crime in Denver</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>44,338</td>
<td>60 (0.13%)</td>
</tr>
<tr>
<td>2017</td>
<td>48,113</td>
<td>60 (0.13%)</td>
</tr>
</tbody>
</table>

DRIVING UNDER THE INFLUENCE OF DRUGS – MARIJUANA-RELATED

Marijuana-related DUIDs stayed flat at 63 in 2016 and 63 in 2017.

Note: Marijuana-related DUIDs are a subset of DUIDs, which are a subset of DUIs.

- Marijuana-related DUIDs represent a very small portion (3.3%) of overall impaired driving arrests.
- Since 2013, the city has increased the number of trained Drug Recognition Expert officers to better manage the increase in marijuana impaired driving arrests.

IMPAIRED DRIVING CITATIONS 2013 2014 2015 2016 2017

<table>
<thead>
<tr>
<th>Type</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>DUI</td>
<td>2,896</td>
<td>2,619</td>
<td>2,532</td>
<td>2,262</td>
<td>1,895</td>
</tr>
<tr>
<td>DUID</td>
<td>84</td>
<td>129</td>
<td>148</td>
<td>122</td>
<td>119</td>
</tr>
<tr>
<td>DUID-Marijuana</td>
<td>33</td>
<td>66</td>
<td>73</td>
<td>63</td>
<td>63</td>
</tr>
</tbody>
</table>