



DENVER
THE MILE HIGH CITY

Updates to the Marijuana Regulatory Structure

Business Development Committee

November 24, 2015

Evolution of Denver Marijuana Laws

- Together, Denver City government has taken a smart, thoughtful and deliberate approach to legalized and commercialized marijuana.
- Denver is committed to continually tracking, monitoring and assessing impacts of marijuana legalization and making changes and evolving.
- Denver has developed robust rules, regulations and policies to ensure that the marijuana industry is held to the highest standards for safety and operation.
- The expiration of the transition phase provides us with the opportunity to track and monitor, review the impacts and reassess our regulations.
 - The transition period is set to expire on January 1, 2016.

We have a proposal regarding the transition phase which we will review, but are not asking you to vote on today.

Based on City Council input so far, we are suggesting a 120 day extension to obtain feedback and answer your questions.

- This will still require Council action.

The 120 day proposed extension includes:

1. Extending the transition phase for retail marijuana until May 1, 2016.
2. Placing a moratorium on receiving new medical marijuana applications until May 1, 2016 (for MIPS, centers and cultivation facilities)

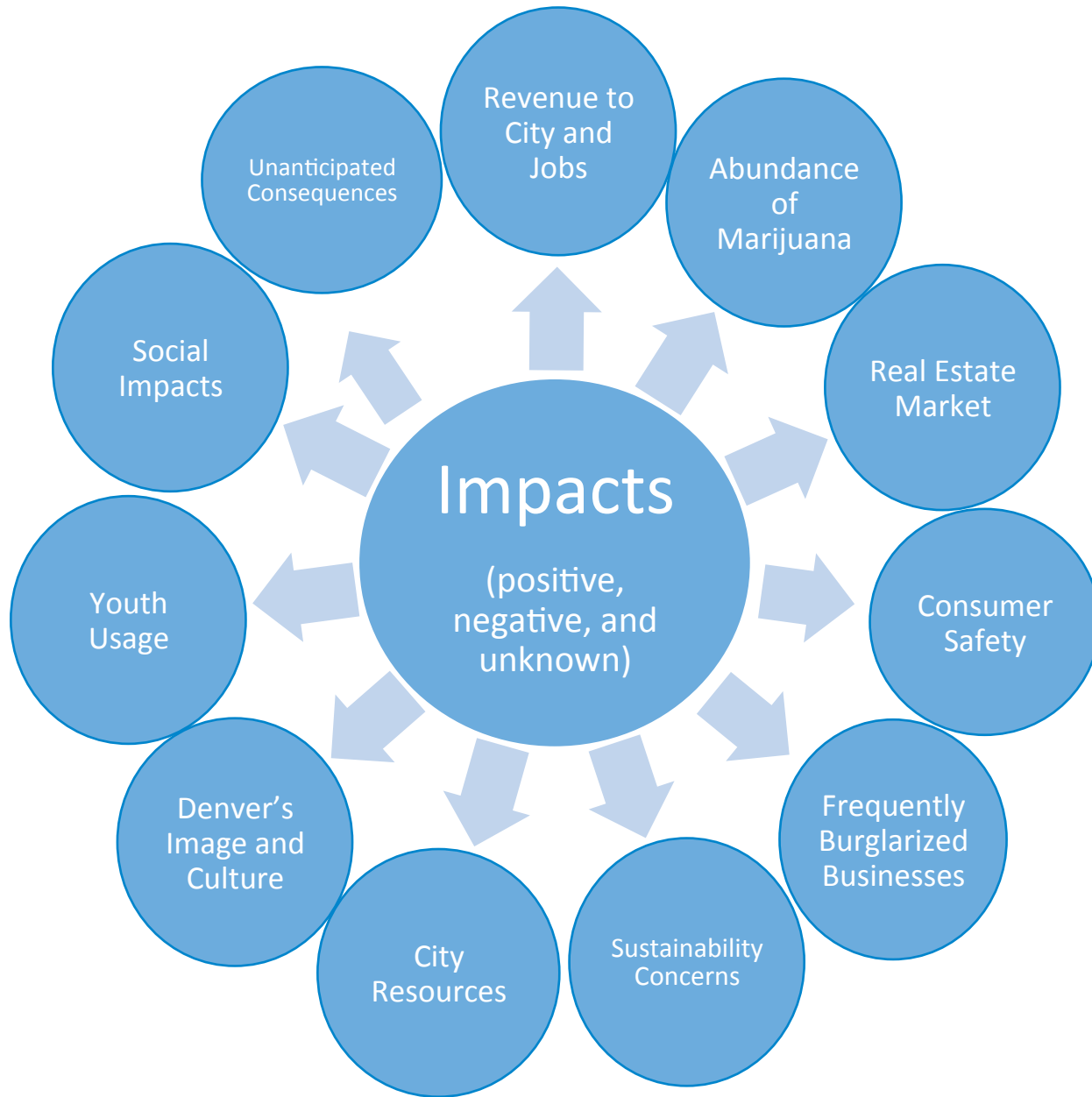
(More robust community processes via needs and desires hearings will still go forward in the omnibus bill for medical and automatically begin for retail.)

- Denver has an abundance of marijuana:
 - ✓ Over 1000 MJ licenses operating out of 440+ unique marijuana business locations
 - ✓ Over 210 stores/centers that sell MJ
 - ✓ Over 260 cultivation facilities (grows)
 - ✓ Over 70 manufacturers of infused products, such food products, lotions, etc. (“MIPS”)
 - ✓ 8 testing facilities
- Denver has approximately 40% of all the MJ licenses in Colorado and 12% of the population (or about 15% of the population if out-of-jurisdiction employees and visitors are counted).

Data as of September 9, 2015

“The Full Story on Marijuana in Colorado is Still Being Written”

Denver Post Editorial Board, October 22, 2015



Two-Year Extension Recommendation

Extensive analysis over the past year has included multiple internal meetings; numerous one-on-one meetings with stakeholders; two large work group meetings; and MAC meetings (Marijuana Advisory Council)

Recommendation

1. Extend transition phase for RMJ for another two years until 1/1/2018
2. Place a moratorium on receiving new medical marijuana applications for two years until 1/1/2018 (for MIPS, centers and cultivation facilities)

(More robust community processes via needs and desires hearings are included in the omnibus bill for medical and begin automatically for retail.)

Two-Year Path Forward

While still allowing consumers plenty of access to both medical and retail product, an ongoing assessment over the next two years will include:

- State adopting and rolling out new production management rules
- State updating production management and market demand study
- Obtain more baseline data and define the metrics to help answer fundamental questions about the impacts of this new industry (particularly the Healthy Kids Colorado survey and data on youth usage)
- Allow city infrastructure time to adjust and respond to managing over 440 marijuana business locations
- Continue to address anticipated and unanticipated issues
- Additional information and results from medical research

Questions?