



Denver Collaborative Model

One City's Experience
Managing Marijuana

Los Angeles City Council
May 25, 2017

Denver Marijuana Legalization Timeline

2000

Colorado voters approve Amendment 20, allowing the use of medical marijuana.

→ Voter Results: Colorado 54-46; Denver 64-36

2007

Denver voters approve an initiated ordinance making the enforcement of marijuana laws against private use and possession by adults the city's "lowest law enforcement priority."

→ Voter Results: Denver 57-43

2012

Colorado voters approve Amendment 64, decriminalizing adult possession of marijuana and establishing a regulated and licensed commercial marijuana distribution system.

→ Voter Results: Colorado 55-45; Denver voting 66-34

2014

Retail sales of marijuana begin in Denver.

2005

Denver voters approve an initiated ordinance to allow possession of up to 1 oz. of marijuana. (The initiative did not affect state law.)

→ Voter Results: Denver 54-46

2010

Denver adopts ordinance for regulation and licensing of medical marijuana businesses

2013

Denver adopts ordinance for regulation and licensing and an ordinance for taxation of retail marijuana businesses.

2016

Denver voters approve an initiated ordinance to allow the social use of marijuana in designated consumption areas.

→ Voter Results: Denver 54-46



DENVER
THE MILE HIGH CITY



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 regulate matters of local concern
 - Can provide additional requirements related to time, place, manner and number
- Local municipalities can opt in or opt out
 - Denver opted in and added a local licensing scheme, distance requirements, public hearing process, a phase-in period, specific agency regulations, special sales tax, etc.

Established: 2014 (Combined into Licensing Department in 2017)

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

➤ Policy

- Coordinate and track changes at the Federal level
 - Ensure compliance with the Cole memo
 - Monitor changes on policy (e.g., banking)
- Monitor state legislative actions and rulemaking procedures
 - Participate in rulemaking workgroups
 - Track State bills during going through the legislature and implement changes as necessary
- Local policy work
 - Create new policies, regulations and rules when necessary
 - Examples:
 - » Ordinance change to ban home hash oil extractions and restrict commercial zone lots to 36 plants
 - » Address issues around marijuana plants contaminated with pesticide residues
 - » Create rules for implementation of social consumption

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



Denver Marijuana Landscape

Must also be licensed by the State of Colorado

Licensed Business <ul style="list-style-type: none">• Medical / Retail• Taxed / Regulated	# of Licenses	# of Locations
Grows	596	295
Storefronts	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**

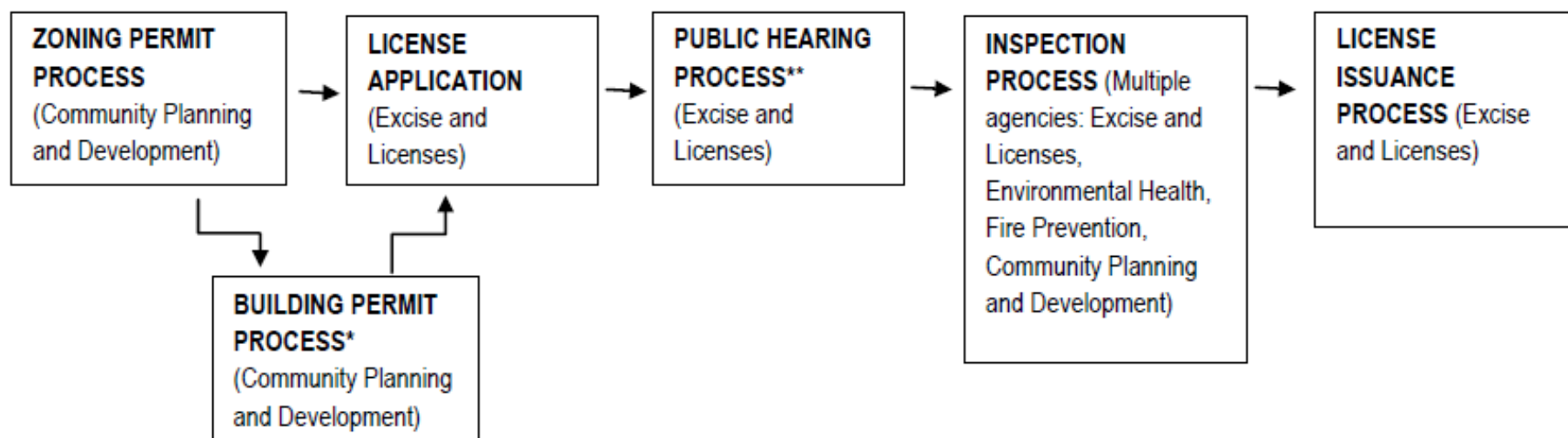
(Locations mostly unknown, not supposed to be for profit, not taxed)

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



Illegal collective grow

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.

- Responsible for Zoning, and Building and Neighborhood Inspections
- Zoning:

Marijuana Business Type	Corresponding Zoning Land Use
Cultivation Facilities (<i>growing</i>)	Plant Husbandry
Retail Stores & Medical Centers (<i>selling</i>)	Retail Sales, Service & Repair, All Others
Marijuana-Infused Products (MIP) manufacturing (<i>making</i>)	Commercial Food Preparation & Sales, General Manufacturing or Heavy Manufacturing
Testing Facilities (<i>testing</i>)	Laboratory, Research, Development and Technological Services

- Building Inspections
 - ✓ Inspects all new construction including tenant finishes
 - ✓ Construction inspectors for mechanical, plumbing, electrical and construction
- Neighborhood Inspections
 - ✓ Zoning and property inspections
 - ✓ Responds to complaints around things such as trash and too much signage.



Home growing in detached garage

Fire Department Inspections

- License and Certificate of Occupancy Sign Offs
- Compliance inspections twice annually
- Operational permits needed for all occupancies
 - Renew annually



Inspection Hazards

- Construction without permits
- Improper electrical work
- Mold, mildew
- Pesticides, fumigation, sulfur burns
- Air Quality
- Impaired means of egress
 - Life safety concerns: occupants and emergency responders.
 - Non compliant locks.
- Extraction Processes



Licensed Facilities-Closed Loop Systems

- “Closed loop” systems are required by MED regulation in all licensed marijuana facilities
- In 2015, DFD learned that these closed loop systems could actually be leaking butane to the atmosphere
- New city regulations require “Class 1 Division 1” rooms (explosion-proof)





Public Health Inspections

Dept. of Environmental Health

- Local authority over food safety regulations
- “Food” includes MJ concentrates if ingested
- All MJ manufacturers & retailers receive 2 full inspections/year
- Also conduct health investigations





Public Health Inspections

Dept. of Environmental Health

Inspection Red Flags and Challenges

- Understanding production processes and health/safety concerns
- Unapproved equipment
- Industry lacks food safety expertise
- Establishing clear policies that prioritize inspector safety





Environmental Quality

Dept. of Environmental Health

Dept. also responsible for environmental quality and sustainability

- Non-regulatory authority
 - Green business advising
 - Cannabis sustainability work group
 - Convene appropriate stakeholders
 - Developing and implementing best practices is in everyone's best interest

- LICENSING:
 - Through application review, verifies applicant qualifies and meets all the criteria (E.g. distance restrictions, proof of possession, etc.)
 - Manages and holds the public hearing
- INSPECTIONS:
 - Verifies completion of inspections by other agencies
 - Regulatory signage
 - “Limited Access” areas
 - Alarm system
 - Security surveillance
 - No product visible from outside
 - Advertising regulations



Marijuana not properly tagged



Industry Outreach

Denver Marijuana Industry

Email Campaign Archive

- 10/21/2015 - [Nature's Cure Recalls Marijuana Products Due to Possible ...](#)
- 10/20/2015 - [City Removes Surety Bond Requirement](#)
- 10/14/2015 - [Product Recall Due to Possible Pesticide Residues](#)
- 09/28/2015 - [Consumer Advisory Issued for Autopilot Capsules Manufactured ...](#)
- 09/17/2015 - [Reminder: DPD District Meetings Start Next Week](#)
- 09/11/2015 - [Denver Marijuana Policy Stakeholder Working Group](#)
- 09/10/2015 - [Denver Marijuana Industry Bulletin: Extraction Room Code Changes](#)
- 09/10/2015 - [Denver Marijuana Industry Bulletin: Product Recall of Marijuana ...](#)
- 09/09/2015 - [Denver Marijuana Industry Bulletin: DPD District Meetings](#)
- 09/04/2015 - [Denver Marijuana Industry Bulletin: Second Update on Pesticides ...](#)
- 09/01/2015 - [Denver Marijuana Industry Bulletin: Extraction Room Code Changes](#)
- 08/31/2015 - [Denver Marijuana Industry Bulletin: Update on Pesticides](#)
- 07/27/2015 - [Consumer advisory issued for Nature's Herbs Olive Oil](#)
- 07/23/2015 - [Bulletin: Recall of Mary Mint Tincture](#)
- 07/22/2015 - [Update: Burglaries to Licensed Marijuana Businesses](#)
- 05/29/2015 - [Invitation to Marijuana and Pesticides Meeting](#)
- 05/06/2015 - [Burglaries to Licensed Marijuana Businesses](#)
- 03/13/2015 - [Denver Marijuana Industry Bulletin: Use of Pesticides](#)
- 02/09/2015 - [Denver Marijuana Industry Bulletin: Refrigeration of Hash Oil ...](#)
- 02/03/2015 - [Denver Marijuana Industry Bulletin: Modification of Premises](#)



CITY AND COUNTY OF DENVER

Denver Marijuana Industry Bulletin

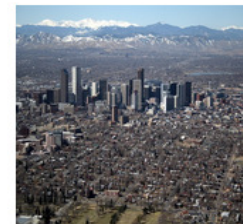
Modification of Premises and Operations

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



Let us know what you think!

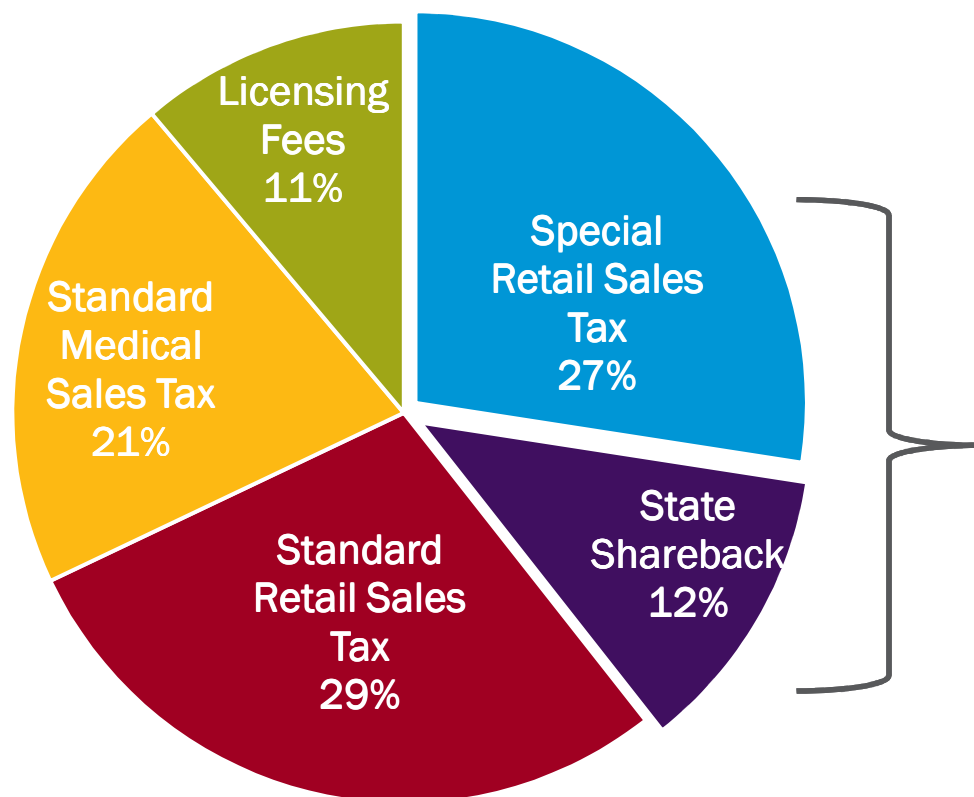
Denver Marijuana Industry
Licensing & Regulations
[Feedback Survey](#)

Please take a few minutes to give us your thoughts about the licensing process and regulations for marijuana businesses.

[Take Survey](#)

2016 Marijuana-Related Revenue Sources

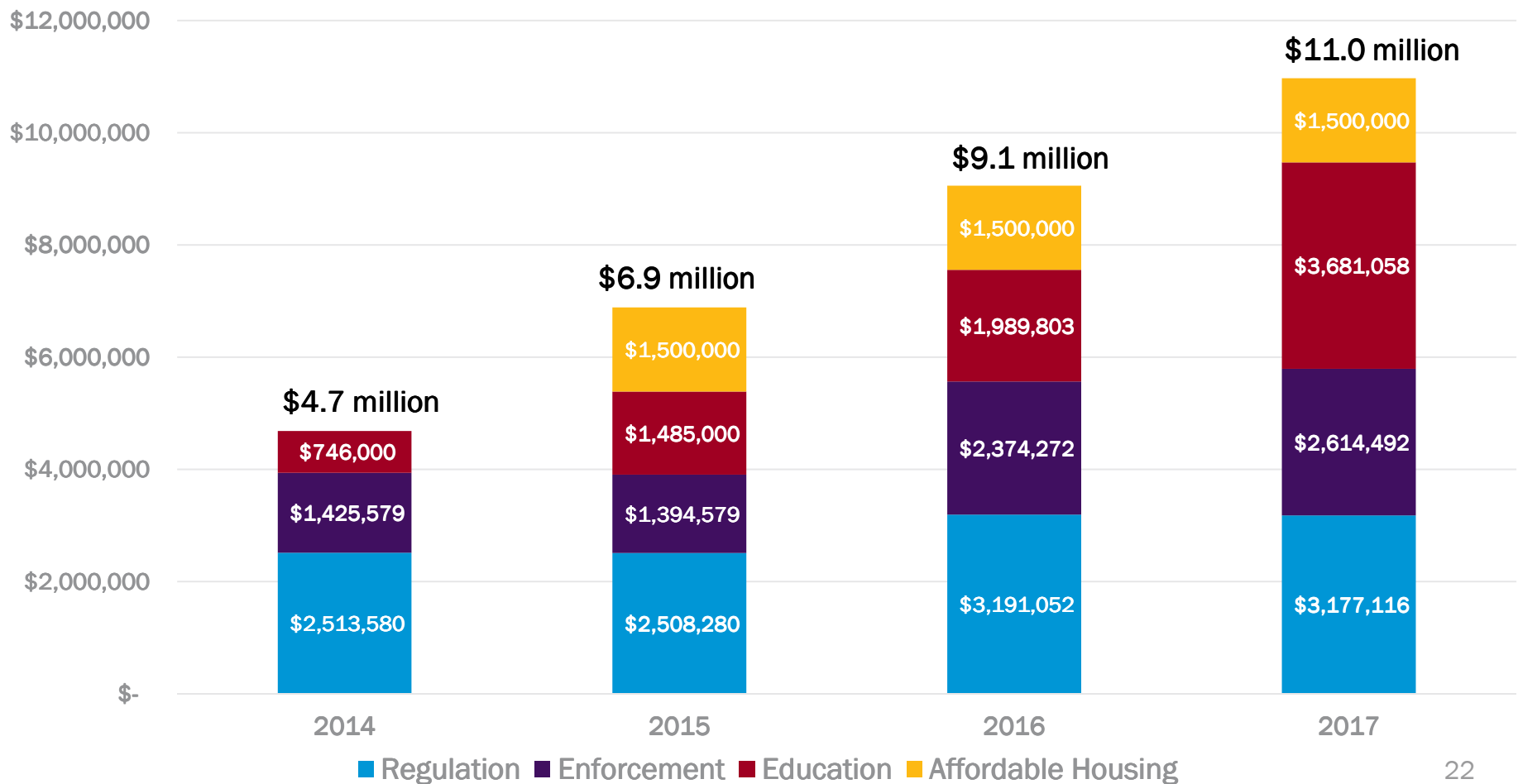
Total= \$36.8 million



- All revenues go to the General Fund
- The special retail sales tax and the state shareback are 'soft-dedicated' to be specifically used for marijuana regulation, enforcement and education.

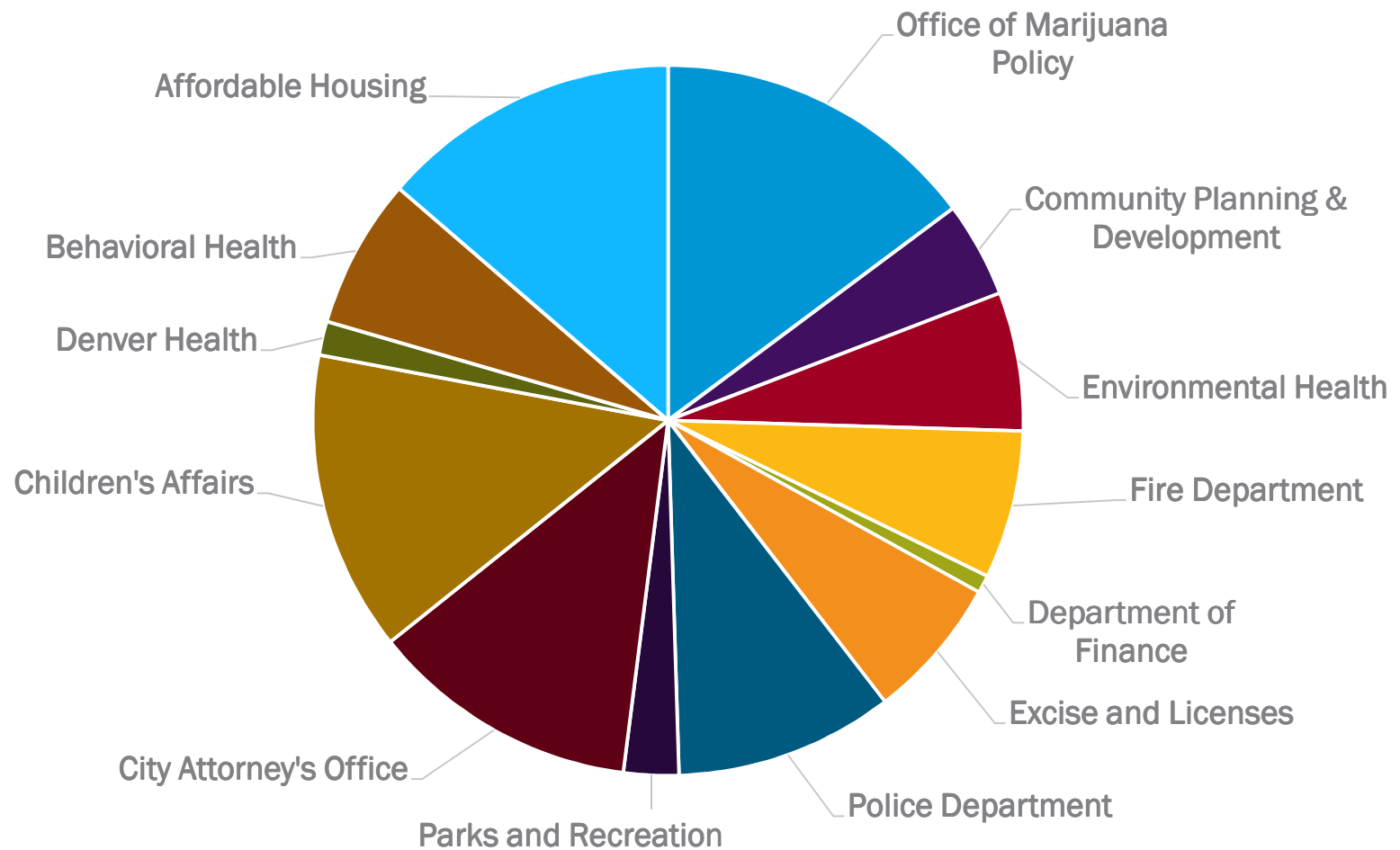


Budgeted Marijuana Expenditures





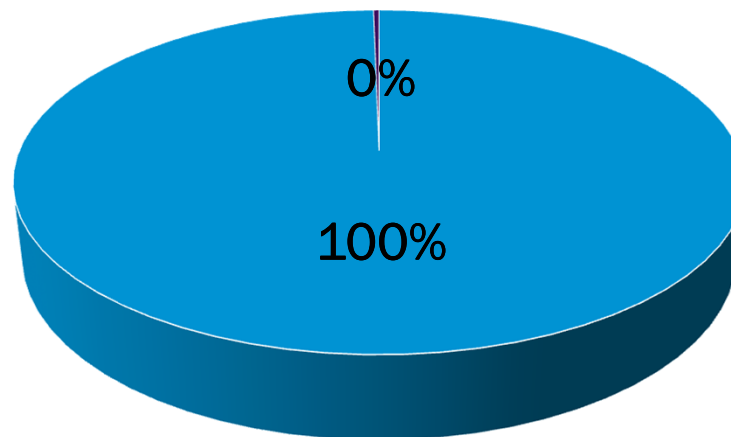
2017 Budgeted Marijuana Expenditures-By Department



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

- Sustainability
- Odors
- Industrial warehouse space
- “Urban travelers,” homeless
- Hemp
- Social consumption/pot clubs
- Neighborhoods
- Image and culture



Want more information?



MARIJUANA MANAGEMENT SYMPOSIUM 2017

OCTOBER 19 & 20





Thank You!

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