City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: MARCH 27, 2018**

FROM: COMMUNITY & ECONOMIC DEVELOPMENT **WARDS: ALL**

SUBJECT: WORKSHOP TO RECEIVE A REPORT ON A RECENT VISIT TO COLORADO BY RIVERSIDE DELEGATION AND TO PROVIDE GUIDANCE TO STAFF ON CANNABIS REGULATIONS AND POLICY DEVELOPMENT

ISSUE:

Hold a workshop to receive information from the Riverside delegation's trip to Colorado, to discuss potential regulatory and policy framework for commercial cannabis uses in the City, and to provide guidance to staff.

RECOMMENDATIONS:

That City Council:

1. Receive a report on a recent visit to Colorado by a delegation from Riverside seeking information and observations of the established cannabis industry in that state;

2. Receive a fiscal analysis of anticipated costs and potential revenue related to commercial canniabus in Riverside;

3. Provide guidance regarding the desired regulatory and policy framework for the following commercial cannabis uses:
    a. Cultivation (Indoor and Outdoor),
    b. Manufacturing of Cannabis Products Including Oils and Edibles,
    c. Retail Sales (Dispensaries),
    d. Distribution Facilities, and
    e. Microbusinesses.

BACKGROUND:

City Council has held workshops on March 7, 2017, July 25, 2017, and January 9, 2018, regarding potential cannabis regulations in response to the adoption of Proposition 64 (the Adult Use of Marijuana Act or AUMA), Senate Bill 94 (Medicinal Adult-Use Cannabis Regulation and Safety Act or MAUCRSA), and subsequent State actions, such as Assembly Bill 133. Throughout these workshops, staff and consultants from HdL have presented information regarding state legislature, the state's cannabis licensing structure, and regulation and tax considerations, as well as responded to questions.

On July 25, 2017, City Council directed staff to prepare a moratorium on commercial marijuana activity, while excluding marijuana testing laboratory facilities. Subsequently, City Council adopted an interim moratorium on September 12, 2017, followed by a ten-month fifteen-day moratorium extension on October 24, 2017. The moratorium will expire on September 11, 2018, but may be extended up to one additional year.

On November 7, 2017, City Council adopted Ordinance No. 7398 to permit and regulate Cannabis Testing Laboratories in industrial zones, subject to State and City licensing requirements. The effective date of the ordinance was December 28, 2017.

On January 9, 2018, City Council continued the cannabis regulations discussion for 45 days to include information from a planned City delegation trip to Colorado.

DISCUSSION:

Colorado Delegation

January 10-11, 2018, a City delegation from Riverside traveled to Colorado to gain a better understanding of the cannabis industry in an established regulatory environment. Recreational use and regulation of marijuana has been legal in Colorado since 2013. The delegation included:

- Chuck Conder, Councilmember, Riverside City Council – Ward 4
- Steve Adams, Councilmember, Riverside City Council – Ward 7
- Tom Hunt, Board Member, RUSD Board of Education – Trustee Area 4
- Tim Walker, Assistant Superintendent of Pupil Services, RUSD
- Frank Assuma, Captain of Investigations, Riverside Police Department
- Neil Okazaki, Assistant City Attorney, Riverside City Attorney's office

Representatives from the delegation will share their observations, perceptions and takeaways from the visit during the workshop. The delegation made the following visits in Denver:

Tour of Medicine Man Marijuana Dispensary: Medicine Man is Denver's largest dispensary for both medical and personal recreational marijuana, and is a family run business. This facility has a medical sales area, a recreational sales area, and a large "growing and packaging" area for marijuana plants. The business started as a medicinal dispensary, before expanding to accomodate recreational customers. The business also has dispensaries in, Aurora and Thornton, Colorado.

The tour was conducted by one of its owners, Sally Vander Meer, and offered firsthand insight into the operations of a licensed cannaibus business in Denver. Attendees toured the retail sales area, medical sales area, and the extensive growing facilities, including the seed room, seedling room, mature plant rooms, harvest-ready room, plant processing room, drying room, bud prep room, packaging room, product storage room, and security surveillance room/safe room. The indoor warehouse growing facility included an elaborate state-mandated electronic tracking system to monitor cannabis production from "seed to sale."

Law Enforcement/Fire Department Presentation: The delegation recieved a presentation from the Denver Police Department's Marijuana Enforcement Team, Excise and License detectives and the Denver Fire Department's Marijuana Enforcement Team. They discussed their experiences and the public safety challenges associated with marijuana legalization, including

black market sales, “gray” market sales (legal marijuana sold through unauthorized channels), sales for illegal interstate distribution (diversion), hash oil explosions, non-licensed marijuana grows, unsafe water disposal, pesticide use, unsafe or unpermitted building conditions, excessive electric/water use, driving under the influence cases, and an increase in criminal activities near cannabis operations.

Denver City Attorney’s Office and District Attorney’s Office Presentation: The delegation met with representatives of the Denver City Attorney’s Office that has a dedicated staff of four attorneys, a paralegal, and a law clerk to work solely on marijuana related matters. The Denver City Attorney’s office works closely with the Denver Police Department for most cases. More serious criminal marijuana cases are handled by the District Attorney's Office. These two legal offices work in partnership to ensure the enforcement of the laws of Denver and Colorado.

Denver Office of Marijuana Policy Presentation: This office is an extension of the Department of Excise and Licenses created by the Mayor’s Office. They oversee Denver’s cannabis programs and regulations. Representatives spoke about the office’s role in regulating marijuana. They act to recommend, administer, and implement policies; coordinate city agencies; and act as a liaison between the City and other officials, agencies, and stakeholders.

State Marijuana Enforcement Division of the Department of Revenue Presentation: This agency regulates the statewide commercial marijuana industry. This includes applications, licensing, and regulation compliance. All businesses, owners, employees, and investors owners must be licensed through this agency. This agency also has an enforcement team to ensure compliance with regulations to protect minors and public safety.

Denver Metro Chamber of Commerce Presentation: The Downtown Chamber met with the delegation to answer questions regarding the impact of legal marijuana upon the local business industry.

Denver Public Health Department Presentation: Delegation members Conder, Adams, Assuma, and Okazaki were presented with public health information regarding the effects and content levels of Tetrahydrocannabinol (THC), the chemical responsible for most of marijuana’s psychoactive effects. The information provided indicated that THC levels of today’s products are much higher than those in the past. Marijuana use, trends, and impacts among youth was also discussed.

Denver Public Schools Presentation: Delegation members Walker and Hunt met with Michelle Hollen, Substance Prevention Supervisor and Mike Eaton, Chief of Internal Security with Denver Public Schools. They oultined the marijuana-related programs aimed at education, prevention, and enforcement and spoke about the funding sources for these programs. They further described their experiences and shared statistics associated with marijuana use among youth, particularly particularly edibles and vaping.

Regulations and policies :

As discussed at the January 9, 2018 City Council workshop, staff is seeking City Council guidance regarding the desired regulatory and policy framework for the various cannabis license types, including cultivation, manufacturing, retail, distribution, and microbusinesses. Specifically, staff is seeking direction from City Council on whether each license type should be prohibited or considered for regulation.

Should the City Council decide to consider regulation of any of the license types, staff encourages input on the appropriate locations and quantity of each license type, as well as input on a potential local cannabis tax. City Council's direction will provide staff the information needed to begin drafting appropriate amendments to the Zoning Code, specific plans, and other regulating documents, prepare any necessary ordinances, and coordinate a ballot measure to authorize any proposed cannabis taxes. Attachment 2 summarizes the cannabis regulation process to date and includes the outstanding policy adoption process fro the various license types.

The January 9, 2018, City Council workshop report (Attachment 3) provides an overview of each license type, including: a description of the license type; potential concerns/impacts; possible regulatory tools to address potential impacts, a regulatory framework example, and potential tax revenue based on the regulatory framework example. More information about each of the license types can found on the following pages within the attached staff report:

- Cultivation Licenses Page 4
- Manufacturing Licenses Page 7
- Retail Licenses Page 9
- Distribution Page 11
- Microbusiness Page 13

The January 9, 2018 staff report also provides responses to outstanding questions from the July 25, 2017 and October 24, 2017 City Council hearings, a comparison matrix of the commercial cannabis regulations for other jurisdictions , a Fiscal Analysis Summary, and a Sensitive Receptor Buffer Map. The comparison matrix has been updated and is included as Attachment 4 of this staff report. The Fiscal Analysis Summary has been updated and expanded to include potential costs below.

Fiscal Analysis:
The City's consultant, HdL, has prepared a fiscal analysis of anticipated costs based on three scenarios assuming either 18, 30, or 42 commercial cannabis-related permits Citywide (Table 1). These numbers have been adjusted slightly from the January 9 workshop based on a recommendation by HdL Consultants who believe the revised numbers better reflect a more realistic blend of permit types. The previous analysis used an arbitrary assumption of 3, 5, or 7 permits (representing up to one per ward) for each of the five license types, for a total of up to 35 cannabis-related permits Citywide. The figures and assumptions used in the following analysis are purely hypothetical and based on best estimates. This information is simply intended to aid the discussion and the figures may change based on City Council direction.

Table 1: Estimated Annual Staffing Needs and Costs:

	Permitting and Licensing		Ongoing Additional Enforcement and Education		
(A) # of Permits	**(B) Staffing Needs (FTE)**	**(C) Annual Program Staffing Costs**	**(D) Staffing Needs (FTE)**	**(E) Additional Annual Staffing Costs**	**(F) Total Program Costs**
18	10.27	$1,280,987	4.75	$892,474	**$2,173,461**
30	14.10	$1,747,880	4.75	$892,474	**$2,640,354**
42	15.35	$2,031,635	4.75	$892,474	**$2,924,109**

Should the City Council choose to allow and regulate commercial cannabis uses, it is estimated that such action could result in the need for approximately 10 to 15 additional staff positions (Column B) within the Police Department, Finance Department, Community and Economic Development Department, and City Attorney's Office. These positions could be necessary to manage the additional staff time associated with licensing, permiting, inspecting, enforcing, protecting, and tracking cannabis businesses within the City. Using City data, HdL Consultants estimates the potential cost of this increased service need to be between $1,280,987 and $2,031,635 annually (Column C), depending on the number of cannabis-related permits issued.

There is an ongoing need to maintain and increase dedicated police and City Attorney's Office staff at a full time equivalent (FTE) of 4.75 staff members (Column D) to focus on regulating and litigating illegal cannabis operators and black market operations. Table 1 outlines the total estimated staffing costs between $2,173,461 and $2,924,109 (Column F) associated with cannabis licensing and regulation, including the additional staff needed for black market enforcement. In this scenario, the additional staff needed for enforcement, but not covered under the regulatory fees, would result in an additional cost of approximately $892,474 (Column E).

Table 2 below includes the estimated annual revenue associated with a commercial cannabis-related program, including the annual program costs, estimated permit fee revenue, and potential tax revenue using the same assumptions of 18, 30, and 42 permits and calculated using various tax rates.

The permit program costs may be passed on to the permitees at a full cost-recovery, resulting in annual license and permit fees of between $41,616 and $71,166 per permitee (Column C) that can only be used to support the permitting program and cannot exceed the related costs of operating the program. As such, the $892,474 associated with the additional ongoing enforcement of illegal and black market operations (Column D) cannot be recovered through the use of the permit and license fees.

Table 2: Estimated Annual Revenue:

(A) # of Permits	(B) Total Annual Program Costs[1]	(C) Annual License and Permit Program Fee Revenue[2]	(D) Remaining Annual Costs Not Recouped by Permit Fees	(D) Potential Annual Tax Revenue		*(E) Potential Annual Net Revenue*
18	**$2,173,461**	$1,280,987 ($71,166 per Permit)	$892,474	Very Conservative:	$1,610,000	***$717,526***
				Conservative:	$2,344,000	***$1,451,526***
				Aggressive:	$3,226,000	***$2,333,526***
30	**$2,640,354**	$1,747,880 ($41,616 per Permit)	$892,474	Very Conservative:	$2,520,000	***$1,627,526***
				Conservative:	$3,800,000	***$2,907,526***
				Aggressive:	$5,410,000	***$4,517,526***
42	**$2,924,109**	$2,031,635 ($48,372 per Permit)	$892,474	Very Conservative:	$3,240,000	***$2,347,526***
				Conservative:	$4,952,000	***$4,059,526***
				Aggressive:	$7,138,000	***$6,245,526***

[1]Permitting Program + Ongoing Enforcement
[2]100% Cost Recovery

City Council may choose to pursue a ballot measure seeking a cannabis use tax to offset public safety, education, and other regulatory costs not covered through regulatory fees. Should the City Council choose to pursue a tax on commercial cannabis uses and gain voter support, the City could potentially generate between $1,610,000 and $7,138,000 in revenue annually (Column E). This tax revenue can be used to offset these additional staff positions and public education efforts, resulting in a potential annual net revenue of between $717,526 and $6,245,526 (Column F). Attachment 5 outlines the tax scenarios for each license type using different tax rates and assuming various quantities of permits.

Staff estimates that there will be an additional annual cost of approximately $1.5 million for vehicles, equipment, professional services, supplies, and continual training that will impact the net gain/loss of the potential revenue/cost.

FISCAL IMPACT:

There is no fiscal impact as a result of this workshop. The impact of the policy directions are estimated in detail in the body of this report and will be discussed during the workshop.

Prepared by: Rafael Guzman, Community & Economic Development Director
Certified as to availability of funds: Adam Raymond, Chief Financial Officer/City Treasurer
Approved by: Al Zelinka, FAICP, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Presentation
2. Cannabis Regulation Flowchart
3. City Council Staff Report – January 9, 2018 Workshop
4. Comparison of Cannabis Regulations in Other Jurisdictions (Revised March 8, 2018)
5. Potential Tax Revenue Worksheet

Workshop to Receive Report and Provide Guidance on Cannabis Regulations and Policy Development

Community & Economic Development Department

City Council
March 27, 2018

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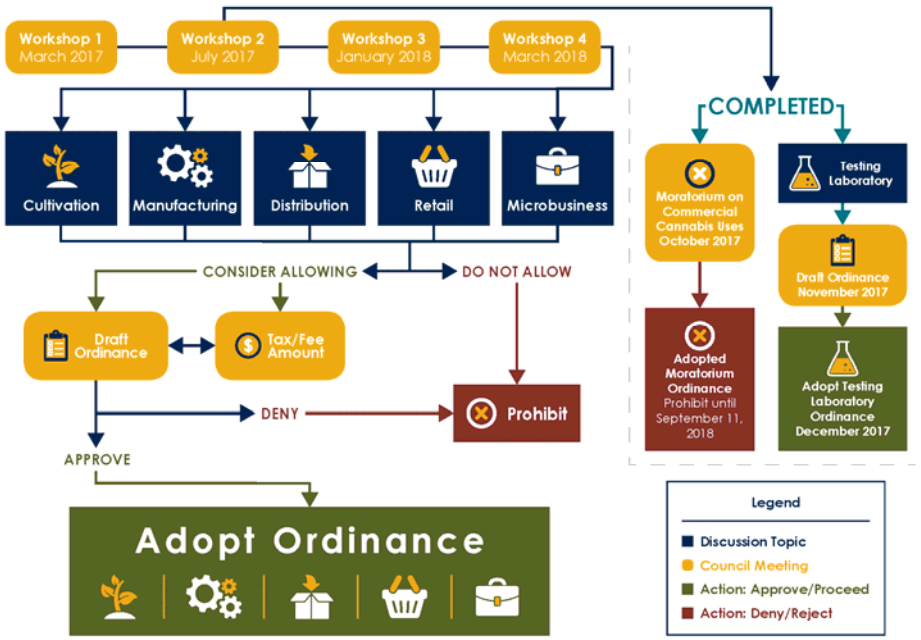
CANNABIS REGULATIONS WORKSHOP



CANNABIS REGULATIONS WORKSHOP

Denver Trip

January 10-11, 2018 - City delegation traveled to Colorado in an effort to gain a better understanding of the cannabis industry in an established regulatory environment.

Delegation Members:

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B. Steve Adams – Ward 7
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CANNABIS REGULATIONS WORKSHOP

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Delegation visited and met with the following:

A. Visit and Tour of Medicine Man Marijuana Dispensary
B. Denver Police/Fire Departments
C. Denver City Attorney's Office and the District Attorney's Office
D. Denver Office of Marijuana Policy
E. State Marijuana Enforcement Division of the Department of Revenue
F. Denver Metro Chamber of Commerce
G. Denver Public Health Department
H. Denver Public Schools

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CANNABIS REGULATIONS WORKSHOP

Fiscal Considerations

Estimated Annual Staffing Needs and Costs:

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CANNABIS REGULATIONS WORKSHOP

Staffing Needs

1. **Finance Department**
   A. Business Tax
   B. Account Clerk
   C. Auditor
2. **City Attorney's Office**
   A. Attorney Staff
   B. Legal Secretary
3. **Police Department**
   A. Sergeant
   B. Detectives
   C. Police Specialist
4. **Fire Department**
   A. Inspection Staff
5. **Community & Economic Development Department**
   A. Cannabis Program Manager
   B. Code Enforcement

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CANNABIS REGULATIONS WORKSHOP

Fiscal Considerations

Estimated Annual Revenue:

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CANNABIS REGULATIONS WORKSHOP

Decision Point

	Manufacturing	Distribution	Retail	Cultivation	Microbusiness
Prohibit ✗	☐	☐	☐	☐	☐
Consider ✓	☐	☐	☐	☐	☐

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Slides from the January 9, 2018 Workshop

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CANNABIS REGULATIONS WORKSHOP

Cultivation Licenses

STATE LICENSE TYPES AND ALLOWABLE GROWING AREA/QUANTITY

	Outdoor	Indoor	
	Natural Light	Artificial Light (A)	Mixed-Light (B) (Natural and Artificial)
State License Category	Allowed Growing Area/Quantity		
Specialty Cottage (1C)	25 Mature Plants	500 sf	2,500 sf
Specialty (1)	Up to 5,000 sf or 50 Mature Plants	Up to 5,000 sf	Up to 5,000 sf
Small (2)	5,001 - 10,000 sf	5,001 - 10,000 sf	5,001 - 10,000 sf
Medium (3)	10,001 sf – 1 acre	10,001 – 22,000 sf	10,001 - 22,000 sf
Nursery* (4)	Up to 1 acre	Up to 1 acre	Up to 1 acre

Indoor – Artificial Light

Outdoor – Natural Light

Indoor – Mixed Light

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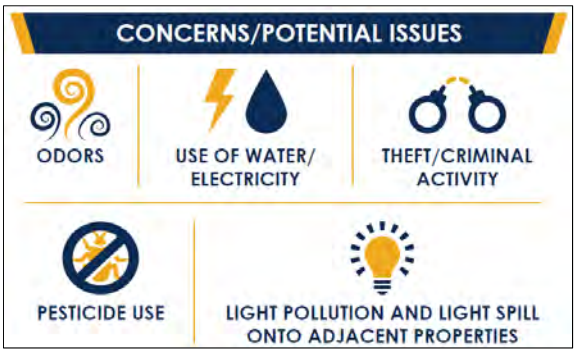
CANNABIS REGULATIONS WORKSHOP

Cultivation Licenses



Regulatory Considerations

- Locate only in appropriate zones
- Establish distance requirements from sensitive uses
- Restrict externally visible lighting
- Require:
  - Odor Control Plans
  - Renewable Energy Plans
  - Water Management Plans
  - Security Plans

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Manufacturing Licenses

- Manufacturing Licenses include all aspects of cannabis extraction and/or infusion processes including:
  - Processing
  - Preparing
  - Holding
  - Storing
  - Packaging
  - Labeling
- Manufactured products may include:
  - Oils
  - Topical products
  - Edibles
  - Other medicinal or recreational products
- Processes may use volatile and non-volatile solvents

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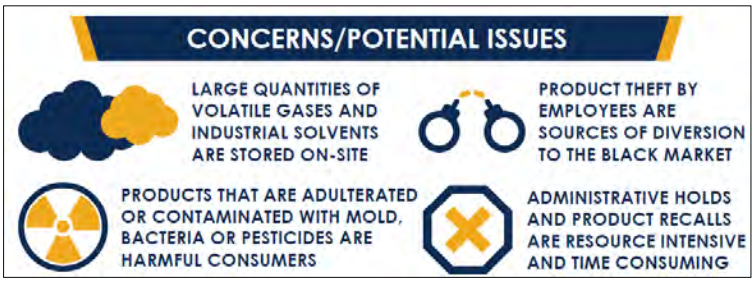
CANNABIS REGULATIONS WORKSHOP

Manufacturing Licenses



Regulatory Considerations

- Locate only in appropriate industrial zones
- Establish distance requirements from sensitive uses
- Require Security Plans and Hazardous Material Plans
- Require that all extraction activities take place in a dedicated room

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CANNABIS REGULATIONS WORKSHOP

Distribution Licenses

- Only business type allowed to transport inventory between other license types
- Ensures inventory is examined by a licensed testing laboratory
- Collects state's excise taxes
- Cultivators, manufacturers, and retailers may also hold distribution license
  - Distribution premises must be separate and distinct from other license types
- State requires distributors to be in commercial or industrial buildings with little to no signage or advertisement

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CANNABIS REGULATIONS WORKSHOP

Distribution Licenses

Regulatory Considerations

- Locate only in industrial zones
- Establish distance requirements from sensitive uses
- Require Security Plans
- Require track and trace inventory control measures
- Limit/prohibit non-employee access to facility and vehicles
- Require that inventory and cash be locked and secured in an approved case, safe, or cabinet
- Require transport vehicles to be equipped with GPS

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Retail Licenses

- Most visible segment of the commercial cannabis industry
- Subject to most rigid state control
- Final product must be tested, packaged, labeled and accounted for down to the gram
- Typically few employees at retail locations
- Robust security measures

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CANNABIS REGULATIONS WORKSHOP

Retail Licenses

Regulatory Considerations

- Establish distance requirements from sensitive uses
- Require Security Plans
- Require criminal background checks for all employees
- Limit inventory on display
- Require inventory control measures
- Balance all inventory and sales at end of business day
- Require that inventory be locked and secured when business is closed
- Designate one employee as Inventory Manager

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CANNABIS REGULATIONS WORKSHOP

Microbusiness Licenses

- Allows for Cultivation (under 10,000 sf), Distribution, Manufacturing, and Retail in one facility
- Designed to create opportunities and reduce social equity issues for small business owners to enter market
- Zoning must accommodate all license types
- Must meet all standards and requirements for each license type
- Due to complexity, there is a high risk of business failure or becoming compliance liability

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CANNABIS REGULATIONS WORKSHOP

Microbusiness Licenses

CONCERNS/POTENTIAL ISSUES

MULTIPLE COMMERCIAL CANNABIS BUSINESS ACTIVITIES

CONTROL OF THE INVENTORY AS IT LOWS THROUGHOUT THE INTERNAL SUPPLY CHAIN

Regulatory Considerations

- Identify appropriate zone that would accommodate all licensed activities
- Establish distance requirements from sensitive uses
- Impose all requirements for other license types:
  - Criminal background checks
  - Inventory control measures
  - Security Plans
  - Water Management Plans
  - Renewable Energy Plans
  - Odor Control Plans
  - Employee access restrictions
  - No externally visible cultivation lighting

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CANNABIS REGULATIONS WORKSHOP

Decision Point

	Manufacturing	Distribution	Retail	Cultivation	Microbusiness
Prohibit ✗	☐	☐	☐	☐	☐
Consider ✓	☐	☐	☐	☐	☐

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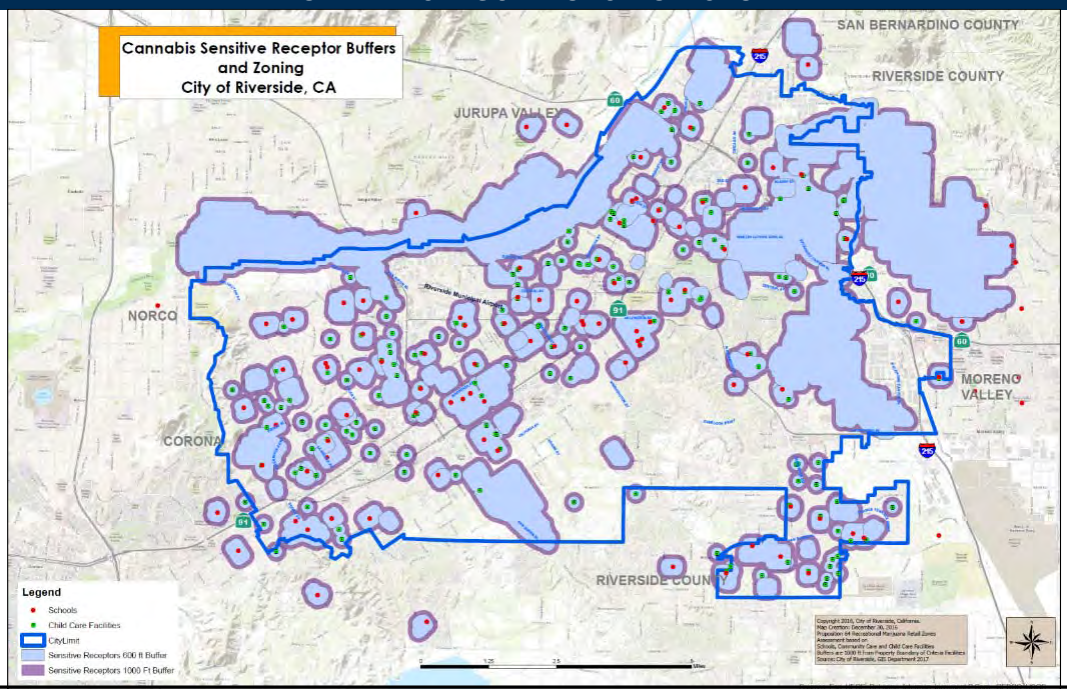
CANNABIS REGULATIONS WORKSHOP



Attachment 4 - Comparison of Cannabis Regulations for Other Jurisdictions

Based on available information as of March 7, 2018

	Commercial Cannabis License Type						
Jurisdiction	**Cultivation (Indoor)**	**Cultivation (Outdoor)**	**Manufacturing**	**Retail**	**Distribution**	**Microbusiness**	**Testing Labs**
County of Riverside	Tax Measure to be considered Nov. 2018 followed by Regulations	Tax Measure to be considered Nov. 2018 followed by Regulations	Tax Measure to be considered Nov. 2018 followed by Regulations	Tax Measure to be considered Nov. 2018 followed by Regulations	Tax Measure to be considered Nov. 2018 followed by Regulations	Tax Measure to be considered Nov. 2018 followed by Regulations	Tax Measure to be considered Nov. 2018 followed by Regulations
Blythe	Permitted	Prohibited	Permitted	Permitted	Permitted	Permitted	Permitted
Corona	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited
Jurupa Valley	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited
Lake Elsinore	Permitted	Prohibited	Permitted	Permitted only in conjunction with cultivation or manufacturing			
Menifee	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited
Moreno Valley	Permitted –	Prohibited	Permitted	Permitted	Permitted	Permitted	Permitted
Perris	Permitted	Prohibited	Permitted	Permitted –	Permitted	Permitted	Permitted
San Jacinto	Permitted	Permitted					
County of San Bernardino	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited
San Bernardino	Permitted	Prohibited	Permitted	Permitted	Permitted	Permitted	Permitted
County of Los Angeles	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited
City of Los Angeles	Permitted	Prohibited	Permitted	Permitted	Permitted	Permitted	Permitted
Long Beach	Permitted – Medical Only	Prohibited	Permitted – Medical Only	Permitted – Medical Only			Permitted – Medical Only
City of San Diego				Permitted	Prohibited	Prohibited	
City of Sacramento	Permitted	Prohibited	Permitted	Permitted –			

Attachment 5
Potential Tax Revenue Worksheet

Cultivation Permits		**Total 7**			**Tax Scenarios**		
	Total Sq Ft			**Total Sq Ft**	**$6**	**$8**	**$10**
Permit 1	5,000		1	5,000	$30,000	$40,000	$50,000
Permit 2	10,000		3	30,000	$180,000	$240,000	$300,000
Permit 3	22,000		5	110,000	$660,000	$880,000	$1,100,000
					$870,000	$1,160,000	$1,450,000

Microbusiness Permits		**Up to 7**			**Tax Scenarios**		
	Gross Receipts			**Total GR**	**2.5%**	**4%**	**6%**
Scenario 1	$3,500,000		3	$10,500,000	$262,500	$420,000	$630,000
Scenario 2	$3,500,000		7	$24,500,000	$612,500	$980,000	$1,470,000
Scenario 3	$3,500,000		9	$31,500,000	$787,500	$1,260,000	$1,890,000

Manufacturing Permits		**Up to 7**			**Tax Scenarios**		
	Gross Receipts			**Total GR**	**2.5%**	**4%**	**6%**
Scenario 1	$2,500,000		3	$7,500,000	$187,500	$300,000	$450,000
Scenario 2	$2,500,000		7	$17,500,000	$437,500	$700,000	$1,050,000
Scenario 3	$2,500,000		9	$22,500,000	$562,500	$900,000	$1,350,000

Retailer Permits		**Up to 7**			**Tax Scenarios**		
	Gross Receipts			**Total GR**	**2.5%**	**4%**	**6%**
Scenario 1	$3,200,000		3	$9,600,000	$240,000	$384,000	$576,000
Scenario 2	$3,200,000		5	$16,000,000	$400,000	$640,000	$960,000
Scenario 3	$3,200,000		9	$28,800,000	$720,000	$1,152,000	$1,728,000

Distribution Permits		**Up to 7**			**Tax Scenarios**		
	Gross Receipts			**Total GR**	**2.5%**	**4%**	**6%**
Scenario 1	$2,000,000		1	$2,000,000	$50,000	$80,000	$120,000
Scenario 2	$2,000,000		4	$8,000,000	$200,000	$320,000	$480,000
Scenario 3	$2,000,000		6	$12,000,000	$300,000	$480,000	$720,000

Max Permits	**Total of 42**	
	Very Conservative	$3,240,000
	Conservative	$4,952,000
	Aggressive	$7,138,000
Mid Permits	**Total of 30**	
	Very Conservative	$2,520,000
	Conservative	$3,800,000
	Aggressive	$5,410,000
Min Permits	**Total of 18**	
	Very Conservative	$1,610,000
	Conservative	$2,344,000
	Aggressive	$3,226,000