



# **420** ADVISORY MANAGEMENT



# CANNABIS LEGALIZATION & ECONOMIC DEVELOPMENT IN THE MILE HIGH CITY

DAN ROWLAND

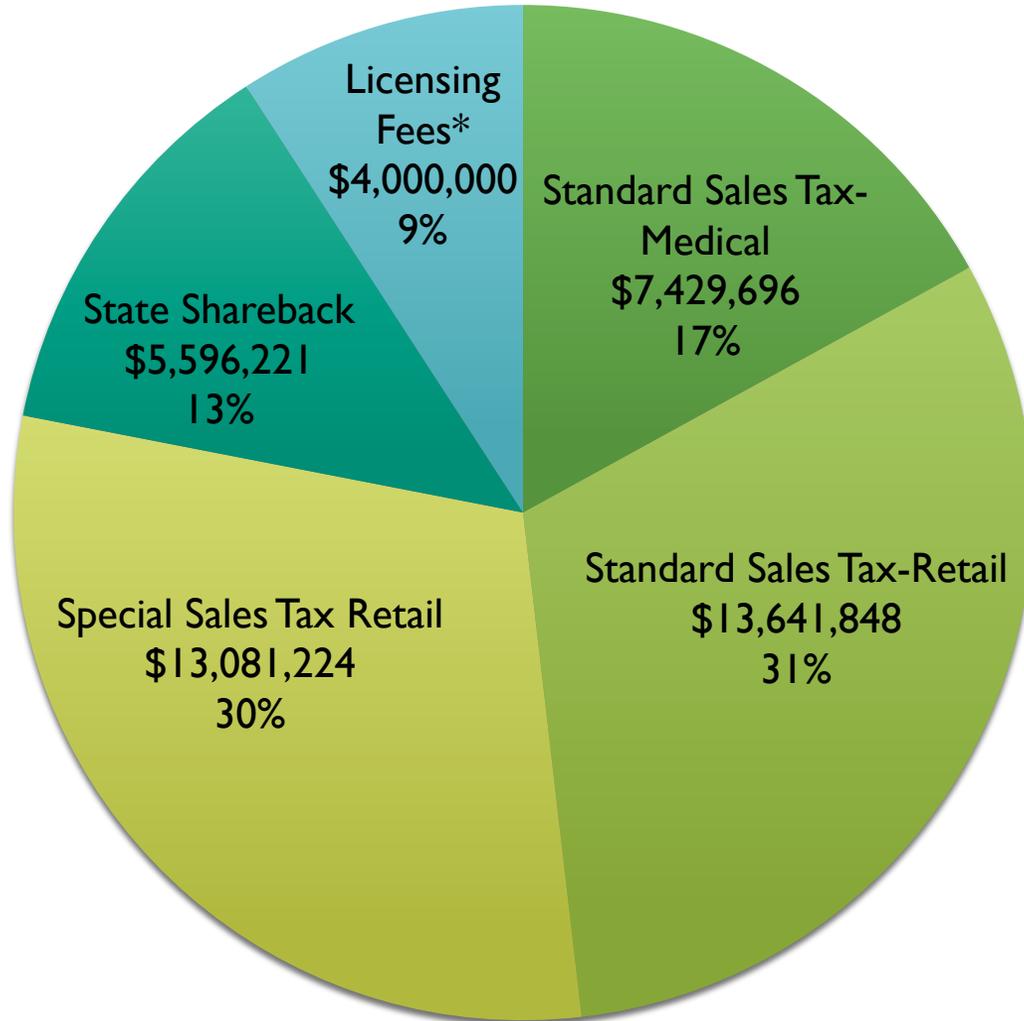
**SOUTH COUNTY EDC  
CANNABIS ECONOMIC IMPACT FORUM  
FEBRUARY 22, 2018**



# REVENUE & BUDGET



# REVENUE & BUDGET



## 2017 Denver Cannabis-Related Revenue \$43.8M

- Standard Sales Tax-Medical
- Standard Sales Tax-Retail
- Special Sales Tax Retail
- State Shareback
- Licensing Fees\*

## ACTUAL + INDIRECT COSTS OF REGULATION

<b>Description</b>	<b>Regulated Marijuana Costs</b>
FY16 BMO Budgeted Costs	\$ 9,055,127
FY16 Actual Costs above Budget	\$ 2,184,536
FY16 Actual Costs Related to Additional Depts	\$ 2,082,253
FY16 Actual Citywide Indirect Costs	\$ 2,621,356
	<u>\$ 15,943,272</u>

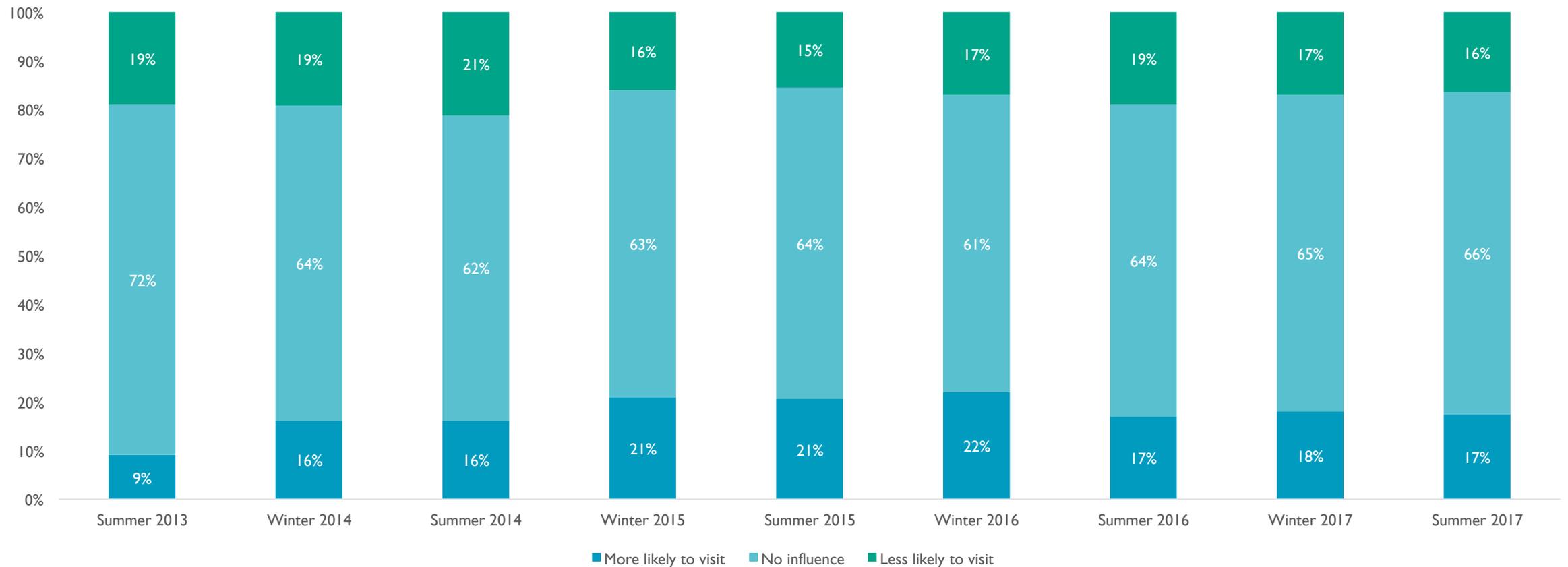


# TOURISM

*Source: Colorado Tourism Office*

# INFLUENCE OF CANNABIS ON FUTURE TRAVEL

Influence of Marijuana on Likelihood to Visit



# INFLUENCE OF CANNABIS ON VISITATION

Impact of Marijuana Availability	Winter 2016	Summer 2016	Winter 2017	Summer 2017
The availability of legal marijuana made me less interested in Colorado but I came anyway	14%	8%	15%	13%
The availability of legal marijuana had no influence in my decision to visit	64%	77%	64%	62%
The availability of legal marijuana was one of many reasons I was interested in visiting Colorado	10%	7%	10%	7%
The availability of legal marijuana made me somewhat more interested in visiting Colorado	8%	5%	8%	14%
The only reason I visited Colorado was the availability of legal marijuana	5%	3%	3%	4%



# EMPLOYMENT & REAL ESTATE IMPACTS

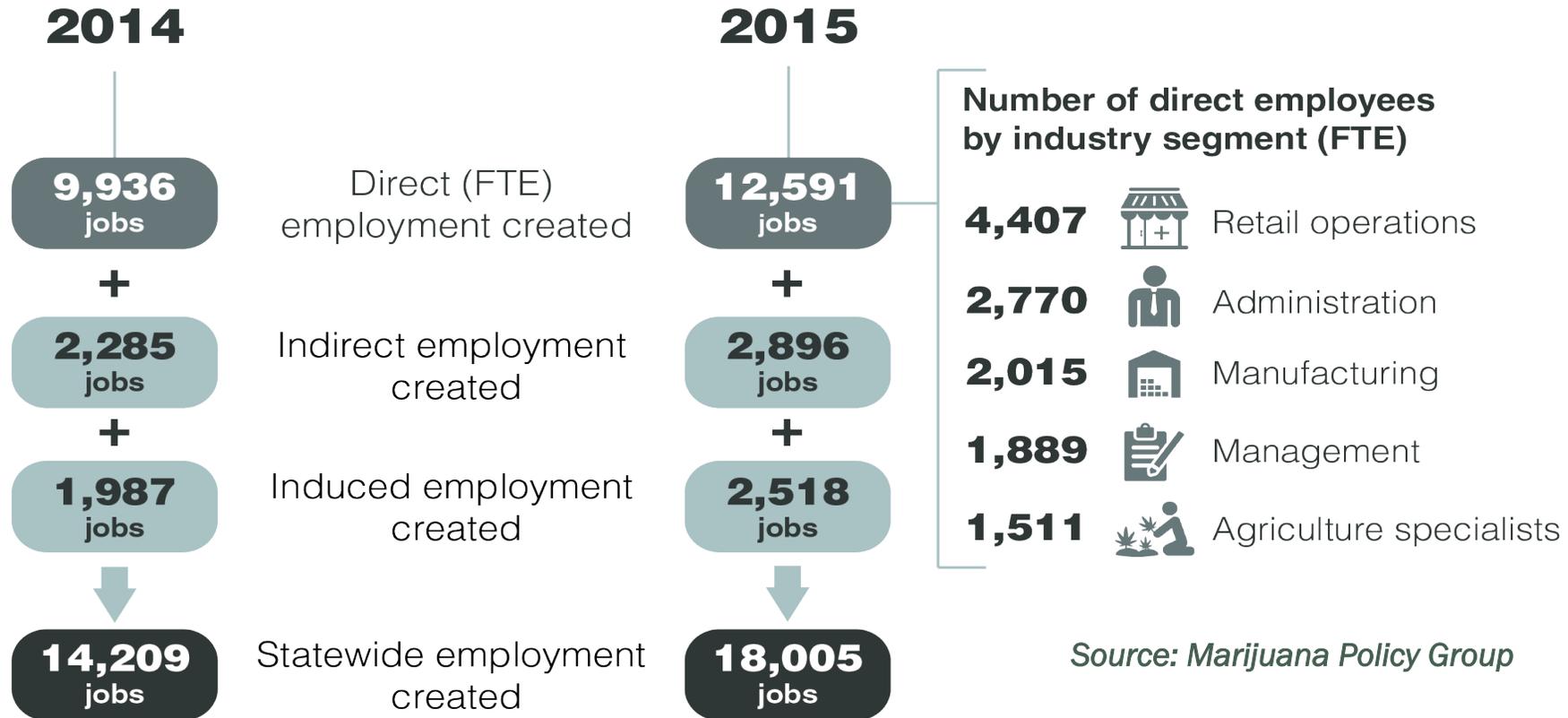


# DENVER WAGES & STAFFING

- Similar to retail and agriculture sectors
- Production employment
  - About 1,000 jobs
  - Average wage: \$18.50/hr.
    - Compare to \$24.50/hr. for similar sector employees
- Medical Center / Retail Store employment
  - About 3,000 jobs
  - Average wage: \$15.50/hr.
    - Compare to \$17.40/hr. for similar sector jobs.

# EMPLOYMENT

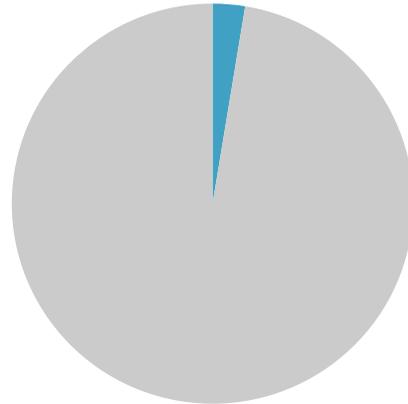
## Employment in Colorado Caused by Legalized Marijuana



# COMMERCIAL REAL ESTATE

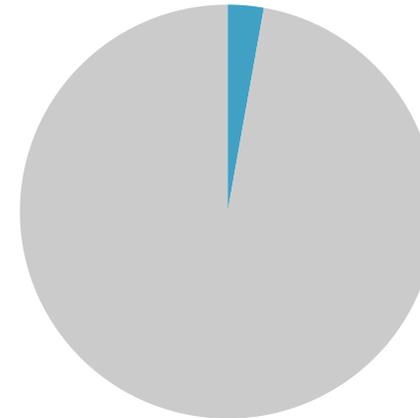
**Warehouse space occupied by  
cannabis businesses**

**2.60%**



**Retail space occupied by  
cannabis businesses**

**2.80%**



Marijuana businesses accounted for **36%** of industrial absorption 2009-2014

Source: CBRE 2015

Source: Marijuana Policy Group

# COMMERCIAL REAL ESTATE

- **Absorption + change in value**
  - About 5M sq. ft. of commercial space
  - Values doubled; Leases increased 50% or more
- **Other (non-cannabis) contributing factors**
  - Recovered economy
  - Reinvestment/revitalization
  - FasTracks and TOD
- **Significant share of new commercial leases/space**
  - Generally non-institutional owned nor bank financed properties
    - Class B & C retail



# Thank You

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