



THE ECONOMIC IMPACT OF THE CANNABIS INDUSTRY

Brief Recap of Recreational Legalization

-Colorado and Washington began legalized sales in 2014.

- Oregon and Alaska began legalized sales in late 2016.

Last November California, Massachusetts, Nevada and Maine, legalized personal use of marijuana for adults 21 and over



Colorado



- Colorado legalized in 2014 and has experienced tremendous financial impact in the last few years
- Marijuana Policy Group's report says legal cannabis funds 18,000 full-time jobs
- In 2016, Colorado had collected more than \$150 million in taxes from legal marijuana sales
- Expected \$1.3Billion in sales revenue in 2017
- The first \$40 million collected annually is earmarked for school projects

Exclusive Chart: Marijuana Industry to Create \$10B+ Economic Impact in 2015, \$30B By 2019

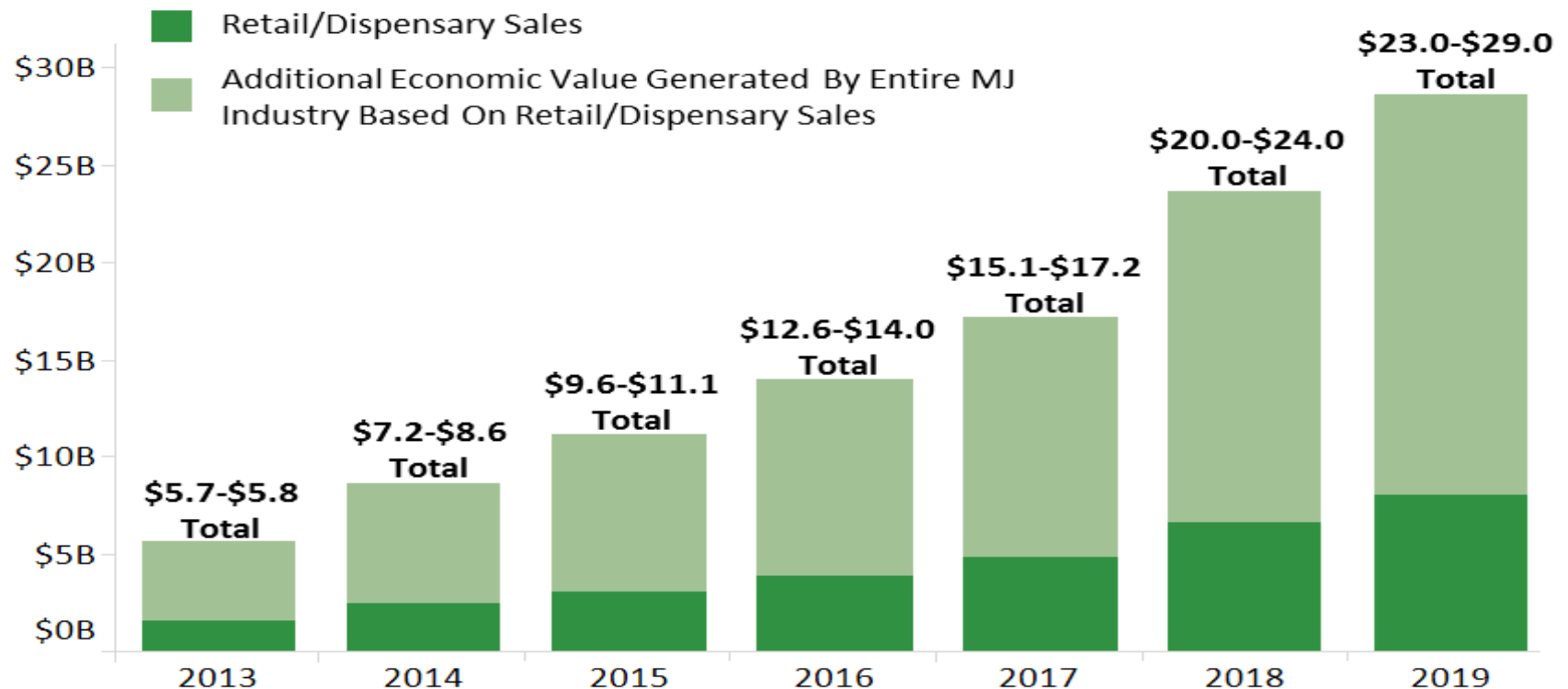


Chart of the Week

Marijuana
Business **Daily**

Marijuana Industry's Economic Impact: 2013 – 2019

In Billions of U.S. Dollars



Unique to Alaska.....

- Alaska state regulations require every cannabis business owner to be a resident of Alaska and does not permit any out of state financial interest.
- Nikiski Mom 'n Pop
- Example: Non residents currently represent 36% of the workforce in the oil industry.
- 100% of the Alaska Marijuana workforce are Alaskans



Kenai Peninsula Borough Licensees

17 Marijuana Facility licenses KPBP

OPERATING LICENSES: 8

SOON TO BE OPERATING: 9

NEW EMPLOYEES: 46

ADDITIONAL EMPLOYEES EXPECTED IN 2017: 30

INITIAL INVESTMENT: \$1,967,300

MONTHLY OPERATING COSTS: \$300,900 (annually = \$3,610,800) not including payroll

MONTHLY MARIJUANA EXCISE TAX: \$122,900 (annually = \$1,474,800)

MONTHLY SALES TAX TO KPBP: \$18,200 (annually = \$218,400)

MONTHLY SALES TAX TO KENAI: \$5,000 (annually = \$60,000)

TOTAL ANNUAL IMPACT = \$5,304,060

Kenai Peninsula Borough Local Impact

- Number of marijuana facilities in the KPB...(operating/soon to be operating)...8, 9
- Marijuana Licensing fees paid to KPB by Feb. 1, 2017... (approx.)\$6,500. This does not include an additional 4 recent applicants
- Total Sales tax paid to:
 - KPB...\$15,000
 - Kenai...\$5,000
 - Soldotna...\$0 (moratorium)
 - Homer...\$0 (no retail store)
 - Seward...\$0 (no retail store)

Kenai Peninsula Borough Local Impact

-Total money spent on facility development and build out in the KPB... (approx)
\$1,967,300

- Renovation

- Plumber

- Surveillance/Security system installation

- Advertising

- Web design

-Monthly operating expenses...(approx)\$300,900 not including payroll

- Garden Supplies

- Utilities

- Product for resale

- Transportation

- Packaging

-Expected annual marijuana excise tax generated on the KPB paid to the Alaska
Department of Revenue...(approx) \$1,474,800

Kenai Peninsula Borough Local Impact

In the first 90 days of cannabis sales, the KPB marijuana industry licensees generated (approx) \$15K in sales tax, and (approx) \$5,000 for Kenai.

-4 Operating Cultivators

-2 Retailers

We estimate this sales tax will generate \$218,000 or more, in 2017.

Every single penny generated from sales tax in the KPB goes to the KPB school district.

46 new jobs were created in the KPB in 2016, and 30 additional new jobs expected in 2017.

Total annual KPB Marijuana Industry financial impact = (approx) \$5,304,060.

Public safety and state regulations

- All licensees must have a criminal background check
- All licensed facilities are inspected for safety and compliance rigorously and regularly
- All cultivation must be out of sight of the public, housed or fenced under lock and key, and under 24 hour video surveillance which is supervised by the state
- Marijuana may not be seen, smelled or accessed by the public from outside the facility
- All marijuana products are tested for mold and contaminants at a state approved laboratory
- All marijuana products are tracked from seed to the end package, purchased by the consumer
- Marijuana is only sold to those 21 years or older

Current small business economy...

“We’re losing some of our local businesses, they’re closing doors here and opening them elsewhere. We need to figure out what’s going on and get those folks back here. We have too many empty buildings. ... I think that’s one of the biggest things we can do locally is turn that around. Then maybe work with the Chamber and work with the city to recruit and bring some businesses down here. We got a lot of space and a lot of it is in good shape.”

-Hal Smalley

Meet some of your marijuana neighbors...

Green Rush Gardens-Limited Cultivator

Perma Frost Distributors-Limited Cultivator, Retail

High Bush Buds-Retailer

Croys Enterprises-Standard Cultivator



VOTE OCT. 3, 2017