



Las Vegas

Agenda Item No.: 33.

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: JUNE 4, 2014

DEPARTMENT: CITY ATTORNEY
DIRECTOR: BRADFORD R. JERBIC

☐ Consent ☒ Discussion

SUBJECT: BILL NO. 2014-33 - For Possible Action
RECOMMENDING COMMITTEE: ELIGIBLE FOR ADOPTION AT THIS MEETING

Bill No. 2014-33 - For Possible Action Establishes licensing regulations and standards for medical marijuana establishments. Sponsored by: None

Fiscal Impact

☐ No Impact ☐ Augmentation Required
☐ Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

This bill will establish licensing regulations and standards for medical marijuana establishments.

RECOMMENDATION:

FORWARDED to Full Council to the 6/4/2014 City Council Meeting with No Recommendation pursuant to the 06/16/2014 Recommending Committee Meeting

First Reading 05/21/2014; First Publication 05/23/2014

BACKUP DOCUMENTATION:

1. Bill No. 2014-33
2. Proposed Business Licensing Regulations
3. Submitted after Final Agenda Email correspondence by Frank Hawkins, Correspondence by Jim DiFiore and Ernie Cramer, submitted at the 6/2/2014 Recommending Committee Meeting
4. Submitted at Meeting - Medical Marijuana Licensing Regulations, Presentation of Proposed Medical Marijuana Establishments Licensing Regulations, and Medical Marijuana Establishment Fees by Staff

Motion made by STAVROS S. ANTHONY to Approve as a First Amendment

Passed For: 6; Against: 1; Abstain: 0; Did Not Vote: 0; Excused: 0

RICKI Y. BARLOW, LOIS TARKANIAN, CAROLYN G. GOODMAN, STAVROS S. ANTHONY, STEVEN D. ROSS, BOB BEERS; (Against-BOB COFFIN); (Abstain-None); (Did Not Vote-None); (Excused-None)

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Motion made by BOB BEERS to Approve the Removal of #4 from the Findings, MOTION FAILED

Failed For: 2; Against: 5; Abstain: 0; Did Not Vote: 0; Excused: 0

BOB COFFIN, RICKI Y. BARLOW; (Against-LOIS TARKANIAN, CAROLYN G. GOODMAN, STAVROS S. ANTHONY, STEVEN D. ROSS, BOB BEERS); (Abstain-None); (Did Not Vote-None); (Excused-None)

Motion made by BOB COFFIN to Approve as Amended the hour of operation as a specific condition of a license, MOTION FAILED

Failed For: 3; Against: 4; Abstain: 0; Did Not Vote: 0; Excused: 0

BOB COFFIN, RICKI Y. BARLOW, BOB BEERS; (Against-LOIS TARKANIAN, CAROLYN G. GOODMAN, STAVROS S. ANTHONY, STEVEN D. ROSS); (Abstain-None); (Did Not Vote-None); (Excused-None)

Motion made by STEVEN D. ROSS to Approve as Amended allow delivery to Nevada cardholders at their residential address only

Passed For: 5; Against: 2; Abstain: 0; Did Not Vote: 0; Excused: 0

BOB COFFIN, RICKI Y. BARLOW, LOIS TARKANIAN, STEVEN D. ROSS, BOB BEERS; (Against-CAROLYN G. GOODMAN, STAVROS S. ANTHONY); (Abstain-None); (Did Not Vote-None); (Excused-None)

Motion made by STEVEN D. ROSS to Approve as Amended the ability to obtain stock from anywhere in the State of Nevada if an adequate supply exists in the City as determined by the Business License Director

Passed For: 6; Against: 1; Abstain: 0; Did Not Vote: 0; Excused: 0

RICKI Y. BARLOW, LOIS TARKANIAN, CAROLYN G. GOODMAN, STAVROS S. ANTHONY, STEVEN D. ROSS, BOB BEERS; (Against-BOB COFFIN); (Abstain-None); (Did Not Vote-None); (Excused-None)

Motion made by LOIS TARKANIAN to Approve as Amended to add language that there will be no misleading, deceptive or false advertising

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

BOB COFFIN, RICKI Y. BARLOW, LOIS TARKANIAN, CAROLYN G. GOODMAN, STAVROS S. ANTHONY, STEVEN D. ROSS, BOB BEERS; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)



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Motion made by RICKI Y. BARLOW to Approve as Amended to Replace Section F with proposed preamble language "Except as otherwise provided in LMVC title 19, each medical marijuana establishment shall conform to the approved sign and advertising as a condition of the license.", MOTION FAILED

Failed For: 3; Against: 4; Abstain: 0; Did Not Vote: 0; Excused: 0

RICKI Y. BARLOW, LOIS TARKANIAN, STEVEN D. ROSS; (Against-BOB COFFIN, CAROLYN G. GOODMAN, STAVROS S. ANTHONY, BOB BEERS); (Abstain-None); (Did Not Vote-None); (Excused-None)

Motion made by STAVROS S. ANTHONY to Approve as Amended with the following clarifications:

1. Delete Section F

2. Replace with proposed language as read for the record by Karen Duddleson with two corrections

a) when LVMC Title 12 was referenced, it should have been LVMC Title 19

b) B(1) should read as follows: Has not been approved by the state regulating authority and does not comply with all the requirements of the state regulating authority;

Passed For: 5; Against: 2; Abstain: 0; Did Not Vote: 0; Excused: 0

LOIS TARKANIAN, CAROLYN G. GOODMAN, STAVROS S. ANTHONY, STEVEN D. ROSS, BOB BEERS; (Against-BOB COFFIN, RICKI Y. BARLOW); (Abstain-None); (Did Not Vote-None); (Excused-None)

Motion made by BOB COFFIN to Approve to Review Licenses Annually; MOTION FAILED

Failed For: 1; Against: 6; Abstain: 0; Did Not Vote: 0; Excused: 0

BOB COFFIN; (Against-RICKI Y. BARLOW, LOIS TARKANIAN, CAROLYN G. GOODMAN, STAVROS S. ANTHONY, STEVEN D. ROSS, BOB BEERS); (Abstain-None); (Did Not Vote-None); (Excused-None)

Motion made by RICKI Y. BARLOW to Approve as Amended to increase the 4/6 to 5/7 percent, adding 1 percent to each level

Passed For: 5; Against: 2; Abstain: 0; Did Not Vote: 0; Excused: 0

RICKI Y. BARLOW, LOIS TARKANIAN, CAROLYN G. GOODMAN, STAVROS S. ANTHONY, STEVEN D. ROSS; (Against-BOB COFFIN, BOB BEERS); (Abstain-None); (Did Not Vote-None); (Excused-None)

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Motion made by BOB BEERS to Approve the reduction of the Surety Bond to \$250,000

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

BOB COFFIN, RICKI Y. BARLOW, LOIS TARKANIAN, CAROLYN G. GOODMAN, STAVROS S. ANTHONY, STEVEN D. ROSS, BOB BEERS; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)

NOTE: Subsequent to the vote regarding hours of operation, MAYOR GOODMAN stated that she voted incorrectly and asked to withdraw the vote and recast. Subsequent to the vote regarding the Proposed Business Licensing Regulations for Medical Marijuana Establishments for the City of Las Vegas, Councilman Coffin asked that his vote reflect in the affirmative.

Minutes:

MAYOR GOODMAN pulled this item to the end of the meeting; it was heard subsequent to Item 48.

KAREN DUDDLESTEN, Business Licensing Manager, the medical marijuana establishment licensing regulations have had several public meetings, online comments and a hearing before the Recommending Committee. Staff passed out, and submitted as backup documentation, proposed changes that were discussed at the Recommending Committee as well as some additional proposed changes.

COUNCILMAN COFFIN wondered if after staff goes through their presentation it would be open to public comment. MAYOR GOODMAN said that she would like staff to go through their entire presentation without interruption and they will address the issues one at a time afterwards.

MS. DUDDLESTEN reviewed the proposed changes and said that the first discussion point is to look at the Findings section and remove #4 which discusses the existing reports from other communities on the secondary negative effects of medical marijuana.

The Hours of Operations in the current regulations are from 6:00 a.m. to 10:00 p.m. which are also the hours that were adopted by Clark County in their land use regulations. The proposal is to say from 6:00 a.m. to 10:00 p.m. or as otherwise conditioned by City Council as a condition of the license. COUNCILWOMAN TARKANIAN asked if they have the additional language and MS. DUDDLESTEN said they do not. MAYOR GOODMAN clarified that this is a State regulation and the County has done nothing different. MS. DUDDLESTEN said that the State is asking each proponent for a proposal of what their hours will be.

In the State Regulations, delivery to cardholders is allowed. The existing regulation for the City is to not allow delivery in the City of Las Vegas and the proposed change is to allow delivery to State of Nevada cardholders only at residential locations. Under the State law, a medical cardholder can purchase 2.5 ounces in any two week period and there is also a provision for a medical cardholder to designate a caregiver that can purchase the medical marijuana and deliver it to their home. The County has indicated that they are not going to propose delivery in Clark

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County; however, staff does not know if that is the current proposal. MAYOR GOODMAN confirmed with MS. DUDDLESTEN that if something needs to be changed at a later date it can be changed.

MS. DUDDLESTEN said that currently the existing Code mirrors Clark Countys so that in order to have a City of Las Vegas license to provide cultivated medical marijuana or products made with medical marijuana to a City licensed facility, that cultivation facility would be located within Clark County. The County added language that addresses adequate supply; if there is an inadequate supply of a certain strain or type of product, the licensee could come forward, make that case and get a license outside of Clark County. Staff has prepared comments for the City Council if that is something they would like to consider.

Currently, there are advertising restrictions in the regulations including advertising in the right-of-way, spinning cards and fliers being handed out to the public; staff has designated the type of advertising they would expect to see from the businesses. Explicitly allowed advertising includes online publications and print media; those not allowed are video, radio and advertising in the right-of-way. The proposal would be that applicants would submit their advertising and sign plan with their state plan and City application, the plan would be reviewed and the Director would have criteria under which they would recommend an advertising plan to the City Council as a condition of that particular license. Clark has only been the Countys land use regulations and they say that the sign and advertising has to be what is approved with the land use; staff does not know if there will be different regulations or any at all on the licensing side. An additional proposed change is adding the phrase "no misleading, deceptive or false advertising". She said the language that talks about what kind of advertising can and cannot be done would be removed and would state that every applicant would propose their sign and advertising plan. The Director would evaluate the plans individually and would not recommend to the City Council any plans that advertised in certain ways, including television and radio, where the plan would be directed towards minors. Any plans that Staff does recommend to the City Council would then be up to the Council to review and make a condition of the license that the applicant operates within the plan they proposed or as it was amended.

COUNCILMAN COFFIN questioned if the intent was to remove or add additional language.

MS. DUDDLESTEN said it is the intent to delete the language in the regulations 6.95.110(F) in its entirety and replace with the proposed language in the handout.

The next proposed change is in the Reviews section; in the current proposal, licenses are reviewed every two years, and the proposed change is to have the City Council review licenses on an annual basis. The proposal is also that if there are no changes in the operating plans, and the business is running the way the license reads and was approved by the City Council, those renewals can be approved by the Director; however, if there are changes proposed, the changes would be brought back for review by the City Council.

COUNCILMAN BARLOW said that from a building standpoint, if there is a change of more than 50 percent then there is a Site Development Review (SDR) required; he inquired what percentage of change would need to occur for the Director to be notified. FLINN FAGG,

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Planning Director, said there is language relative to non-conforming buildings, and the amount of change is around 50 percent, but only applies to non-conforming buildings. If a business is issued an SUP and a license for medical marijuana and they wish to expand their operation, it is a different situation; the Special Use Permit (SUP) is specific to a property in which they used as part of their application, and expansion of their license is a different matter. COUNCILMAN BARLOW wondered what the percentage of change is, as it relates to a dispensary or cultivation facility, for the Director to be notified. MS. DUDDLESTEN said that under the review process, the City Council will be notified of certain things including changes of ownership; the State says this can only happen at certain times or the license has to be given up and the new owner would have to reapply. Other things that would be brought to the City Council include changes to the sign plan, security plan, environmental plan, operation plan and building plans. Minor modifications could be approved for renewal by the Director. MS. DUDDLESTEN confirmed for COUNCILMAN COFFIN that if there were three partners in the business and one of the partners changed, it would be a change under any privileged license. CHRISTOPHER KNIGHT, Building and Safety Director, explained for COUNCILMAN BARLOW that the 50 percent code he was referring to falls under the Uniform Code for abatement of dangerous buildings and the 50 percent only applies to the demolition of buildings.

COUNCILMAN COFFIN said that there is precedent for the one year review and there is recognition that the City Council cannot regulate the content of the advertising but can direct the tone of the advertising.

COUNCILMAN BARLOW asked for an explanation for the recommendation of the annual review versus the bi-annual, what works best for staff and why. MS. DUDDLESTEN said that it is an issue of resources dedicated to this industry, but staff will do either. The State is requiring annual reviews so everything has to be updated with them every year. She suspects that in the first several years, as businesses are growing and understanding their conditions more fully, changes will be made to business operations, environmental plans and those types of items; however, she does not suspect that there will be substantial changes in the first year. From a licensing perspective, it is a review, enforcement and inspection function; the question is how often the City Council wants staff in the field inspecting everything to ensure the business is operating by their plans and how often they want the businesses to formally update their plans. If through the normal course of inspections staff finds that changes are being made, there are provisions in the ordinance for them to come to the City Council early. MS. DUDDLESTEN confirmed for COUNCILMAN COFFIN that a bi-annual review would be better for staff because it is going to take them a lot of time to go back through the plans that the businesses have to submit each year; for three months out of every year, staff could be reviewing plans. She said that staff feels they can be more effective if they have a two year period of time for reviews. MAYOR GOODMAN clarified that bi-annual is twice a year and staff is talking about semi-annual reviews. COUNCILMAN BARLOW asked if the State has an annual review and the City Council chooses a semi-annual review, how it affects staffs ability to keep up with the changes from the State. MS. DUDDLESTEN said that if the business proposes changes to the State and the changes are approved, then staff would bring the proposed changes to the City Council early for review.

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COUNCILWOMAN TARKANIAN said that her understanding is that if staff has two years, a more thorough evaluation would be done than if the reviews have to be done annually. MS. DUDDLESTEN explained that staffs concern, especially at the beginning, is that it will take awhile for the business to get going; to require them to turn in their plans 60 days prior to renewal, they are only operating for approximately seven months before they have to prepare all of their updates. MS. DUDDLESTEN confirmed for COUNCILWOMAN TARKANIAN that after the first year, reviews could be annually; if changes are made within the two year period, those changes would be brought before the City Council either as they propose changes or after two years.

MAYOR GOODMAN reiterated that anything the City Council puts in place can be changed and they are just trying to establish the first year of operation. COUNCILMAN BARLOW said he was trying to make sure that the City Council gives MS. DUDDLESTEN and her staff enough time to figure this out, the applicants will also need time for their establishments to get going. MAYOR GOODMAN commented that there will be a lot of things learned in the first year.

MS. DUDDLESTEN said the compromise would be, specifically, that initially, there would be a two year review and annual reviews after that.

MS. DUDDLESTEN confirmed for COUNCILMAN ROSS that the State is going require reporting and updating of all of the applications annually. COUNCILMAN ROSS said that he would think that if the State found a business in violation of their requirement, they would notify the other municipalities of the violation. MS. DUDDLESTEN said that the City has a good relationship with the State enforcement agencies and would hope to work closely with them as well as having City inspectors in the field. The State regulations are part of the City regulations so they must comply with those as well.

MS. DUDDLESTEN said that the last proposed change is regarding the fees; in the original draft there was a one percent fee to address community impact issues such as funding grants for drug resistance education and the proposal is to expand it to research. If it is the desire of the City Council to have language in the regulations stating that a portion of the gross revenue fees may be used by the City Council for these purposes, staff needs clarification if it is a portion of the current fees or as an additional one percent.

CITY MANAGER FRETWELL said that originally the most conservative bill possible was posted through the Business Impact Statement. In the business impact statement, the fees were posted as eight percent plus flat fees. In the current draft, the gross fees are between four and six percent, but when this was contemplated, it was anticipated that the community impact issue would need to be addressed. The question is how to fund the community impact activities; should the gross fee be increased or fund it out of what percentages are currently proposed.

COUNCILMAN BARLOW inquired as to how the additional one percent for research came about, who asked and why. CITY MANAGER FRETWELL said that the research was a late addition and education was always contemplated; the issue is there is not clear statutory language that allows for a separate fee for community impact. She reiterated that staff would like to know

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what the funding mechanism is for community impact issues and if fees should be increased, how much should they be increased.

COUNCILMAN COFFIN said that he was happy to see the placeholder of one percent for community support for things such as research into the effect of the abuse of marijuana and the claims people make about medical marijuana. He said the one percent to fund this could be kept separate or it could be added to the proposed percentages.

MAYOR GOODMAN suggested to state it is the will of the City Council that there will be a percentage to establish a fund that will conduct education, research, prevention, etc., but it is premature at this point to say what the amount should be.

COUNCILMAN COFFIN said that it is important to establish this benchmark and make sure to guarantee that a large percentage of this money go to specific purposes as outlined, and he believes it should be done in the beginning. MAYOR GOODMAN suggested establishing a minimum amount and it can be adjusted, commenting that it is necessary to determine the appropriate amount instead of guessing. COUNCILMAN COFFIN said that the reason this has to be done is because with the exception that shows that marijuana use will effect and make permanent changes to the young brain, it is unknown what effects it will have on an older brain. Because the advertising cannot be controlled, there will be all kinds of claims made, so the public will need to know what is true. It was spoken to clinics and doctors who would do the research and with this funding the City could grant them the funding to do so. MAYOR GOODMAN commented that it is philosophical to be committed to education and research, but it is premature unless it is set at a minimum, adjusting as necessary based on accurate data.

COUNCILMAN BARLOW asked MS. DUDDLESTEN how much of an impact to the department there will be with the movement of the ordinance, licensing and enforcement. MS. DUDDLESTEN replied that under the Department of Justice memo, there needs to be a robust enforcement program at both the State and local level, so it will depend on the amount of establishments the City Council authorizes. Staff will spend several months processing applications, regular reviews of plans the businesses are required to maintain need to be done, so field officers and administrative staff will be utilized. When local governments had asked the State about funding for police officers, code enforcement and other issues that will be of concern to communities, the State made it clear that local licensing fees will need to cover those costs. COUNCILMAN BARLOW asked how staff will prepare to meet the minimum qualification that is set out by the Department of Justice and MS. DUDDLESTEN replied that existing staff will be used and some functions of Business Licensing will be closed down to get through the application process. Once it is known how many licenses or permits the City Council will approve, and based on anticipated fees and working with the State to understand their enforcement program, staff would prepare a budget for the City Manager to present to the City Council.

MS. DUDDLESTEN verified for COUNCILMAN BARLOW that what they are voting on today will impact her department by 10 to 20 percent. COUNCILMAN BARLOW asked if this will bring money back into the department. CITY MANAGER FRETWELL said that decisions

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made today will define the program and those will determine the program that is brought back before the City Council. Staff will not know the magnitude of the program until the applications are submitted and approved. At that point, a program budget that meets the federal guidelines, state criteria and the City Councils direction can be developed, but at this point it is all supposition.

COUNCILMAN BARLOW wanted to consider the impact to staff and COUNCILMAN COFFIN said that either more staff will be necessary or staff will have to work overtime; if more money is needed to pay for that, then the application fee should be increased, and that money would be received at the beginning of the process. COUNCILWOMAN TARKANIAN asked if more money is necessary, would it be better to increase the application fee or add a percentage to the gross revenue fees and MS. DUDDLESTEN replied that in the current proposal, gross revenue fees only apply to dispensaries; cultivation, production and laboratories are in the proposal as flat fees. COUNCILWOMAN TARKANIAN asked what the best way is get funding to provide education in the community and handle the daily work that will have to be done. MS. DUDDLESTEN replied that it would be through a combination of flat fees for wholesale products, gross revenue fees and an annual fee for dispensaries as there will be ongoing and escalating costs. CITY MANAGER FRETWELL said that there are a lot of needs to address, but reiterated that the responsible thing to do is to prepare a budget after the City Councils legislation is complete, and will identify the programs desired by the City Council. Staff is asking if a portion of the current license fees should go to fund education or if the gross fee should be increased to something more than four and six percent. CITY MANAGER FRETWELL explained that the application fee is a one-time fee; the annual fee and the percentage provide additional funding over time which will support staff. A conservative fee should be established because the ability to change the fees going forward is limited and it was expressed to the community through the business impact study, that the gross fee could be up to eight percent. If additional education, prevention, additional staffing, enforcement and program related costs are desired, staff is recommending to raise the gross licensing fee and to raise the percentages which will create a funding stream for these programs.

MS. DUDDLESTEN confirmed for COUNCILMAN BARLOW that staff would like to have the amounts for fees today. She said that a fee schedule was presented at the Recommending Committee meeting including flat fees for cultivation, production, laboratories and dispensaries. A gross revenue fee for product going from cultivation to dispensary is at four percent and product going from cultivation to production to dispensary is at six percent; this is two percent for each level, but is all charged at the dispensary. MS. DUDDLESTEN confirmed for COUNCILMAN BARLOW that in the business impact statement, cultivation, production and dispensary facilities could be charged eight percent each and laboratories pay gross revenue on their overall business like any other laboratory. COUNCILMAN BARLOW believes if the percentages were at eight percent, it would cover the program and staffing issues and that would be his recommendation.

TABATHA FIDDYMENT appeared on behalf of Lamar Advertising, and stated that Lamar is in support of the proposed change regarding advertising and it is their position that this is being considered a legal business, so the owners should be able to advertise like a legal business and

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would like the City Council to consider adopting the proposed change.

BOB FISHER, President and CEO of the Nevada Broadcasters Association, and said that 20 years ago it was said that advertising of gambling was never going to happen; it is now referred to as gaming. What is happening now is complicated and controversial, but he hopes that legislation is crafted that will stand the test of time. He is pleased with the proposed changes as it does not discriminate and makes sense.

FRANK HAWKINS, Las Vegas resident, reviewed the issues and said that he thinks that handling the hours of operation with the Special Use Permit (SOP), the language with delivery and cultivation outside of Clark County are great and he is also glad the adequate supply language was added. He reiterated that regarding advertising, when the documents are submitted, they must include an advertising plan and a sign plan and stated that he supports the business license review every other year. When considering increasing the fees to cover community impact costs, he wondered if each level, cultivation, production and dispensary, could be charged a revenue percentage in addition to the flat fee to create more revenue. He said that there is a requirement for cultivation facilities to have security when the facility is closed, but he wondered if security is required when the facility is open. Regarding 6.95.120(F), he wondered if the first time inspection fees for cultivation facilities had been addressed or if it will be dealt with later. MAYOR GOODMAN said that she is not sure if that has been determined yet. MR. HAWKINS said that staff has done great work and put forth a lot of effort. MS. DUDDLESTEN verified for MAYOR GOODMAN that the City Council sets the inspection fee; the inspection fee for Business Licensing is \$99, inspection fees for building would be the normal building inspection fees they would incur.

LORI JOHNSON, Las Vegas resident, said that she is opposed to not having a delivery option. She gave up her patient/doctor confidentiality to apply for a state card, and by having to walk into a dispensary, she feels she gives that up again. MS. JOHNSON came to Las Vegas by herself so she does not have anyone to designate to pick up her medication. She said that she applied for the card so she could have protection as a patient, but does not feel that she should have to give up her confidentiality rights. MAYOR GOODMAN said that whatever is decided today may be changed in the future, and the City Council is trying to do it right and cautiously.

COUNCILMAN BEERS said that he has reviewed the minutes of the committee meetings in Carson City where this bill was processed and wanted to note that the Legislature meets for four months every two years; they passed a law that tells the municipalities what to do, and a fundamental piece of the law is very specific that possession of the card is a privilege and not a right. He explained this because he wants the audience to understand the relationship between the Legislative directive that the City Council is operating under and what is happening today. The next Legislature is aware that the City Council is trying to craft this and they anticipate people pointing out things that are wrong and the Legislature is ready to address the issues. He said that the Legislature and the City Council will both have to be addressed to make changes in the next few years. MAYOR GOODMAN pointed out that marijuana is still a Schedule 1 drug and a felony under the federal government and they are following the edicts as they come down.

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JAMES WALKER, representing the Medical Marijuana Cause of Las Vegas, said they are an organization of delivery services that have been operating on the fringe of the law due to the demand for medication from registered patients. One of their main causes is to propose the legalization of delivery only services in the interest of patients. He said they are low overhead businesses that can be run within all of the ordinances. They are willing to pay taxes and comply, but have had no medium to do so. Some patients do not have a caretaker or their caretaker could be away so delivery would be beneficial for financial and discretionary purposes. MR. WALKER said that they do not have hundreds of thousands of dollars to fund a dispensary and do not feel the laws were passed fairly in the interests of the people or the patients and is merely for the people who can afford it. MAYOR GOODMAN thanked MR. WALKER for his comments and said to keep in mind that everything can change going forward.

MR. WALKER confirmed for COUNCILMAN COFFIN that this is the first time he has appeared before the City Council. COUNCILMAN COFFIN said that he likes what MR. WALKER has to say and asked him how many of the people he delivers to or from, are growing their own marijuana. MR. WALKER replied that it is a very small percentage because the patients are sickly, older, terminally ill and in constant state of pain. Before these laws were in place, the law basically said to grow your own which is not a viable option to the patients because they cannot get on their hands and knees and harvest a plant that is capable of healing medicinally. COUNCILMAN COFFIN said that the ability to personally grow medical marijuana is being taken away and SENATOR SEGERBAUM has told him that he will try to change that. COUNCILMAN COFFIN wondered why there was not an application seen at the County from any patients. MR. WALKER said that the laws are new and there are dozens of businesses who are already delivering medication to patients who have been working successfully to help people heal themselves. The amount of money required to open a dispensary is so great that it gouges them out of the free market. COUNCILMAN COFFIN feels that the law has to be amended in the next session to get away from such a large liquid asset requirement.

HASSAN CHAUDHRY, Las Vegas resident, thinks that the patients identification should be scanned for every product that is delivered to them so no minor is misusing the identification. He said that the marketing cannot be regulated; maybe the businesses are allowed to market their names and their services, but put a restriction so the bud itself is not marketed. He recommended that there be a regulated electronic order processing management system for businesses so they could place an order and have it delivered from out of the county or state if necessary to meet their demand.

MOHIT ASNANI appeared stating that he operates five dispensaries in Arizona and he is assisting Nevada residents with their applications. He reported data including that the average patient registry time in Arizona is seven to 10 days and in Nevada it is 45-60 days; the current patient count in Arizona is 45,000, most of whom are not authorized to cultivate, and in Nevada the count is 5,000; the average price of one ounce of marijuana is \$300-\$400, which does not include 10-15 percent discounts given for hardship, disability, work for public service or are a veteran. The flat fees and gross percentages that the City of Las Vegas is proposing as well as the \$30,000 per year the State is charging, will make the cost for an ounce of marijuana in Nevada \$360-\$475 per ounce if those costs are passed on to the patient. This will cause medical

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marijuana cardholders to go to sources other than the dispensaries because the dispensaries will be too expensive. He wondered what the City of Las Vegas thinks the top line revenue of a dispensary will be and what they think the operating margins are because if it is not looked at from a realistic point of view, a lot of these businesses will not be successful. MR. ASNANI said that SENATOR SEGERBLOM has said that one of his goals is make this a destination and to allow out of state patients, but MR. ASNANI commented that if it takes 45-60 days to get a card, it is not sustainable. Expediting the registration system and allowing out of state patients to get cards the same day would help to sustain the current fees, but the State would have to allow for that. He also claimed that if the various clinics in Arizona were asked what impact the 85 dispensaries had on the community, they would say they did not have much impact. He also wondered if there could be a staggered fee system. MAYOR GOODMAN said that staff has been to Phoenix as well, and his points are well taken.

JORGE REYES, Las Vegas resident, asked the City Council to keep the patients in mind, and if fees are increased, they will be passed on to the patients and believes that it will cost more than \$375 per ounce of marijuana. MAYOR GOODMAN said that unfortunately that is probably true and costs get passed along with everything.

JIM DiFIORE, Las Vegas resident, said that at the Reconfirming Committee meeting on June 2, 2014, a gentleman stated that there will be a company that can write a bond for \$500,000. He said that his insurance agent is pursuing a bonding company that will do that and has been unsuccessful. If it cannot be written, a complete application cannot be submitted. He said that in Las Vegas Municipal Code 6.02.060 states that licenses under this chapter may also be conditioned upon the licensee posting a bond in an amount determined by the Director to be reasonably appropriate to guarantee the performance or fulfillment of all conditions in compliance with all restrictions imposed upon the license, licensee, applicants or its principles. He suggested lowering the bond to make it more affordable and at the review, and based upon performance of the licensee, determine what the bond should be. The business impact statement included an enforcement cost of \$600,000; he said that divided equally by 12 dispensaries would be \$50,000; he wondered how the additional \$25,000 per facility is going to be used. He said that the initial application fee is \$5,000 and the renewal fee is \$1,000, so the administrative costs should be absorbed by those fees. MR. DiFIORE said that regarding the discussion of changing the percentage of gross, the State Law 354.5989 states that a local government may not increase any fee for a business license which is calculated as a fraction or percentage of the gross revenue of the business of its total revenues for such fees have increased during the preceding fiscal year by more than the increase in the Consumer Price Index during that preceding calendar year. He did not know if staff looked at this but believes it should be considered to ensure there is no conflict with the law. MR. DiFIORE asked if the City Council could move forward with all of the other proposed changes in the licensing bill and come back in two weeks with a discussion regarding the fees. He said that he would like to see a standardization of fees with the other municipalities. MAYOR GOODMAN replied that there may be different expenses in each municipality which could cause the fees to be adjusted.

BOB RIXRANDALL (phonetic spelling), California attorney, stated that he advises numerous dispensaries and they have found pricing to be very important as the dispensaries compete and

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pricing is a definite consideration for the consumer. Pricing for medical marijuana should be a big concern; there are capital costs, taxes from the State, significant fees and gross receipts which will price the dispensaries out of existence and the black market will take care of most people. In his experience, he has found that anything priced more than 20 percent above the black market will drive the consumer back to the black market. If the intent is to control the industry and provide medical marijuana, he suggested staying close to the current fees.

DESTINY HOOPER, MMJ Cause Las Vegas, said that their mission is to put patients over profit, but this legislation has put profit over patient. She said that by having such high fees attempts to make the industry an elitist composition of millionaires and wonders where patient interests have been incorporated in the Senate Bill. MS. HOOPER stated that individuals who have no competencies in medical marijuana are dictating patients rights and determining how much each patient can medicate, completely neglecting patient physical attributes. She said that the ability to designate only one person to pick up medication and only being able to change dispensaries one time neglects the patient and by-passes free enterprise. MAYOR GOODMAN thanked MS. HOOPER for her comments and reminded her to also address the Legislature.

HARRISON GAYLE, Las Vegas resident, appeared and said that he is in support of changes proposed by staff and thinks they did a great job. Allowing for delivery to Nevada residents and approval for advertising instead of blanket bans on certain medium are both well reasoned compromises that serve patients, business and public interest as a whole. He supports the intent of the taxes that are devoted to education and research, but believes it may need to be worded differently because funding drug resistance education is about teaching people the dangers of antibiotic resistant bacteria.

MR. FAGG also confirmed for the speaker that in terms of land use approval, the State has not said that there needs to be a Special Use Permit approved in order to apply to the State. Staff has proposed being able to do a cursory review, showing that the application meets the zoning requirements and the required separation distance from protected uses, which would be complete before the applications are forwarded to the State and when the cursory approval may be required is completely dependent upon the action today. MAYOR GOODMAN added that most of the recommendations were proposed by COUNCILMAN COFFIN, and not necessarily staffs recommendation to follow.

COUNCILMAN COFFIN said that all of the good applicants should be sent to the State and anticipates that there will be a lot more than 12 qualified applicants for dispensaries. MS. DUDDLESTEN said that these regulations do not anticipate any number of applicants that the City Council will approve in any category.

DEREK COLE, Capstone Brokerage Risk Management Services, said that the \$500,000 surety bond is very doable with the right financials set in place. The carriers they are using are working in other states where medical marijuana is approved, some with at a lot higher surety requirements. The insurance for the seed to the sale on the risk management side will all be covered and is ready to go.

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EDDY HOOPER, Las Vegas resident, said that he owns a collective in Las Vegas and said that all he hears is talk about money and it is sickening. He represents 5,000 patients who need their medicine and believes that the City Council does not care about the patients and are driving the costs up. He said that he has been using cannabis since he was 13 years old and it does not affect the brain and people who do not have a concept of cannabis are making decisions for his life and health. COUNCILMAN COFFIN asked if MR. HOOPER services 5,000 patients in Nevada and MR. HOOPER replied that he has patients in Nevada, California and Arizona with at least 14,000 patients total. COUNCILMAN COFFIN said that they could have been organizing a co-op since the legislation was passed and MR. HOOPER said that he does have a collective and operates as a non-profit organization, but he does not have \$250,000 in liquid assets.

ANDRE RHODES, Las Vegas resident, said that he has had two family members with cancer and his Mother was taking approximately four Oxycontin each day for pain. He was approached by his cousin in November or December, 2013, who suggested that his Mother eat chocolate that had medical marijuana in it; she has not had to take any Oxycontin since. He thinks the City Council has done an excellent job, but would like have them consider the part of the regulation that says that medical marijuana cannot be given away; he believes it should be regulated, but some people truly cannot afford it.

TIMOTHY ELIADO, Las Vegas resident, said that he is excited about the new changes and stated that Las Vegas is going to be the central cannabis tourism city. He said that for medical refugees who come to Las Vegas because of their condition, it is reasonable for the city to treat the patients with love and care and assist them with specific strains. It is important to have a lot of laboratories to test the medicine and growers. Patients as a community need a collective garden system and quality medication. He also asked that women who are breastfeeding be allowed to consume cannabis. COUNCILMAN COFFIN commented that the regulations do not prohibit breastfeeding.

RAYMOND FLETCHER, Las Vegas resident, commended the City Council and staff for the work they have done so far. He hopes that if someone does not follow the rules during the application process, it does not get reopened for them and let them change it after it has been submitted. He is proud regarding the proposed changes to delivery and moving forward the illegal delivery companies need to be cracked down upon. He also said that he disagrees with the fee increase and he hopes that they will get a chance to watch the interview that MARLA McDADE WILLIAMS did where she states that applicants need to apply to the State.

MAYOR GOODMAN stated that the City Council appreciates all of the comments and for those who think that this is a profit motivated effort they could not be farther from the truth. They are concerned about quality control and consistency in the quality of product that anybody would get to use. The profit motive comes from those who see to the future and are looking at recreational marijuana and the growth and dollars that will be there. The City Council is about serving the community and not doing it haphazardly, but doing it slowly, with proper care, in a smaller way so they can add to it. They want to be leaders and they do want every patient to have a consistent quality and be guaranteed that if it comes from the City of Las Vegas, it is quality. This is not a freebie and the City has to be paid and cover its expenses for everything it does to get through

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the processes. She said that if it was her way, all of the facilities would be located in the same area and everything coming out would be quality and the patient would be well served. Right now, everything that is being done is for the patients and is strictly for medical marijuana. If the City Council does not vote for the recommendation or annotation today, it does not mean that it will not happen in time, but they want to do it right.

COUNCILMAN ANTHONY commended MS. DUDDLESTEN and MR. FAGG for a job well done, basing the regulations on State law, trying to match what the County is doing and what is happening in other communities. There have been plenty of Town Hall meetings, the public has been heard and he believes that the original document is in great shape to move medical marijuana forward and he will not support any changes to it. If changes need to be made in the future, they need to be based on articulate reasons that come up in the future when these regulations are implemented.

MAYOR GOODMAN thanked MS. DUDDLESTEN and said that she is going to start with the issues one item at a time.

COUNCILMAN ROSS echoed the comments that have been made for MS. DUDDLESTEN and MR. FAGG and their staff for their work. He inquired about the surety bonds and asked for some clarification. MS. DUDDLESTEN clarified that at the permit application stage, the applicant is not required to have obtained the bond, but does have to sign a statement that holds the City harmless, and the applicant has to indemnify the City and defend it against all claims and all litigation. The language for the bond was intended to address two issues. The first issue is that there is risk to the elected officials, the City Manager, the officials of the City, the agents and staff in issuing the licenses and locating the businesses in the community. The second issue is that the State regulations make it clear that the businesses are responsible to the State and the local government for cleanup if there are issues; if there are damages that come back to the City, there is a mechanism in place to recover the costs. There have been at least four firms in the community who have come forward and said they would write these in other states. A survey was done with other states to see what bonding they require; some states were higher, some were lower. MS. DUDDLESTEN confirmed for COUNCILMAN ROSS that they are surety bonds. CITY MANAGER FRETWELL stated that there is a surety bond and a licensing bond; the licensing bond is the smaller one. COUNCILMAN ROSS stated that should the risk profile change in time, adjustments can be made, but right now it is still federally illegal. MAYOR GOODMAN added that the City of Las Vegas, City Council and Mayor understand that marijuana and all parts, processing and derivatives are a Schedule 1 substance and therefore, any growing or doing anything with it is a felony and that actions are under the aegis of the State Legislature who is acting under the permission of the PRESIDENT of the United States and ATTORNEY GENERAL ERIC HOLDER. The City Council and the Mayor understand that this is a Schedule I substance and anything to do with it is a felony but they are protected because of the permission of ATTORNEY GENERAL ERIC HOLDER and the PRESIDENT of the United States allowing the states to proceed through their Legislature.

CITY MANAGER FRETWELL said that staff started with a conservative approach and it is easier to moderate from that position than enhance. As staff becomes more aware of how the

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industry works, adjustments can be made. COUNCILMAN ROSS stated that he feels like the other municipalities are waiting to see what the City of Las Vegas is going to do and this needs to be done the right way. He said that this is a regional issue and it should be streamlined and transparent. MS. DUDDLESTEN verified for COUNCILMAN ROSS said that staff did a fee study across the nation and said that there are a lot of factors to consider and cited examples of fees from other cities. She also said that there are differences in the amount of involvement played by governments and that some are set up as not-for-profit systems and the City has been set up as a for-profit system. There are approximately 1,366 cards in Las Vegas, and if every cardholder purchased their 2.5 ounces at an average of approximately \$300, the industry in Las Vegas at the dispensary level would be approximately \$40,000,000 in revenue annually. Staff has found fees across the states to be between two percent and 10 percent. MAYOR GOODMAN asked what state operates medical marijuana as a not-for-profit enterprise and COUNCILMAN COFFIN said that there is no state that is totally not-for-profit, but Nevada law permits not-for-profit organizations.

COUNCILMAN ROSS said that he is not concerned regarding the review of licenses in the first year, but is confident that should the State find irregularities with the way a business is operating, they would let the City know about it. He asked if staff has estimated the manpower needed to cover this for the first two years and CITY MANAGER BREWELL said that there is a lot to creating a safe environment for everyone and until staff knows the entirety of the scope of the program, it is difficult to do that. There is a period of time where staff will be at an interim point of the process where the State will do their activities and the City will complete its activities as it relates to land use entitlements and licensing, a budget can be developed for what is needed for the short term, but once the scope of the program is determined, a more comprehensive budget can be created. COUNCILMAN ROSS pointed out that the City Council is trying to create the structure for medical marijuana use, they want to do it right and what is decided upon today can change in the future. He also said that other states are dealing with the robust enforcement requirement and are doing it with some success, so there are examples that the City of Las Vegas can consider to make sure it is done right.

COUNCILMAN BEERS said that the County Commission is hearing individual license applications today, and finds it interesting that the people have not been notified what the fee amounts will be. He also shared bond information that he researched; stating that Arizona has no bond requirement and Colorado has a \$5,000 bond requirement with the State as the beneficiary. He commented that regarding the fees, some places charge a percentage, some charge a flat fee but none charge both and there is not a lot of information to use to figure out where the City falls with the rest of the world. COUNCILMAN COFFIN said that he thought the bond requirement was high when he first saw it, but staff had explained that in their research, they found that some facilities had to close for one reason or another and the cost of rehabbing facilities could fall on the municipality and could cost a lot of money. MS. DUDDLESTEN said that there are two different bonds, the smaller bond is to cover licensing and penalties and the other bond is to cover the City Council in case there are lawsuits or damages against them. The State regulation says that the business is responsible to the State and the local government for cleanup; if it is left up to the local government to do clean up, staff was attempting to make sure that there is a mechanism to recover the costs. COUNCILMAN COFFIN further explained that the costs could

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be high because some buildings are not habitable until certain cleanup has been done and MS. DUDDLESTEN added that staff talked with several local governments and the largest complaints for licensing and code enforcement were odor issues in the buildings and surrounding properties.

COUNCILMAN BEERS said that Denver was one of the cities that added an additional bond above the States requirement and wondered if the dispensaries would have any major cleanup expenses, citing that the odor problems would likely be in the grow operation. MS. DUDDLESTEN said that odor issues would be primarily with cultivation and production. COUNCILMAN BEERS wondered if the bond requirement should be limited to production and extraction. CITY MANAGER RETWELL pointed out that there is also other risk regarding the legal aspect and the surety bond would protect the City Council, their officers and their agents, which would exceed the exposure on the environmental front, which would probably extend to the dispensaries. She also said that based on the bonding amount, the credit of the company would be checked and depending on their level of credit, the bond could cost one to three percent; based on a \$500,000 bond, it would cost \$5,000 to \$15,000 one time.

COUNCILMAN COFFIN asked if there is a mechanism for the City to be named as additional insured on policies that and MS. DUDDLESTEN said that for the insurance, it is a requirement that the City is listed as additional insured. For the licensing and indemnification bonds, staff found that they ranged from \$5,000 to \$250,000.

MAYOR GOODMAN requested that each item be read again and they would vote on them one by one.

MS. DUDDLESTEN said that the first proposed change is to remove #4 from the Findings and reviewed the details.

COUNCILMAN ROSS asked why they would remove that and COUNCILMAN COFFIN said that it is essentially a preamble to passing a bill, and if it says in the preamble that there will be negative effects, then basically what is being voted for are the negative items in the preamble, and he would not vote for it that way.

COUNCILMAN ANTHONY said that it should not be taken out because it is an accurate statement and there is a correlation between implementing medical marijuana and negative effects. He read information from the Law Enforcement Council of Washington County, Oregon, which is made up of police chiefs and district attorneys, opposing the use of medical marijuana. He also read a portion of a White Paper created by the California Police Chiefs Association Task Force, reporting negative issues of medical marijuana dispensaries. He said this will cause an impact on the community and #4 needs to stay in the regulations because it shows why the City Council is paying attention to regulating this industry.

MAYOR GOODMAN asked if these Findings are the same as the States or if they are the City's and what the criteria were for selection of the findings. MS. DUDDLESTEN replied that staff worked with the City's legal counsel and set the basis for why there would be regulations, why it

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would be a privileged license and the effects on the community. The Findings report what other communities have stated and it makes no difference in the regulations and the implementation of them. Staff was advised to make sure the Federal issue, what was required of the State law and that the requirements for the public health, safety and the general welfare are in the Findings.

COUNCILMAN COFFIN believes that it is a political and legal mistake to leave #4 in the Findings.

COUNCILMAN BEERS made a motion to remove #4 from the Findings.

COUNCILMAN BARLOW asked what difference it makes if #4 is removed or not and if it makes a difference to the ordinance moving forward. CITY MANAGER FRETWELL said that legal counsel is relied upon when constructing ordinances. A lot of the preambles are rationale for the legislation. CHIEF DEPUTY CITY ATTORNEY VAL STEEL said that all of the Findings are designed to help support the bill if it is challenged. He believes that the City Council does not think that the information in #4 of the Findings are problems, it is a Finding that law enforcement and residents in other areas have reported problems. It supports moving forward with either a strict prohibition or a regulation; if medical marijuana was allowed freely with an ordinance with no restrictions, such a Finding would not be necessary because the move forward would not need to be justified in the Findings. It is to justify, at a future date and possibly in court, whether or not there is a basis for the regulation being imposed; one of those is the recitation that other people have found medical marijuana use to be a problem. It does not mean that the City Council agrees with it, but is setting it forth as one of the reasons to proceed. The ordinance can go forward without #4, but it is in there to make it more defensible in court. CHIEF DEPUTY CITY ATTORNEY STEEL verified for COUNCILMAN BARLOW that the ordinance can move forward with it or without it and it is to help justify the ordinance if it is challenged.

COUNCILWOMAN TARKANIAN said that she did not see a problem with keeping #4 in the Findings.

COUNCILMAN BEERS' motion to remove #4 from the Findings failed.

MS. DUDDLESTEN said that the next proposed change is to the hours of operations for dispensaries and reviewed the details.

MAYOR GOODMAN asked if the hours can be adjusted later if they leave it as is today and MS. DUDDLESTEN replied that the ordinance would have to be changed.

COUNCILMAN ROSS asked how many pharmacies in Las Vegas are open 24 hours and MS. DUDDLESTEN replied that she believes there are a couple of pharmacies that are open, but some have convenience stores and the question is if the operation is open or if the pharmacist is there dispensing medication; she said that she would have to do a survey. COUNCILMAN BARLOW said there are some that are open.

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COUNCILMAN ROSS said that he does not understand why a dispensary would have to be open 24 hours and will not support this item.

COUNCILMAN COFFIN made a motion to approve the change which includes the verbiage "except as otherwise provided by specific condition of a license". He said that there does not need to be 24 hour pharmacies everywhere, but the proprietors of the businesses have asked for this because for sales to out of state people to occur, they need to be available at certain times. Not many locations have to be approved, but there needs to be authority to approve 24 hour operation, otherwise the City will be at competitive disadvantage to the County.

CHIEF DEPUTY CITY ATTORNEY STEED verified for MAYOR GOODMAN that whatever the vote today, changes to the ordinance can be made in the future.

Subsequent to the vote regarding hours of operation, MAYOR GOODMAN stated that she voted incorrectly and asked to withdraw the vote and recast.

COUNCILMAN COFFIN'S motion to approve the hours operation as amended failed.

MAYOR GOODMAN stated that for those who want delivery and different hours to keep in mind that the City Council is taking small steps and they want to do it right.

MS. DUDDLESTEN said that the next proposed change is regarding delivery and reviewed the details.

MAYOR GOODMAN asked if there is anything in the document that says what kind of delivery, by whom, under what circumstances and what method of transportation can be used. MS. DUDDLESTEN said there is not because staff did not anticipate delivery and confirmed for MAYOR GOODMAN that the County has not addressed delivery, but the State regulations have delivery restrictions regarding quantity and delivery logs that have to be kept. She said that if this proposal is accepted, the City Council could direct staff to come up with anything that is needed in addition to what is already in the State regulations and MAYOR GOODMAN said that she would like that to happen whether this motion passes or not. MS. DUDDLESTEN said that staff would do that and noted that there was also a list of questions from legal counsel that would have to be put into policy or brought before the City Council in the future. MAYOR GOODMAN said that it all has to tie back to the States medical marijuana card database.

COUNCILMAN BARLOW said that there are delivery services today that transport prescription medication, so there is a process with the State already that may serve as an example the private entities can use. He would be in support of a delivery system if the City can get in sync with how the transport of prescription medication is handled today.

COUNCILMAN ANTHONY said that he will not support this today, however, if in the future a plan is brought that can be done with no problems, he may support it.

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COUNCILWOMAN TARKANIAN wondered how it will be determined that someone will follow the law.

MS. DUDDLESTEN verified for COUNCILMAN BEERS that the State has a mechanism in place for employees at different levels to have an agent card to work, and there is some delivery language and transportation log and procedures in their regulations.

COUNCILMAN ROSS said that he is concerned because some patients cannot travel or leave their location and he is in support of this item. He made a motion to approve as amended; the motion passed.

MS. DUDDLESTEN said that the next proposed change is cultivation/production outside of Clark County and reviewed the details.

MS. DUDDLESTEN verified for MAYOR GOODMAN that testing of the product is controlled by the State at a State authorized laboratory and that the facilities outside of Clark County would only be able to provide product if a strain could not be produced within Clark County or if an inadequate supply exists. She further explained that the applicant would not go through the permit process as it would not be a land use issue; after they have been through the State and their own local licensing processes, they would apply for a license with the City and it would be brought before the City Council.

COUNCILMAN ROSS said that the intention of keeping this within Clark County is to provide jobs, but there is a large array of different strains and it would be detrimental to the patient if they are unavailable so he will support this change.

COUNCILWOMAN TARKANIAN wondered who determines if an inadequate supply exists and MS. DUDDLESTEN replied that staff is anticipating that when the license application is received, they will ask the applicant for justification and it will be brought before the City Council. She further explained that the definition of inadequate supply as defined by the County specified that any specific strain of medical marijuana or any particular infused product to meet the immediate demand of registry identification cardholders that are qualified. She said that staff would have to come up with a process to make sure they provide all of the information to the City Council so they could make that determination. COUNCILWOMAN TARKANIAN said there should be a sure way of someone determining the inadequate supply rather than just the cardholder saying it. She is concerned because she has received information that there are some problems when moving it from one state to another. She would support this but would like a better way to determine if there is an inadequate supply. MS. DUDDLESTEN replied that could be done by doing a survey of the dispensaries within the city and staff would have to come up with a process to be able to provide a recommendation to the City Council.

COUNCILMAN BEERS said that it seems the question is at what level inadequate supply is defined and if it is just looked at on a city wide basis. MS. DUDDLESTEN confirmed that the language used is very similar to what the County used.

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COUNCILMAN ROSS said this is a regional issue and made a motion to approve as amended and the determination of an inadequate supply could be made through coordination with the City's Business Licensing office and the other Business Licensing offices in southern Nevada, namely Clark County, North Las Vegas and Henderson.

CHIEF DEPUTY CITY ATTORNEY STEED said that something needs to be written such as "determined by the Licensing Director in consultation with" if it is going to be part of the motion.

COUNCILMAN COFFIN commented that language would put a lot of pressure on the department and MAYOR GOODMAN replied that maybe they should hold off.

COUNCILMAN ROSS withdrew his previous motion and stated that the motion would be to accept the change to obtain from anywhere in the State of Nevada if an inadequate supply exists as determined by the Business Licensing Director. This allows staff to coordinate the efforts through the other Business Licensing agencies.

COUNCILMAN COFFIN asked what expertise staff would have to make that determination and MAYOR GOODMAN said that at some point in time there will have to be a database showing the supply in stock of each dispenser. She said that the motion is in favor and it gives the authority to City Licensing to make the determination.

COUNCILMAN ROSS' motion to approve as amended passed.

MS. DUDDLESTEN said that the next proposed change is advertising, and suggested breaking the issues down one at a time. The first is to add the language "no misleading, deceptive or false advertising".

COUNCILWOMAN TARKANIAN made a motion to approve as amended.

COUNCILMAN BEERS asked if the City has the constitutional authority to determine that advertising is misleading, deceptive or false. CHIEF DEPUTY CITY ATTORNEY STEED said that has been upheld under certain conditions and it is relatively standard language.

MS. DUDDLESTEN clarified for CITY CLERK BEVERLY BRIDGES that the motion is regarding A on the handout, which is the second item on the PowerPoint slide, to add the language "no misleading, deceptive or false advertising".

COUNCILWOMAN TARKANIAN'S motion to approve as amended passed.

MS. DUDDLESTEN said that the next proposed change to advertising is to delete section F under 6.95.110 and reviewed the replacement language. She said this is what the Licensing Director would use to make their recommendation to the City Council on approving the advertising plans; the decision on what ends up in the plans would be a condition of the license determined by the City Council, and the licensee would have to abide by that, ask in their regular

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review or come before the City Council to make significant changes.

MS. DUDDLESTEN confirmed for COUNCILMAN COFFIN that this language outlines the criteria the Director would use in making their recommendation to the City Council, and the City Council would make the determination if the advertising plan is approved.

MS. DUDDLESTEN said that there is a clause in the State regulations that all advertising must be approved by the State Regulator.

COUNCILMAN COFFIN said that he does not believe that the City Council should be in a position to control advertising content.

MS. DUDDLESTEN said that staff is trying to get to the point where there is a known plan, and if the applicant is not in compliance with the plan, staff can make the City Council aware.

COUNCILMAN BEERS said that the only types of applications that could be approved would be the ones that the State had already approved. MS. DUDDLESTEN said that a sign plan would not come before the City Council at the permit stage. She explained the process would be that the applicant gets the permit, a sign plan has to be submitted, they have to get a certificate from the State, the sign and advertising plan has to be approved by the state regulating authority and whatever is determined, would become a condition of the license. Staff's enforcement would be to determine if what the applicant is doing is in conformance to the plan submitted to the City Council. The City Council expects staff's recommendations regarding the plans, but if they do not want criteria for what staff's recommendations should be on those, this section in the advertising can be deleted.

COUNCILMAN BARLOW reviewed the application process with MS. DUDDLESTEN and asked at what point staff determines if the applicant meets the criteria in order to be brought forward to the City Council. MS. DUDDLESTEN replied that the advertising plan would become a condition of the license, which is at the end of the process. The section gives the Director some criteria to use to make recommendations to the City Council; if the City Council does not want the criteria, staff would make their recommendations based on their own criteria. COUNCILMAN BARLOW wondered how they can control the advertising content when in the past, regarding other issues such as super graphics or billboards, they were not able to do so. MS. DUDDLESTEN replied that the items which recommendations would be based are on location, such as a sign mounted on a vehicle, not content.

COUNCILMAN BARLOW asked if it would be considered First Amendment rights regarding speech if an applicant chooses at a later date to advertise on a bus stop shelter, bus or taxi.

CHIEF DEPUTY CITY ATTORNEY STEED said that all of this having to do with advertising is speech and explained that the real rule is that if content is being regulated, there is a heightened burden justifying it. Some products have been prohibited from being advertised on certain medium because there has been justification for it. This is a product unlike most products because it is a felony to possess and use it; the thought was that there is greater justification for regulating speech or advertising for this than some other products, but he could not say if it could be enforced or defended successfully in court. If there is to be no risk whatsoever, Section F

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would be deleted.

COUNCILMAN BARLOW prefers to see this section deleted to keep away from future lawsuits.

CHIEF DEPUTY CITY ATTORNEY STEED said that if there is a motion to replace the language, under Section F, Item 1, and the words "does not comply" need to replace the word "complies" when talking about the requirements of the state regulating authority.

COUNCILMAN BARLOW said that his recommendation would be to delete Section F from the advertising.

COUNCILWOMAN TARKANIAN expressed concern with leaders, people handing out fliers and advertisements being stapled to telephone poles and COUNCILMAN BARLOW understood, but reiterated that the City Council has not been able to regulate content with prior issues.

COUNCILWOMAN TARKANIAN asked why this came through legal this way and CHIEF DEPUTY CITY ATTORNEY STEED replied because it has been in existence in other places for some period of time and there is a difference between medical marijuana, which is illegal, and other products.

CHIEF DEPUTY CITY ATTORNEY STEED confirmed for MAYOR GOODMAN that if this section is deleted, the applicant will have to go through the State to get their advertising plan approved and the State will bear the burden of justifying their process in court.

MAYOR GOODMAN asked what the standards are in the State law and CHIEF DEPUTY CITY ATTORNEY STEED replied that he understands that the advertising has to be approved, but does not believe there is any criteria. MS. DUDDLESTEN read the States information that says the sign or advertisement has to be approved by the Administrator of the Division. If the City does not have any provisions, the advertising would have to be approved by the State Administrator and the City would abide by that.

COUNCILMAN COFFIN said he would support this because the State does not and will not employ anyone who is competent to judge the advertising.

MS. DUDDLESTEN confirmed for COUNCILMAN ANTHONY that the information in the proposed regulation and the proposed changes are different concepts. The current information sets out what can and cannot be done, and the proposed changes are based on individual plans; the Director would review the plan based on set criteria and bring it to the City Council as a condition of the license. She also verified that the proposal provides more flexibility for the industry and to the City Council as the advertising plan will be part of the applicants package and a condition of the license which allows for enforcement. Unless the license is conditioned based on the plan, advertising can be done anywhere.

COUNCILMAN ANTHONY pointed out that tobacco advertising is restricted so he thinks there needs to be a plan to evaluate advertising for this as well.



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MAYOR GOODMAN asked how the patient will find out where the medical marijuana facilities are and MS. DUDDLESTEN replied that in any staff proposal, it was contemplated that there would be online advertising. There are several websites that list dispensaries and staff did not contemplate concerns regarding online advertising, print media or magazines; the only concerns were regarding minors. The Department of Justice memo makes it very clear that regulations need to make sure that the minor community is protected.

COUNCILMAN ROSS said that the advertising plan has to go through the State and City staff and should be treated with a Site Development Review (SDR) or Special Use Permit (SUP). MS. DUDDLESTEN replied that is what they are trying to propose with the new language and it might be that Section F is deleted and replaced stating that "except as otherwise provided in Las Vegas Municipal Code (LVMC) Title 19, each medical marijuana establishment shall conform to the approved sign and advertising plan as a condition of the license".

MS. DUDDLESTEN confirmed for COUNCILMAN ANTHONY that the applicants signage for the building would be dealt with through the land use regulation. This is discussing the advertising in the community. He is stating that the applicant's advertising plan will be brought to the City Council with their license, be made a condition of the license and the ordinance will state that they must conform to the advertising plan.

COUNCILMAN BEERS is concerned that there is not enough specificity to sustain challenges regarding their decisions, which are based on an arbitrary application of standards and wanted advice from Counsel.

MR. FAGG explained for CHIEF DEPUTY CITY ATTORNEY STEED that Title 19 is the City's sign code and the advertising that is permitted would be the on-premise advertising that was allowed on the previous land use regulations; the language "except as otherwise provided" talks about the entire advertising campaign that is not specific to the building and the land use itself. MS. DUDDLESTEN further explained that the intent is to not address the building signs as a condition on the license, but any other advertising in the plan is what the applicant would conform to if it was a condition of their license.

CHIEF DEPUTY CITY ATTORNEY STEED said to say "advertising that is not governed by the provisions of Title 19", and to include in the provision a requirement to submit a sign and advertising plan. MS. DUDDLESTEN said that a sign and advertising plan is required by the State package and the City's permit application and that the same plan is submitted for both.

CHIEF DEPUTY CITY ATTORNEY STEED said to use the language "advertising that is not governed by the provisions of Title 19 must be in accordance with the sign and advertising plan that has been submitted as a part of the application". MS. DUDDLESTEN added "and approved as a condition of the license".

CITY ATTORNEY BRAD JERBIC asked if someone who wants to put a sign on a taxi cab or near a school zone is required to put that in a sign plan that goes before the City Council on a

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Title 19 application. MS. DUDDLESTEN replied the regarding the sign plan, the applicant is required to submit everything to the City that they submit to the State.

CITY ATTORNEY JERBIC asked if MS. DUDDLESTEN could foresee a circumstance where staff would receive and reject a sign plan that had gone through the State. MS. DUDDLESTEN replied that the proposed language is attempting to establish criteria for staff to make their recommendations.

CITY ATTORNEY JERBIC said that no language is fine, and either of the choices mentioned are defensible under the same rationale for restricting tobacco advertising. The safest option is to have no restrictions, the next best option is the choices that were already mentioned and to do it case by case is the worst.

COUNCILMAN BEERS pointed out that the State regulations are on and they are not going to address this. He believes it is incumbent on the City Council to place restrictions on the forms of advertising based on their propensity to be consumed by children. While the safest choice would ensure there are no legal challenges, it would also ensure that marijuana ads would be seen on the evening news.

CITY ATTORNEY JERBIC reiterated that the legal aspect is the only concern, clearly the choice is to not restrict, if there are policy concerns involved, Counsel will defend the choices that have been mentioned, but to leave it to discretion on a case by case basis is almost indefensible.

CHIEF DEPUTY CITY ATTORNEY STEEL said that the alternative that was proposed in the small handout is more defensible than the original language, and clearly to have nothing at all is defensible. He said another possibility is to require the applicant to submit an advertising plan with their application and bind them to the plan, but have no discretion over what is in there.

CITY ATTORNEY BRAD JERBIC confirmed for MAYOR GOODMAN that reviewing on a case by case basis is the worst option unless there are standards.

CITY MANAGER FRETWELL said the proposed amendment that MS. DUDDLESTEN presented regarding submittal of an advertising plan is what CITY ATTORNEY JERBIC was referring to as defensible. It creates criteria that would be used to formulate a recommendation on a consistent basis application to application. The items 1, 2, 3 and 4 are what would become the foundation for the recommendation; the City Council would still be the ultimate authority to consider, amend, follow or not follow the recommendation in the final approval of the business license, but the advertising plan would be evaluated on the media listed.

COUNCILMAN COFFIN asked about the motion that was adopted regarding misleading material and said that he thought that was the only criteria they were going to be discussing. MAYOR GOODMAN clarified that on the floor was COUNCILMAN BARLOWS motion that MS. DUDDLESTEN read which is different than what the attorneys are discussing as defensible.

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COUNCILMAN BARLOW made a motion to remove all of F and replace with the first sentence on the proposed changes; the motion failed

COUNCILMAN ANTHONY made a motion to remove all of F and replace it with all of the proposed changes, including the words "does not comply" replacing the word "complies" when talking about the requirements of the state regulating authority that CHIEF DEPUTY CITY ATTORNEY STEED brought to the City Council's attention earlier; the motion passed.

MS. DUDDLESTEN said that the next proposed change is regarding the frequency of reviewing business licenses and reviewed the details.

MAYOR GOODMAN wondered if the review would be annually after the first year because in previous discussion, it was determined that there would not be enough data the first year; by the time the applicant gets going, they have not operated for very long. MS. DUDDLESTEN said that staff would accommodate whatever the City Council desired.

COUNCILMAN COFFIN said that by reviewing the licenses annually, there is more leverage and the City will have enough money to start up and operate.

COUNCILWOMAN PARKANIAN suggested discussing to wait for two years the first time and then conduct annual reviews thereafter.

COUNCILMAN COFFIN said that this cannot be enacted in relation to convenience for the staff.

COUNCILMAN BARLOW said that he believes staff needs more time, at least in the first year, so he is in support of the two-year review.

COUNCILMAN COFFIN made a motion to review the licenses annually; the motion failed.

COUNCILMAN BEERS asked if it is within their authority to leave the existing language in place and then convert to an annual review later and CHIEF DEPUTY CITY ATTORNEY STEED replied that it can be an amendment to the ordinance at a later date; if they want to build that in without having to come back with another ordinance, it needs to be taken care of now. COUNCILMAN BEERS said that due to having reviews done by the City and the State he did not think there would be any benefit to shortening the cycle.

MS. DUDDLESTEN said that the next proposed change is regarding fees and if the City Council wants a portion of the gross revenue fees to be dedicated for grants and drug intervention research; if so, is that amount at what is proposed in the current language, which is four percent and six percent at dispensaries, or is it an additional amount and is it a dedicated amount.

MAYOR GOODMAN asked if specificity is needed at this point or if they could wait for data to make sure they determine the appropriate amount.

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CITY MANAGER FRETWELL said that if the use is authorized a budget can be built. The issue is if the money will come from the application fee, the gross licensing fee, the land use fee and the annual review fee, or if those fees should be increased to support the additional program. She further said that first would be that they want to invest, second is what will be used to invest and third is how much to invest.

COUNCILMAN COFFIN said that regarding annual license fees, COUNCILMAN BARLOW had mentioned changing the fees to eight percent and eight percent, and if there is a condition that 10 percent of the fee will be dedicated by the City Council, he could support the tax increase.

COUNCILMAN BARLOW asked MS. DUDDLESTEN to explain the approach for vertical integration percentages and how it is broken out between cultivation, production and dispensary. MS. DUDDLESTEN replied that when the business impact was sent out, there were percentage fees at cultivation, production and dispensaries, assuming they would be totally separate businesses. For separate businesses, each type of facility would be charged eight percent of their gross revenue, totaling 24 percent; a vertically integrated business where product did not transfer, would be a single eight percent. To accommodate staff proposed to allow vertical integration, but when product moved directly from cultivation to dispensary, the total fee at the dispensary level is four percent of gross revenue. If it is product that came from cultivation to production to dispensary, it is six percent. Regardless of whether the business entity was integrated or separated, the end product would have the same business license fee.

COUNCILMAN BARLOW said that he would like to increase the four and six percentages to eight and eight percent and wondered how that would be broken out. MS. DUDDLESTEN replied that she would suggest considering setting up different classes of licenses on the gross revenue fees, giving the examples as follows: Class 1 would own one segment of business and be charged a gross revenue fee of 2.67 percent; a Class 2 would allow for two segments and be charged a gross revenue fee of 5.33 percent; a Class 3 would be an integrated business holding with all three and would be a gross revenue fee of eight percent.

COUNCILMAN BARLOW made a motion to maintain the application fees, annual renewal fees and other fees as in 2014-34 and modify the gross license fees Class 1 at 2.67 percent, Class 2 at 5.33 percent and Class 3 at eight percent.

COUNCILMAN COFFIN asked what the total tax amount would be on a \$100 retail purchase and MS. DUDDLESTEN replied that it would be eight percent. MS. DUDDLESTEN also confirmed that the intent would be to make sure that the gross sales through the system were the same and not to exceed 10 percent. She further explained that if the business owner did everything seed through sale, the fee would be eight percent; if they had two of the segments, it would be 5.33 percent and if there is just one facility owned, it would be 2.67 percent. MS. DUDDLESTEN reiterated that it is a business license fee based on gross revenue, not something that is passed on like a value added tax.

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COUNCILMAN BEERS said that if the goal is to achieve a certain percent he believes eight percent is too high. The problem with assessing one-third of it on each level is that sometimes levels are skipped and sometimes they are combined. If the total percent is placed on the dispensary transaction, one-third will be picked up on each of the components. Based on the \$100 sale, the consumer will pay \$108.20 because there will also be a sales tax.

COUNCILMAN COFFIN said that in normal commerce, sales that are below retail are exempt from any tax.

COUNCILMAN ANTHONY wondered who the grants would go to and why drug resistance education is needed since it is for medical marijuana. If the topic was legalization of marijuana that would make sense he also wondered what the research was for and if research is done and found that it is bad for a person, will all of the businesses be shut down. He would prefer to use the funds to make sure that there is Code Enforcement and that the regulations are being implemented. He said that if someone in the future can explain why this is good based on what is happening with medical marijuana he may consider it. He will not support the revenue increase at this time.

COUNCILMAN BARLOW changed his motion to recommend increasing the current fees one percent from four and six percent. He has verified for CITY MANAGER FRETWELL that he is recommending the fees increase to five percent and seven percent, adding one percent to each step.

MAYOR GOODMAN also confirmed that one percent is not being taken from the four and six percent, but he is augmenting and going to five and seven percent.

COUNCILMAN COFFIN wondered if the concept has specific purposes authorized in the bill that up to 10 percent of the semi-annual gross revenue is being dedicated for those purposes.

COUNCILMAN BARLOW said that he leans toward COUNCILMAN ANTHONY'S comments and confirmed for COUNCILMAN COFFIN that the additional funds would be placed in the General Fund.

COUNCILMAN BEERS wondered if the annual flat fee is being addressed combined with this percentage in the motion. COUNCILMAN BARLOW reiterated that he would like to maintain the fees as detailed in the bill.

COUNCILMAN BARLOW verified for COUNCILMAN ANTHONY that additional revenue is being collected and it will be decided later where it will be spent. COUNCILMAN ANTHONY said he would support that.

COUNCILWOMAN TARKANIAN said that there will be educational issues because the City Council will be bombarded with recreational marijuana in the next couple of years so there is a certain amount of protection that is needed, especially for Junior High School students. She believes the money is needed to handle this the right way and for whatever need there may be to

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help the children.

CITY MANAGER FRETWELL said that if the City Council wants staff to find a way to fund education and prevention activities, she could build that as a budget. COUNCILMAN BARLOW replied that he believes issues need to be identified before the money is assigned to anything.

MR. FAGG said that the amendments to the bill have been voted on, but they have not voted on the bill itself.

MAYOR GOODMAN asked if movement on the special items should be done first and CHIEF DEPUTY CITY ATTORNEY STEED said that MS. DUDDLESTEN had identified some cleanup that needs to be done and he would like authorization to do some substantive changes need in order to make the ordinance work.

MS. DUDDLESTEN said that with the motion that was passed regarding delivery on page 20 in 6.95.150 (H)(3)(b) where it talks about dispensaries and transport, it needs to state and except unless otherwise permitted so there is no conflict because of the motion. She verified for MAYOR GOODMAN that it could be included in the ordinance.

COUNCILMAN COFFIN said that when a bill changes so dramatically sometimes the sponsors name is removed; he requested that his name be removed from the bill as the sponsor. CHIEF DEPUTY CITY ATTORNEY STEED replied that would not be a problem.

COUNCILMAN BARLOW asked how paraphernalia is being defined and MS. DUDDLESTEN replied that it is as defined in the definitions 6.95.020, paraphernalia has the meaning ascribed to it in NRS 453A.125 and it was clarified under dispensaries as well. She further explained that in the NRS it means accessories, devices and other equipment that is necessary or useful for a person to engage in the medical use of marijuana.

MS. DUDDLESTEN verified for COUNCILMAN BARLOW that t-shirts, hats and such items are not allowed to be sold in the dispensaries because it raises the issue regarding which facilities can sell them and to what extent novelties and gifts are allowed. The ordinance only contemplates a dispensary dispensing products. COUNCILMAN BARLOW asked if the dispensary could ask at a later date and MS. DUDDLESTEN replied that they are required to have an educational plan approved by the State Administrator; it would allow them to make that request in their approved educational plan. Anything else to allow gift shops or novelty shops in the dispensaries would require a change in the ordinance.

COUNCILMAN BARLOW asked about security requirements in 6.95.120(F)(2) regarding the requirement to have on-site security between the hours of 10:00 p.m. and 6:00 a.m. and MS. DUDDLESTEN replied that is only for cultivation facilities. She said that everyone has to turn in a security plan and staff will evaluate it based on the size of the building, the operating hours, what they are doing and the neighborhood, and it will be brought to the City Council as part of the licensing application. MS. DUDDLESTEN verified that security at the cultivation facility is required during their operating hours as well and it would be included in their security plan. The

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surveillance is required by the State and the City is requiring that surveillance is accessible to local law enforcement. COUNCILMAN BARLOW wondered if it needs to be a person and MS. DUDDLESTEN explained that when speaking with cultivation facilities, they did not find one that did not have employees on-site because they cultivate 24 hours a day. The other facilities are not required to have on-site security 24 hours a day, only when they are open.

COUNCILMAN BARLOW inquired about the odor control and MS. DUDDLESTEN replied that the Building Department will review their filtration plans for cultivation, production and any issues with dispensaries. When the licenses are brought for review, one of the issues the City Council can address is to allow cultivation to expand inside their building and make sure they have addressed any odor control and odor complaints.

COUNCILMAN BARLOW asked how compassionate care and providing for the poor will be done under 6.95.150(F)(1,2 and 4) as it relates to the dispensaries not being able to assist the poor or compassionate. MS. DUDDLESTEN replied that there is nothing in the current draft to address this; what is in the draft is to ensure that there is dispensing, not rewarding. Staff can work with the State regarding an educational program and what they are planning to do; if there are changes or proposals, staff can be directed to bring back changes.

COUNCILMAN BEERS suggested utilizing the surety bond to \$250,000 as it seems in excess of any surety bond in any other jurisdiction. MAYOR GOODMAN asked how that number was derived and COUNCILMAN BEERS said it was half of what is currently required.

MS. DUDDLESTEN said that the amount of the bond is up to the City Council and any concerns for what any lawsuits and issues that will have to be dealt with. CITY MANAGER FRETWELL confirmed that the draft contemplates a \$500,000 surety bond and \$50,000 for the licensing and penalties bond.

COUNCILMAN BEERS said that the surety bond covers a potential lawsuit and remediating any building that needs to be remediated.

MAYOR GOODMAN asked what the ranges were in other states and MS. DUDDLESTEN replied that there are communities that do not require the bond at all and staff has found others that are much higher. COUNCILMAN BEERS said that he has only looked today, but could not find anything greater than \$100,000. He said that there are three bills for consideration in the Illinois Legislature, one for no bond, one for \$5,000 and one for a \$2,000,000.

CITY ATTORNEY JERBIC said that he believes \$250,000 is fine because it would cover almost everything he has seen since being employed with the City and when utilizing outside counsel, the City has generally had to pay \$100,000-\$150,000 for Nevada Supreme Court appeals.

CITY MANAGER FRETWELL confirmed for MAYOR GOODMAN that the fee for the surety bond would be from one to three percent which would be \$2,500-\$7,500.

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COUNCILMAN BEERS made the motion to reduce the amount of the surety bond located in 6.95.090 from \$500,000 to \$250,000; the motion passed.

COUNCILMAN ANTHONY made a motion to approve the Proposed Business Licensing Regulations for Medical Marijuana Establishments for the City of Las Vegas to include the changes that were made based on the motions that were passed to include the authority for Counsel to make necessary non-substantive changes; the motion passed.

COUNCILMAN COFFIN said that he feels bad that no money is being put into an effort to try to educate and dissuade young people from using marijuana as it is an intoxicant like alcohol. He said that the educational component had a lot to do with his support of the bill.

MAYOR GOODMAN said that his words are well taken and once data is received, it can be determined where to put the money.

COUNCILMAN BEERS shares COUNCILMAN COFFIN'S concern and has a respect for the legislative process even though it included several issues he voted against. He wondered what the schedule would be and MAYOR GOODMAN asked legal counsel. CHIEF DEPUTY CITY ATTORNEY STEED replied that it will probably be ready by the time published so will be in effect Sunday morning.

Subsequent to the vote, COUNCILMAN COFFIN said that he voted incorrectly and asked that his vote reflect in the affirmative.

MR. FAGG said that he anticipates doing a press release tomorrow to announce the schedule for accepting applications. He anticipates opening the application cycle sometime in July; in the later part of June, staff will be hosting workshops where they will go over checklists of what application materials will be required to be submitted. The information will be available in the press release as well as on the Medical Marijuana Information page on the City's website.

COUNCILMAN BEERS said that it would be a good time to have the social media staff send out the URL for the Medical Marijuana sub site on the City's website again.

CHIEF DEPUTY CITY ATTORNEY STEED said that this will be a First Amendment and asked if that was part of the motion and COUNCILMAN BEERS replied that he understood that to be part of the motion.

CITY CLERK BEVERLY BRIDGES said that she would make that correction in the record.