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January 2nd, 2017

Mark Prestwich, Nevada City City Manager
317 Broad Street
Nevada City, CA 95959

Re: Request to Amend Nevada City's Marijuana Regulation

Dear Mr. Prestwich,

I would like to take this time to formally request an amendment to Nevada City's Medical Marijuana Regulation and Safety Act to include Medical Marijuana Distribution Licensing.

As you know, last year California passed a very thorough and comprehensive framework for regulating medical marijuana. While permissions exist within Nevada City for cultivation purposes of medical marijuana, there is currently no framework in place to regulate distribution.

My Vision for Nevada City

Create a pilot program for the distribution of medical marijuana. Work with Nevada City to create a cannabis distribution facility that would be a state-licensed business to acquire, store, transport, and sell medical marijuana to retail dispensaries. Medical marijuana would be acquired from an independent state-licensed cultivator. As the cultivator, distributor, and retailer are all separate business entities under the new law, this would allow Nevada City to have its own distribution center for the dispensaries currently established once MCRSA law takes effect in 2018.

Economic Stimulation

The creation of this pilot program will provide economic stimulus by generating job opportunities for residents and businesses in Construction, Security, Engineering, Architectural Design, and Testing as well as providing overall economic stimulation for the county.

Job Creation

A pilot program such as one being proposed will create approximately 50 full time positions, all subject to livable wage rates. Employment opportunities will start at $15 an hour and increase from there. In addition, this pilot program would suggest a close relationship with Employment Services PM, Mali Dyck, to employ local residents.

Tax Revenue

Part of my vision for Nevada City is to implement a local taxation of distribution sales at 2.5%. This tax would be due each quarter, and would be employed to create revenue for the city. There is currently no taxation required for distribution centers by state law.

City Permits

Permits and Applications for a pilot such as this will understandably create an initial workload on city staff. I will work with Nevada City to ensure that any and all permit and application fees cover the staff's time. I have worked with other counties and cities and am confident that we can propose a fee schedule that ensures no negative impact on staff and city resources.

Security

Security is a vital part of the success of the proposed model, and is therefore a top priority. Proper planning, employee training, facility design, and the implementation of a well crafted operational procedure that meets Nevada City's standards as well as industry standards are key to mitigating risk and ensuring public safety. A thorough assessment of the risks and implementation of services, technology, staff, and procedures will require a detailed assessment of protocols being used as well as the facilities being operated out of.

To combat this most effectively, I have teamed up with leading experts in corporate, personal, and public safety and together we are undertaking a laborious, intensive assessment to ensure that nothing is overlooked in regards to safety and security, including cameras that are available 24/7 to local officials and Police Departments, security guards, etc.

Timeline

A project of this scale is not without its challenges, and to adequately address and perform on the highest standards that Nevada City deserves, I propose the following timeline: 1st Quarter (Jan-March) Planning, Design, and Facility Obtainment; 2nd Quarter (April-June) Build Out, Employment, and Training; 3rd Quarter (July-September) Begin Pilot.

My Background

As for my personal background I have been a professional business leader since 1998. I also am a Senior Consultant at Clear Horizon Management Group, a consulting firm dedicated to the cannabis industry.

At Clear Horizon, I am a statewide resource to entrepreneurs, legislators, and businesses on medical cannabis in regards to understanding relevant laws, planning, and operational procedures. I am a trusted lecturer and advisor to many on the subject, and would like to see

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Nevada City continue to progressively move forward and act as example for other cities of the positive externalities that can be derived from medical marijuana. From an economic, social, and moral perspective it is logical to take this direction and raise the bar on medical marijuana regulation protocols, control, conduct and dispensing.

In summary, this pilot program is a proposal to:

1. Create revenue
2. Work closely with the city to ensure mutual benefit and create a controlled market
3. Engage local businesses
4. Hire locally and pay a livable wage
5. Work with regional law enforcement to ensure safety and comfort of all residents of Nevada City

I look forward to hearing from you, and to move forward on producing the proposed program.

Sincerely,

Bobby Uppal

Clear Horizon Management Group

Office: 1.866.660.2794

Direct: 1.916.677.7825