MINUTES OF THE CITY COUNCIL REGULAR MEETING

CITY OF NEW PORT RICHEY

NEW PORT RICHEY CITY HALL COUNCIL CHAMBERS
5919 MAIN STREET, NEW PORT RICHEY, FLORIDA
February 7, 2017
7:00 PM

ORDER OF BUSINESS

1. Call to Order – Roll Call

The meeting was called to order by Mayor Rob Marlowe at 7:00 pm. Those in attendance were, Deputy Mayor Bill Phillips, Councilwoman Judy DeBella Thomas, Councilman Jeff Starkey and Councilman Chopper Davis.

Also in attendance were City Manager Debbie Manns, City Attorney Timothy Driscoll, City Clerk Judy Meyers, Chief of Police Kim Bogart, Finance Director Crystal Feast, Development Director Lisa Fierce, Fire Chief Chris Fitch, Economic Development Director Mario Iezzoni, Public Works Director Robert Rivera, Library Director Susan Dillinger, Parks and Recreation Director Elaine Smith, Technology Solutions Director Bryan Weed, Human Resources Manager Bernie Wharran and Assistant to the City Manager Martin Murphy.

2 Pledge of Allegiance

3 Moment of Silence

4 Approval of January 17, 2017 Regular Meeting Minutes

Motion was made to approve the minutes as presented.

Motion made by Judy DeBella Thomas and seconded by Bill Phillips. The Motion Passed. 5-0. Ayes: Davis, DeBella Thomas, Marlowe, Phillips, Starkey

5 Swearing-In of Police Officer Donald Jacobs

6 Swearing-In of Police Officer William Burbridge

7 Presentation of Healthy Weight Community Champion Award by the Pasco County Health Department

Presentation of this award was rescheduled for the February 21, 2017 City Council meeting due to a scheduling conflict on behalf of the Pasco County Health Department.

8 Presentation by the River Ridge High School Robotics Team

The First Robotics Team 5842 members, Dwight Howard and Thomas Rimos, from River Ridge High School made a presentation to Council regarding their robotics program and the team's accomplishments over the past year.

9 Status Report on Noise Ordinance Implementation

Chief Bogart provided a status report on the implementation of Ordinance 2016-2091 relating to Noise Standards. He stated that the ordinance has been in effect for about three months now. What they have discovered is that low level sounds are not being picked up by the noise meters. Staff has been working on a solution to the problem of "human hearing" and will bring is back to Council.

10 Vox Pop for Items Not Listed on the Agenda or Listed on Consent Agenda

Mayor Marlowe opened the floor for public comment. Don House came forward and stated that Marine Parkway is looking pretty good. He asked Council to entertain the idea of having all the residents to replace their mailboxes along Marine Parkway and offer an incentive of half the price to aid the homeowners. He stated that he will be getting reclaimed water at the house he owns on the north side however due to the multi-use path parking at his homes on the south side has decreased. He suggested having the carports extended to a two car carport.

With no one else coming forward for public comment, Mayor Marlowe closed Vox Pop.

11 Consent Agenda

Deputy Mayor Phillips requested the quarterly report submitted by New Port Richey Main Street be pulled from the Consent Agenda for discussion. He stated he read through the report and the financial statements. He asked that sometime between now and March there would be a joint work session with New Port Richey Main Street to discuss the operation and overall programs.

Motion was made to accept the Consent Agenda.

Motion made by Bill Phillips and seconded by Chopper Davis. The Motion Passed. 5-0. Ayes: Davis, DeBella Thomas, Marlowe, Phillips, Starkey

a New Port Richey Main Street, Inc. Quarterly Report

b Parks and Recreation Advisory Board Minutes - December 2016

c Purchases/Payments for City Council Approval

12 Public Reading of Ordinances

a Second Reading, Ordinance #2016-2095: Comprehensive Plan Amendment - Downtown and Downtown Core Categories

City Attorney Driscoll read the proposed ordinance by title only. City Manager Manns the purpose of the ordinance is to encourage and incentivize redevelopment through the downtown core. She then introduced Ms. Fierce who made a presentation to Council. She stated that this agenda item was to increase density in the downtown core. The ordinance has been reviewed and approved by both the Land Development Review Board and the State.

Upon opening the floor to public comment, Heather Fiorentino came forward and asked for clarification that this ordinance would not change anything in Ordinance 1. She stated that the denisty change cannot effect that piece of the property where the Chamber building is and that land cannot be used for anything else besides city use. Ms. Fierce stated this ordinance only effects density and not land use. Deputy Mayor stated that everyone is conscious of the provisions in Ordinance 1. Mayor

Marlowe stated that there was particular discussion on that parcel and where the boat ramp is being rolled in with the Main Street Landing Project ten to fifteen years ago. Lisa stated all land has to have a use attached to it. City Attorney Driscoll stated that this was just a text amendment and has nothing to do with that particular piece of property and that if something happens with that piece of property is should be done as a separate item and sent to the LDRB. Ms. Fierce suggested the City Attorney craft some deed restriction language that could be attached to the parcel that would be able to be found if someone was doing a title search.

With no one else coming forward, Mayor Marlowe returned the floor to Council. Motion was made to approve the ordinance upon its second and final reading.

Motion made by Bill Phillips and seconded by Jeff Starkey. The Motion Passed. 5-0. Ayes: Davis, DeBella Thomas, Marlowe, Phillips, Starkey

b Second Reading, Ordinance 2017-2105 & Amendments to the Utility Asset Acquisition Agreements

City Attorney Driscoll read the proposed ordinance by title only. Upon opening the floor to public comment, no one came forward therefore Mayor Marlowe returned the floor to Council. Motion was made to approve the ordinance upon its second and final reading. Deputy Mayor stated he would not be supporting the motion. Councilman Davis also stated he would not support the motion.

Motion made by Judy DeBella Thomas and seconded by Jeff Starkey. The Motion Passed. 3-2. Ayes: DeBella Thomas, Marlowe, Starkey Nays: Davis, Phillips

c First Reading, Ordinance #2017-2106: Residential Exterior Maintenance

City Attorney Driscoll read the proposed ordinance by title only. City Manager Manns introduced the item to Council. She stated the purpose of this agenda item was to prevent slum and blight and to preserve and enhance our neighborhoods. She introduced Ms. Fierce who then made a presentation to Council. Ms. Fierce stated that staff intiated this item to further advance the maintance standards in the city. She stated this item only pertains to roofs, gutters, driveways walkways and other exterior surfaces. These areas have been found to not be clear of debris, mold and mildew. She stated that the proposed ordinance has been approved by the LDRB.

Upon opening the floor to public comment, Rob Oman came forward to speak and has how far along the process for improvement to the rentals in the community. He stated that once the compliance for rentals reaches fifty to sixty percent then the city can address the residents. Ms. Fierce clarified that this ordinance was for both residential rental and home owner occupied properties. She stated that compliance has been good over the year that this has been in effect.

Jim Luper came foward to speak and asked how will the city help the homeowners pay for these improvements. City Manager Manns stated the city has a housing rehabilitation grant program. Mr. Luper replied he was aware of the program and that he has suggested it to his neighbors but the funds are not always available. Deputy Mayor stated that there were income thresholds for the program and Councilman Starkey also stated assessed values as well.

Sharon Proviance came forward and stated that although she is a single woman she does not qualify for the grant program because of her income. She also stated that permit fees should be more affordable. City Manager Manns stated the funding source for the grant program is a Federal program and therefore the city must follow their guidelines relating to income eligibility. She did state however that the city is looking at a possible second source that would help bridge the requirements and was hopeful to have a formal recommendation in the near future.

With no one else coming forward, Mayor Marlowe returned the floor to Council. Deputy Mayor stated that we have federal funds but we could also look at taking funds from the CRA or Penny for Pasco to use as a middle ground. He said there were other avenues that can be investigated. Councilwoman DeBella Thomas stated she was uncomfortable with this item that this was an over reach by the city.

Councilman Starkey asked for clarification that this only addresses maintenance issues. City Attorney Driscoll then read the proposed ordinance by title only. Deputy Mayor stated that he felt serveral sections were way over reaching and that we were rolling something out without give a way for people to work through it and at this point in time he cannot support it the way that it is written. Mayor Marlowe also stated he would be more comfortable if the bridge funding was already in place. He stated as a homeowner, sometimes expensive unexpected repairs can happen. City Manager Manns stated she would be happy to defer this item until a bridge program was in place however the pictures shown were from actual properties in the city and this problem is a frequent occurence enough that staff has requested these tools to work with. Mayor Marlowe stated he was uncomfortable with it but would vote for it on first reading but not on second reading as it is written. Councilman Starkey asked if the hesitation was due to the bridge funding not being in place as he was raised to take care of your property. Councilman Davis stated that some of the mildew on the side of the houses may be discretionary.
Motion was made to approve the ordinance upon its first reading. The motion failed to pass.

Motion made by Jeff Starkey and seconded by Chopper Davis. The Motion Failed. 2-3. Ayes: Marlowe, Starkey Nays: Davis, DeBella Thomas, Phillips

d First Reading, Ordinance #2017-2104: One-Year Cannabis Moratorium

City Attorney Driscoll read the proposed ordinance by title only. City Manager Manns introduced the item to Council. She stated that last year Council approved a moratorium and there are certain regulations already in place. The purpose of the item is to institute a moratorium until such time that the State can advance certain standards to make sure our ordinance conforms to them.

Upon opening the floor to public comment, Denise Houston came forward and stated that voters approved the amendment in November. She stated that local governments are in charge of the time and place. Of twenty-eight states that passed these amendments, Florida had highest ballot approval. She stated dispensaries should be left up to the voters.

Michelle Flood came forward and stated that 170,000 in Pasco voted for this. She does a show on Facebook live that has over 4,000 viewers and she could get people to come speak if Council does not listen.

Rachel Hagenbaugh came forward to state her opposition and said this would be denying funding for schools, parks and streets. She stated cannabis is a plant with great medical benefits.

Anthony Livio came forward to ask why this was needed since the County already has an ordinance in place and Port Richey has already decriminalized it. He also wanted to know what Council was scared of. He stated that work shops should be done.

Greg Smithwick came forward to state that generally officials and law makers are uneducated on cannabis. He stated he had offered commissioners to tour a current dispensary in Pinellas. He stated he hoped that during the Council's discussion he would like to hear them recognize how many patients there are in need in the city.

John Kane came forward to state that this issue will take longer to be ironed out in Tallahassee than a year. He suggested that Council decriminalize small amounts of marijuana like Port Richey.

Kerry Shattles came forward to provide some education on the matter. She stated there are over 500,000 patients currently waiting on the implementation of Amendment 2. Projected revenue from sales in 2017 would be significant. For each dollar earned and spent 3 dollars comes back into the community. She left the information she downloaded with the City Clerk so that it may be distributed to staff.

Rob Oman came forward to state that he voted yes for amendment 2 and that moratorium not be put into place. Revenue from this can be used to improve the roads. He referenced several online newspaper articles that stated legalizing medical marijuana has led to a decrease in opiate use.

With no one else coming forward, Mayor Marlowe returned the floor to Council.

Deputy Mayor stated he appreciated all the comments that have been brought forth but did not appreciate the threats of not re-election. He stated we should wait until after the legislative session. The people have spoken and we should find a way and just as adult use businesses that a specific location should be explored. You cannot deny the use in the city but you can put restraints on it. He stated he believed there should be a smaller time frame for the moratorium so that it can be implemented with sound reason and good judgment.

Councilwoman DeBella Thomas that the Florida League of Cities has taken a proactive approach. She attended a webinar that had excellent information and the modules will be available as a good education approach. The moratorium is to enable everyone to become educated and do not want to repeat issues in the past. She stated it would be wise to do due diligence and continue to be more educated.

Councilman Starkey appreciated the comments but also did not appreciate the threats. He agreed that there is the need to be educated and should have work sessions. Opiates have had a detrimental effect on our society and should not be compared to cannabis. Majority of voters voted for it. Need more information from the legislature. He suggested having a work session and have some medical personnel come into speak. He stated he would support a six month moratorium.

Councilman Davis stated he has been continuing to educate himself on the matter and he sees where it is needed and where it fits into the community. He proposed once the State is ready to pass the regulations and then hold a work session within thirty days as an aggressive approach.

Councilwoman DeBella Thomas stated if we just follow through with the FLC program it discusses legths of moratoriums. She suggested postponing this item until after the modules are listened to.

City Attorney Driscoll stated the State has until July 1st to implement regulations. After the regulations are in place then this becomes a land use and zoning issue.By giving additional time you can gather all the information. He stated it would be a mistake to not extend the moratorium. He urged Council to adopt as is. The process can always be expedited.

Mayor Marlowe stated this is an issue that ultimately the federal government will have to deal with. He stated that he has had a close family experience with opiates within the last month. There are some issues but it is bigger than all that. He would like to talk about decriminalizing like Port Richey did. His initial reaction to this ordinance is that we need for lack of a better term a time out so that way people cannot slip in before regulations are in place. Definitely need some work sessions. Do not want to sit and do nothing. Have no idea what will come out of the legislative session.
Motion was made to approve the ordinance upon its first reading for a six month moratorium and that two work sessions be conducted.

Motion made by Bill Phillips and seconded by Jeff Starkey. The Motion Passed. 5-0. Ayes: Davis, DeBella Thomas, Marlowe, Phillips, Starkey

e First Reading, Ordinance No. 2017-2107: Firefighters Pensions & Retirement

City Attorney Driscoll read the proposed ordinance by title only. City Manager Manns introduced the item to Council. She stated the purpose of the item was a bookkeeping matter and the changes brought forward are to reflect State law and changes to the IRS code so that the City's ordinance is in compliance. Upon opening the floor to public comment, no one came forward therefore Mayor Marlowe returned the floor to Council. Motion was made to approve the ordinance upon its first reading.

Motion made by Judy DeBella Thomas and seconded by Bill Phillips. The Motion Passed. 5-0. Ayes: Davis, DeBella Thomas, Marlowe, Phillips, Starkey

13 Business Items

a Recreation & Aquatic Center Improvement Project Bid Award - Hennessy Construction Services

City Manager Manns introduced the item to Council. She stated that Council has collectively and consistently advancing the city a priority. Council has stated that they want to protect assets and provide a better product when one does not exist. In the case of roads the conditions were advanced as deficient as indicated by Genesis in 2016. The City needed to come up with a system that has an on-going source of revenue and thus the pavement management committee has been formed. There are twelve road projects over the last thirty years which is proof the current model is not working. The only source currently is LOGT and only about $700,000/year. The City is looking for grant opportunities for future road improvements. Things learned are to build on strengths and decrease weaknesses. We can boast about amenities but have weakness to acknowledge that current model is unsustainable in terms of financing. The City needs to expand ways that it serves the community. In that respect, we hired Kimley-Horn who is here to give an overview of the project. The City also hired Hennessy Construction and the Sports Facility Advisory Group (SFA) who specialized in forecasting and feasibility. SFA's recommendations need to be taken seriously. Currently subsidizing million dollars a year and a formula that cannot be sustained. SFA suggested to relocate and expand the fitness center, add child care room and add activity room. New tracking software has been installed and is currently being implemented. Working on a dedicated website. The project was originally bid in October 2015 and contained components that are not in the current proposal. It was re-bid in November 2016 and came in over $330,000 higher than the 2015 bid due to construction costs.

Keith Greminger from Kimley-Horn and Mark Stalker came forward to make a presentation to Council. Mr. Greminger stated that designs were based on the recommendations from SFA and included expanding the current fitness center as well as relocating the space to the front of building. Mr. Greminger discussed the other cost cutting factors such as eliminating the drop off, updating pool amenities and deletion of additional activity room. Mr. Stalker stated when the bid came back in November at the escalated cost, the design was formulated as to what could be easy and quick to complete.

Upon opening the floor to public comment, John Kane came forward and stated that he remembered when the rec center project was first brought forward and that there is a lot of money in it. He would like to see that if there is a cost to run it then invest in a comperehensive energy study done to aid costs. There are a lot of options to cut costs.

Paul Black came forward and stated he was in favor of the paking ordinance but stated that some of the alleys were in dire need of repair. Highways, roads and streets are more important.

Greg Smith came forward and stated he spends a lot of time at the rec center. Need to get more people into the facility before expansion.

Mitch Jackson came forward and stated that more people are needed to come to the rec center before expansion. Funds should go to grants for home improvements or road repairs. He also brought two photos of flooding during Tropical Storm Debby which he left with the City Clerk for Council.

Karen King came forward and stated her opposition against spending any more money on the rec center. She doesn't like to exercise. She suggested giving out a week membership to try the rec center. Families can't afford to join.

Dale Webb came forward and stated he was against spending any more money on the rec center.

Lois Robinson came forward and stated that read that the rec center is a fourteen million state of the art facility. She said the study conducted showed that over three years memberships will increase. She suggested that a committee formed to make recommendations.

Julia DeLong came forward and stated the money should go to roads instead of the rec.

Sharon Proviance came forward and stated to boost membership instead of putting money into the center.

With no one else coming forward, Mayor Marlowe closed public comment and returned the floor to Council.

Councilwoman DeBella Thomas stated that the City owns the building and when the money was put into it and we started talking about the improvements that could increase the return the improvements that are being suggested are ones that were talked about. The fitness center needs to be moved to the front because right now it is in the back and there are many people who don't even know it exists. The addition of the childcare area and activity room is also ideas that were talked through. She stated the Rec Center is the only building owned by the city that has the potential to make money. We need to invest and protect the investment. We need to move forward on it. We need to do the enhancements that we can.

Mayor Marlowe stated it is the first significant investment in the facility in over ten years. He compared the investment versus the amount of funding put towards road projects. The longer we wait the more expensive it will be.

Councilman Starkey stated he was glad that it was clarified that money for this project would not take away from money for road projects. The two things he wanted for this project was the new tracking software which is currently being installed and the childcare area. He wants to attract young families who take pride in their community. He commented on recent events he has seen with some of the homeless in our community. He stated that another issue was to have an activity room for parties. He said Council has been discussing this for eighteen months and the costs have gone up over $330,000. He wished we would have voted for it over a year ago. It was nice to clear up all of the misinformation.

Deputy Mayor began his comments by distributing a drawing and additional information. Over the last few years by strapping with all the debt occurred it has been placed in a no win situation. He began to look at the aspects of the project. He began to ask for options in early January. He asked for an option to show pulling the fitness center to the front so it can operate independently. He was looking at the option to expand the square footage. He stated good space was being torn up inside to create the new spaces. The concept drawing he received came in with a total cost of $978,728. He state that the City's priority on projects has changed. Funding for this concept would be available totally in Penny for Pasco 1 funds leaving Penny for Pasco 2 funds to go to other projects. There would be economic gains for with millenial housing projects, hospital improvements and the City's bid for the VA project.

Councilman Davis stated the numbers he used came from staff. He was reporting what was given to him. We have about $1.1 million in LOGT that are available to spend on roads. The $1.1 million is supposed to be for environmental improvements. We have used up the transportation portion of Penny 1. There are other city projects on the books that total the $1.1 million available. He stated he took offense at his fellow Council members for the numbers he used. We can use Penny 2 funds for road projects. He's not opposed to the project and he likes the drawing presented by Deputy Mayor. He would support giving $300,000 but not the $1.8 million. He does not think there will be an increase in memberships with the improvements. He thought there should be more diversity in the members on the pavement management committee.

Councilman Starkey asked for clarification with Deputy Mayor's proposal of why if it was a viable option was it not looked at before and also if the proposal included the childcare area and Mr. Stalker replied no it did not include the childcare area. The estimate only included the construction and not any of the other renovations. Deputy Mayor stated he was looking for numbers for common ground relating to goals and objectives. He stated at the end of the day he wanted an option that was meeting the objectives of the conversations that have been had. Councilwoman DeBella Thomas stated she appreciated the comments but did not want to piece meal it. She said it is pared down as far as it can go. Where it is right now it will have the effect that we need. Councilman Starkey stated that this has been a difficult vote and looks forward to putting the friction behind us and moving forward. Mayor Marlowe also appreciated Deputy Mayor's attempt to cut costs but he feels that we need to do this and move on.

Motion was made to approve the item as presented.

Motion made by Judy DeBella Thomas and seconded by Jeff Starkey. The Motion Passed. 3-2. Ayes: DeBella Thomas, Marlowe, Starkey Nays: Davis, Phillips

b 2015 Stormwater System Improvements Project - ITB No. 16-020 Bid Award

City Manager Manns introduced Mr. Rivera who then presented the item to Council. He stated that the purpose of the agenda item was to award the bid to Augustine Construction in an amount not to exceed $288,623.05 for stormwater improvements.

Upon opening the floor to public comment, no one came forward therefore Mayor Marlowe returned the floor to Council. Motion was made to approve the item as presented.

Motion made by Bill Phillips and seconded by Chopper Davis. The Motion Passed. 5-0. Ayes: Davis, DeBella Thomas, Marlowe, Phillips, Starkey

c FDOT FY17 Highway Landscape Reimbursement and Maintenance Memorandum of Agreement, Resolution No. 2017-10 - Consideration for Approval

City Manager Manns introduced Mr. Rivera who then presented the item to Council. He stated that the purpose of the agenda item was to grant permission to proceed with the State grant for the US Highway 19 median improvements and to approve to enter into an agreement with FDOT. This will complete the plantings in the center islands along US Higway 19.

Upon opening the floor to public comment, no one came forward therefore Mayor Marlowe returned the floor to Council. Councilman Starkey asked about the current conditions of the plantings in the median and Mr. Rivera stated that some of the areas will be replaced and others will come back during the spring. Deputy Mayor stated it was all about planting at the right season. He stated as long as the warranty is in place and recognized then he is happy and can wait for the spring. Mr. Rivera stated that the City has a good relationship with the landscaper and that he did not anticipate any problems with the plantings being replaced. City Attorney Driscoll then read the resolution by title only. Motion was made to approve the item as presented.

Motion made by Jeff Starkey and seconded by Judy DeBella Thomas. The Motion Passed. 5-0. Ayes: Davis, DeBella Thomas, Marlowe, Phillips, Starkey

d 2014/2015 US Hwy 19 Landscape Project Phase 1 Change Order - Consideration for Approval

City Manager Manns introduced Mr. Rivera who then presented the item to Council. He stated that the purpose of the agenda item was to approve a change order for Morelli Landscaping for the 2014-2015 US Highway 29 Landscape Project in the amount of $546,543.

Upon opening the floor to public comment, no one came forward therefore Mayor Marlowe returned the floor to Council. Motion was made to approve the item as presented.

Motion made by Judy DeBella Thomas and seconded by Bill Phillips. The Motion Passed. 5-0. Ayes: Davis, DeBella Thomas, Marlowe, Phillips, Starkey

e Re-Appointment of Dr. Donald Cadle, Jr., Land Development Review Board

City Manager Manns introduced the item to Council. She stated the purpose of this item was to re-appoint Dr. Donald Cadle, Jr. to the Land Development Review Board. She stated that Dr. Cadle has been a member on the Board for many years. If approved, Dr. Cadle's term will be for three years and will expire on February 21, 2020.

Upon opening the floor to public comment, no one came forward therefore Mayor Marlowe returned the floor to Council. Motion was made to approve the item as presented.

Motion made by Judy DeBella Thomas and seconded by Chopper Davis. The Motion Passed. 5-0.
Ayes: Davis, DeBella Thomas, Marlowe, Phillips, Starkey

f Three Minute Report: Technology Solutions

14 Communications

Councilman Davis thanked all of those who wrote letters and made phone calls regarding the Rec Center.

Deputy Mayor Phillips stated he appreciated the working envirvonment and the dedicate each of the Council members has to move New Port Richey one step forward instead of two steps back. He stated that although they agree to disagree he is happy that overall they are not disagreeable and that makes serving on Council so nice.

Councilwoman DeBella Thomas stated she appreciates all those who come out to the meetings as well as it is a great exchange of information. Although sometimes the votes do not go the way you expect it we still appreciate that this is a work in progress.

Councilman Starkey stated that he agreed with Deputy Mayor's comments and that he enjoys serving on Council. He stated he values everyone's input. He stated that what it boils down to when we vote on the important issues is to vote for what we think is best for the city. He stated he respected Councilman Davis' position on the Rec Center. He stated none of the members have a personal agenda and are just trying to do the best job for the city.

Mayor Marlowe stated stated that each of the five Council members come from different perspectives and that when they come up here we try to come to the best solution under the circumstances. Not all the decisions are right but there are more right ones than wrong ones. He stated it is his pleasure to serve on Council.

15 Adjournment

There being no further business to consider, upon proper motion, the meeting adjourned at 10:40 pm.

(signed) ________________________________
Judy Meyers, City Clerk

Approved: ____________________ (date)

Initialed: ____________________

RIVER RIDGE ROYAL ROBOTICS

River Ridge Royal Robotics 2015-2016 Competition Highlights:

- Placed 1st in VEX Robotics Greater Tampa League
- Combot Robotics placed 1st and 2nd overall at USF Expo
- 2015 ROBOTICON Gracious Professionalism Award
- Rookie Inspiration Award, Orlando Regional
- Rookie All-Star Award, South Florida Regional
    - Semifinalist, South Florida Regional
- 2016 FIRST Championship Qualifier
    - Archimedes Subdivision Semifinalist
- ROBOTICON Offseason Event Semifinalist

Steamworks, 2017 Season:

This year we will be attending three regionals: Orlando, South Florida, and Rocket City, Alabama.

Team:

Our team this year has grown from 15 to over 25 members. As we teach our new underclassmen the skills needed to succeed in the FIRST program, we are securing the future of the program. We are incorporating our underclassmen into our chairman committees as well, so they gain the experience needed to perform non-engineering related components of the club, such as our fundraising, outreach and media efforts.

Preparedness:

As a second year team, we have our year of experience to look back on, and we will not be going into this season blind.

This year, two mentors, Thomas Allen and David Raditch have been hosting bi-weekly CAD and programming workshops to better educate our members and help organize our teams use of the respective programs.

Advantages:

Last year, as a rookie team, six weeks went by much faster than we first expected. Over the course of the season, we found that one of our team's most valued skills is our adaptability. We are able to display our skills and accommodate the needs of the whole alliance on the field- that is the main reason why we were often selected for alliances.

Going into this season, we plan to produce a specialized robot, that will be more efficient in scoring and turn into a leader on the field, instead of a supporting partner.

This year our team will be hosting a preseason scrimmage on February 18th, 2017. This will enable our team, and other Florida teams to have practice before we bag and tag, and compete for winning titles. This will help us to create stronger partnerships with regional teams, and will help us declare ourselves as ascending team in the FIRST community.

Outreach:

Over the past year, our team has been involved in a great deal of outreach events in the local area. We greatly enjoy the opportunity to give back to our community, and have plans prepared for the 2017 Season. The following is listing of what we accomplished last year, and our plans for this year:

2016 Season Outreach Events:

- Working with NTHS to provide practical demos and labor
  - STEM Camp
- MyChamberTV Interview
- Daytime News Channel 8 WFLA Interview
- Trick or Treat around the Track
- West Pasco Chamber of Commerce Holiday Parade
- Crews Lake Academy Showcase
- School Demonstrations:
  - Cypress Elementary School
  - James M. Marlowe Elementary School
  - Deer Park Elementary School
  - Moon Lake Elementary School
  - Solid Rock Community School
  - Trick or Treat around the Track

2017 Season Planned Outreach Events:

- Working with NTHS to provide practical demos and labor
- Great American Teach-in
  - James M. Marlowe Elementary School
  - Cotee River Elementary School
- Trick or Treat around the Track
- MyChamberTV Follow Up Interview
- West Pasco Chamber of Commerce Holiday Parade
- Crews Lake Academy Showcase
- Future School Demonstrations:
  - Bayonet Point Middle School(STEM Magnet)
  - Sanders Memorial Elementary School (STEM Magnet)
  - Centennial Middle School (STEM Magnet)
  - Chasco Elementary & Middle School
  - Fox Hollow Elementary School
  - Seven Springs Elementary School
  - Moon Lake Elementary School

Send All correspondence to:
Student Fundraising Lead: Allysa Allen
Email: Allysaallen.mobile@gmail.com
Phone: (727) 359-3364

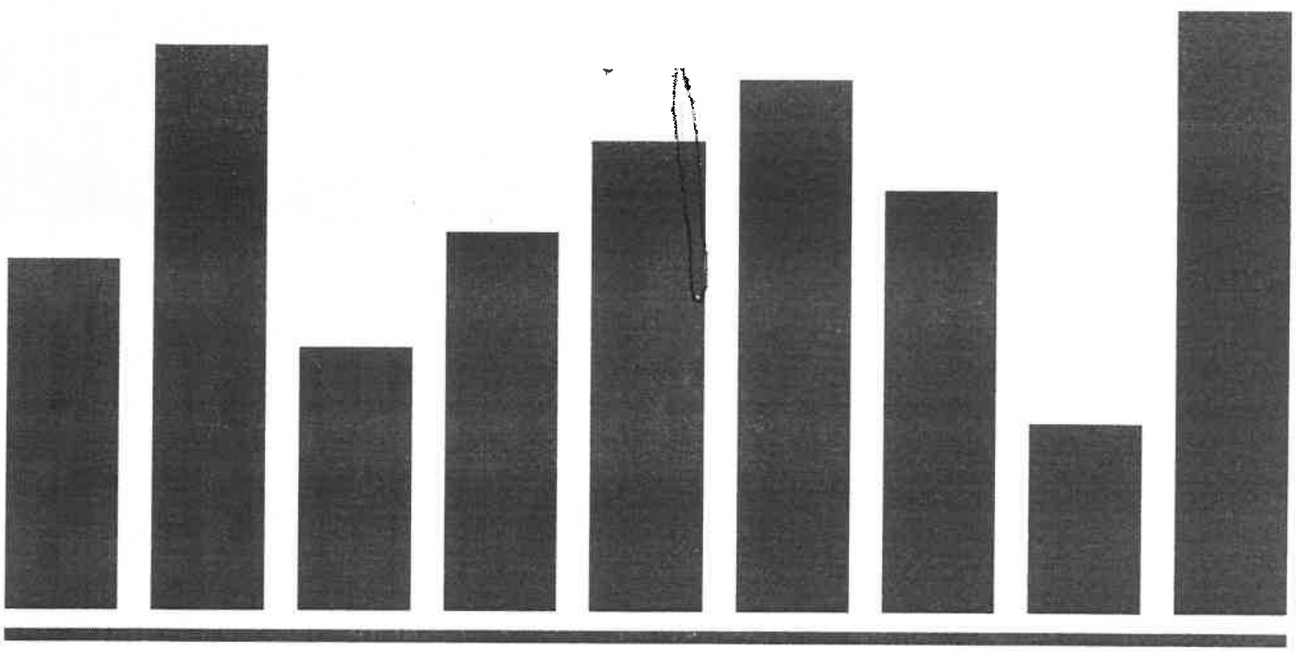
Mentor: Sam McAmis
Email: SMcAmis@pasco.k12.fl
Phone: (727) 774-7200 Ext. 4-7160

Marijuana Business Daily™

COMPLIMENTARY EXCERPT

Marijuana Business Factbook 2016

Exclusive Financial Data For Cannabusinesses & Major Investors



Excerpt Includes:

- Letter From the Editor
- General Introduction
- Executive Summary: 12 Key Charts & Findings
- Complete Table of Contents

To order your copy today, go to: MJBizFactbook.com

From the Editor

Welcome to the fourth edition of the Marijuana Business Factbook, produced by the research and editorial team at *Marijuana Business Daily*.

Four years ago, we set out to provide cannabis business executives, entrepreneurs and investors with an in-depth look at the marijuana industry, focusing on everything from national and state market projections to financial metrics for each sector. The inaugural Factbook was an instant success, meeting a deep need in an industry starved for data.

Since then, we've expanded the scope of our research, improved the quality of our data and delved into new areas of the cannabis industry – each and every year.

The popularity of the Factbook has grown along the way as well. It is now an indispensable tool for those running and investing in cannabis businesses as well as those hoping to get involved. In fact, we've heard from many executives who refer to it as "the cannabis bible" and carry around a dog-eared copy of the Factbook wherever they go.

If you own an older edition of the Factbook, please don't use it anymore. The marijuana industry has changed – to the tune of roughly a billion dollars in the past year alone.

Everything in this edition is new, from the charts to the data points to the state overviews to our retail sales estimates and projections. We re-researched and analyzed every bit of data. We revised our previous projections if warranted. And we've added a host of new information to help you make smart decisions, understand the market and identify opportunities.

Some of the new information you'll find within these pages:

- In-depth financial data for different operational models within each sector, such as infused products makers that perform all their own extractions vs. those that buy wholesale.
- Third-party data on wholesale cannabis pricing trends, regulatory and compliance issues, and point-of-sale transactions.
- New types of data, such as the average number of full-time vs. part-time employees, the number of states companies in each sector serve, typical mark-ups between retail and wholesale marijuana, and actual returns realized by cannabis investors.

Much of the operational data in this report stems from our annual online survey of cannabis professionals. This year's Factbook includes the responses of nearly 1,000 business owners, executives, entrepreneurs and investors. Their input helped give us a window into operational data for six key sectors of the industry: retail, cultivation, infused products, testing, ancillary technology/products and ancillary services. Additionally, survey responses serve as the backbone of an entire chapter on funding and investing.

As always, the 2016 Factbook also provides a detailed profile for each medical and recreational cannabis state (as well as Canada), covering everything from legal info and patient/customer stats to sales potential and our exclusive analysis of the business opportunities in each market.

We strive to provide realistic numbers grounded in reality, not make the industry appear bigger than it really is. We don't lobby, offer investments, provide consulting services or have any other reason to publish hype. So we present a conservative picture of the market and sales data.

As a result, our estimates for national and state-level retail marijuana revenues are often lower than many other projections out there. We believe a conservative approach will help you make sound business decisions, and we have a solid track record with our estimates despite the huge amount of uncertainty and lack of reliable data in general. In fact, most of our estimates from last year ended up being spot-on.

I'd like to thank our data analyst Becky Olson, the lead researcher/writer for the 2016 Factbook, as well as *Marijuana Business Daily* reporters John Schroyer and Omar Sacirbey for their contributions.

If you have any suggestions or want to provide feedback, please contact me at chrisw@mjbizdaily.com.

Best of luck with your cannabusiness endeavors,

Chris Walsh
Managing Editor

Note: Want to publish or use our charts and numbers somewhere else? The charts and tables in this Executive Summary are yours to use with proper attribution, as long as you don't alter them in any way.

INTRODUCTION

In most industries, business owners and investors have access to a wealth of financial information, benchmark data and in-depth market insight to help them make decisions, assess the competition, target new investments and tackle new opportunities. That unfortunately is not the case in the cannabis industry, where there's comparatively very little historical or market data.

Consider:

- Each state that has legalized medical or recreational marijuana tracks and reports information in different ways. Some only keep tabs on the number of registered patients, while others provide in-depth reports on tax revenues, number of licensed businesses and the amount of cannabis sold. Several states – particularly those with little or no regulations – don't track anything. No federal agencies oversee any aspect of the industry, meaning there's no official national data either. So getting any type of reliable information within and across state markets can be an immense challenge.
- Entrepreneurs can typically glean useful information by examining the filings and financial statements of publicly traded companies. However, the vast majority of cannabis companies are privately held, while most publicly traded marijuana firms are listed on the over-the-counter markets, where the reporting and disclosure requirements are light. While some insights can be gained from documents filed by publicly traded cannabis companies, these reports are generally unaudited and only represent a sliver of the marketplace.
- Tax returns for nonprofit organizations are in the public domain, and many medical dispensaries must operate in a not-for-profit manner. However, their status as such is not formally recognized by the IRS, and therefore their tax returns are not publicly available.

In short, basic metrics such as annual revenue, profit margins and monthly operating expenses for cannabis businesses are difficult to come by. This book provides exclusive data and insight into these areas, relying on information gleaned from our annual survey of cannabis professionals, our third-party data partners, and interviews with marijuana executives and experts (refer to the methodology section of the Appendix for details).

Marijuana Business Daily continuously evaluates opportunities to enhance the quality and accuracy of the data in this book. While our annual survey of cannabis executives still forms the backbone of the research, data-sharing partnerships with industry leaders afford the opportunity to gain detailed insights into the industry.

This year, exclusive data-sharing partnerships allowed us to provide an in-depth look at three major areas: point-of-sale transactions, wholesale cannabis pricing and regulatory compliance. *Marijuana Business Daily* would like to extend special gratitude to the following data partners for their contributions to this book:

- Adherence Compliance
- BDS Analytics
- Cannabis Benchmarks, a division of New Leaf Data Services LLC

Data from these partners is featured in chapters 1 and 3, and more information on each of these companies can be found in the Appendix.

Additionally, *Marijuana Business Daily* would like to thank the following individuals and organizations for their support in spreading the word about this year's survey of cannabis professionals and providing valuable market expertise: Kris Krane of 4Front Advisors, Beau Whitney of Golden Leaf Holdings, Denver Relief Consulting, Berkeley Patients Group, Dixie Brands, John Laub of the Las Vegas Medical Marijuana Association, MedMen and MJ Freeway.

5 Key Takeaways

This report is meant to serve as a detailed point of reference with specific data points and figures. However, there are larger trends and themes that emerge after sifting through the full data set of survey responses and performing the research for this book. Below is an overview of these key takeaways:

#1 The investing floodgates are breaking

Fundraising has traditionally been extremely difficult for cannabis companies given the immense risks involved in the industry and the stigma attached to marijuana. The situation has improved markedly in recent years, however, and the dam finally appears to have burst in 2015. More outside capital than ever is now flowing to both plant-touching and ancillary businesses. The portion of new companies backed primarily with founders' own savings and debt is at its lowest point ever, 72%, while nearly half of investors in privately held companies plan to invest at least $10 million each in 2016.

The landscape is highly competitive, and investors still have their pick of the litter. But by several indicators, the fundraising environment has improved for both cannabis companies and investors.

#2 Shakeouts are starting to play out in certain states and sectors

As unbelievable as it may sound given how young the industry is overall, certain sectors in some states are already showing signs of approaching saturation, and winners and losers are being defined. Outdoor cultivators in particular are facing some major challenges, as only 57% of those businesses report operating at break-even or better, compared to over 80% of growers who cultivate indoors, in greenhouses or use a combination of methods.

Elsewhere, headline-grabbing, multi-state expansions by some of the industry's largest infused product makers have set the stage for the emergence of leading brands that can easily gobble up market share in new states. Twenty-four percent of infused product manufacturers already operate in at least two states. These companies will likely be the winners when the inevitable waves of consolidation eventually arrive. In other markets, fierce competition is squeezing margins and driving many businesses into loss territory, while the inevitable adoption of technology and the high cost of compliance have simply proven too much for some businesses to bear.

To be sure, the industry is still filled with many opportunities. But in some of the more mature markets, many businesses have burned big and bright, only to have already faded away.

#3 Demand for concentrates and edibles is reaching fever pitch

Infused products haven't surpassed flower/dried herb in terms of sales yet from a national perspective, but they are becoming a bigger piece of the pie. At the same time, some individual retailers have already seen concentrates and edibles sales eclipse flower/dried herb revenue. On average, these products represent about 30% of total sales at present, and in some states they are posting large month-over-month increases.

It remains to be seen what portion of total sales these products will ultimately represent, but they are a critical part of the product mix for cannabis retailers, especially in recreational markets. By the same token, retailers in states that prohibit some or all of these types of products will most certainly be at a disadvantage as legalization spreads and introduces more consumers to these forms of cannabis.

#4 The costs to win licenses and establish operations continue to increase

Gone are the days when plant-touching businesses could easily set up operations for $25,000 or less. As legalization spreads to more states, the cost and complexity of doing business is increasing rapidly and doesn't show signs of letting up for now. Median total startup costs have risen for every sector in recent years, particularly on a square footage basis for retailers and wholesale cultivators.

In addition to a tendency for new states to levy increasingly large fees for operational licenses, fierce competition to win permits has also necessitated the involvement of consultants, lawyers and other expensive experts for a business to even have a shot at succeeding. But winning a license is only the first hurdle, as state regulatory requirements and restrictive local ordinances often result in large investments in land, commercial real estate, renovations, security/surveillance and other items before the business can even serve its first patient/customer. Add it all up, and you have startup costs that can easily stretch into the seven figures. Cannabis is and will continue to be one of the most highly regulated industries in the world, and the price to play is hefty.

#5 Existing medical/recreational states continue to tweak their programs, creating uncertainty for businesses and the industry as a whole

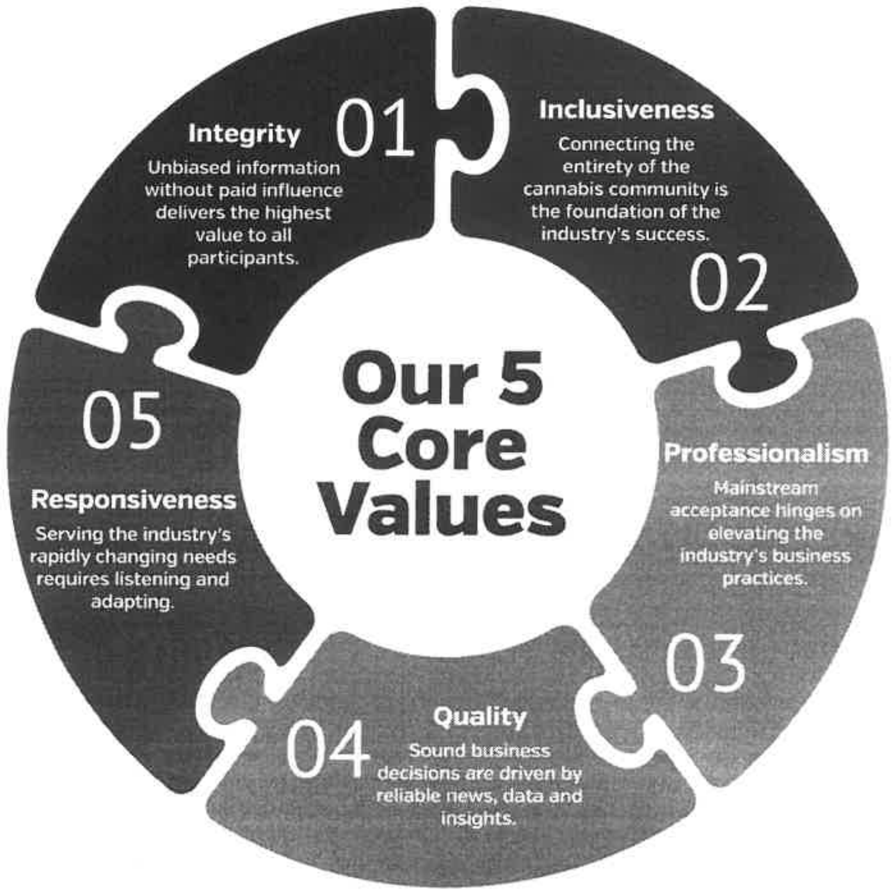
Whether it's temporary regulations, tweaks to the tax structure, new rules, changes to production caps/limits, or local bans and moratoriums, operational businesses in established markets still face a high degree of volatility and uncertainty.

The reasons for these circumstances are largely a reflection of rapidly maturing markets that state and local governments are constantly trying to catch up with. In other cases, it's due to some states opting to treat medical/recreational marijuana as a "pilot" program or test case that needs to be rolled out in a slow and controlled manner. The net result is that in many states, a clear picture of what a fully functioning cannabis market looks like has not yet been able to emerge. On a micro level, that creates operational and financial uncertainty for individual businesses, and on a macro level, it makes industry projections and comparisons extremely difficult.

In Chapter 2 of this report, we assign state-by-state rankings on a scale of A to F for the overall level of stability in a given market for this upcoming year. Of the 24 formally recognized MMJ/recreational state markets, 13 have been assigned a grade of C or below, demonstrating the high amount of uncertainty across the industry.

Entrepreneurs and investors evaluating new markets must be diligent about researching, understanding and staying on top of every single detailed rule, regulation and circumstance. The role cannabis businesses can and should play in informing the rulemaking process cannot be over-emphasized.

Who's Behind This Factbook?



Founded in early 2011, *Marijuana Business Daily™* focuses solely on businesses and the investors who back them.

If you are leading or financing a cannabis-related company, we help you prosper via trusted information services and exceptional events.

Our publications have the highest business readership in the industry. Our events are sell-outs, year after year after year. And, we've been cited everywhere from *Harvard Business Review* and the *Wall Street Journal* to *Forbes*, *Fortune* and *Fast Company*.

Do you need practical information, real-life data or industry connections to help your business grow? You'll find what you need in one of our publications, or at our national events.

We are here to help the multi-billion dollar cannabis industry prosper. Let us know how we can serve you.

Marijuana Business Daily™

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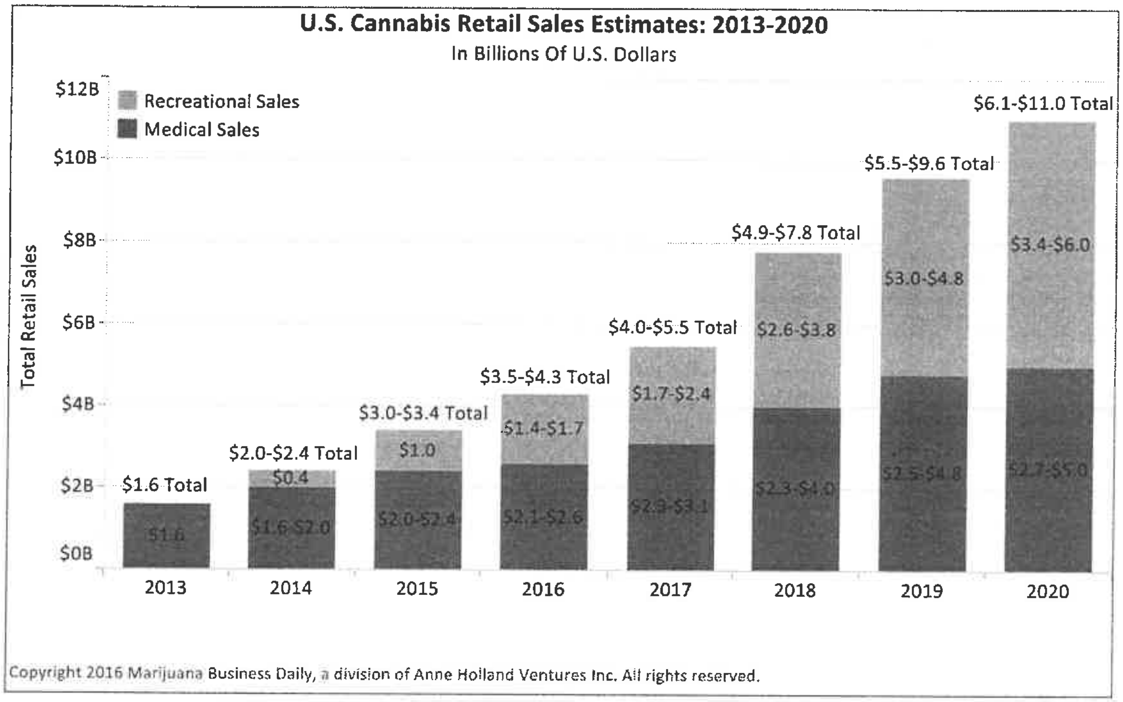
Executive Summary: 12 Key Charts

The U.S. marijuana industry is poised for another record-breaking year in 2016, and all signs point to massive growth in the foreseeable future.

Chart 1: U.S. Cannabis Retail Sales Estimates: 2013-2020



We estimate that retail sales of medical marijuana (MMJ) and recreational cannabis will hit between $3.5 billion and $4.3 billion in 2016, which amounts to year-over-year growth of 17% to 26%.

Some factors that will fuel growth this year:

- **Recreational cannabis:** Sales of recreational (or "adult-use") marijuana soared in Colorado and Washington State last year, and the trend is expected to continue in 2016. Oregon also will contribute heavily to an uptick in sales, as the state's recreational marijuana industry is growing rapidly after its launch late in 2015. Recreational sales are still in their infancy, and at this point the sky is the limit.

- **New markets:** Several states that started medical cannabis sales recently – most notably Illinois, Nevada, New York and Minnesota – will see sizable revenue spikes in 2016. A handful of new markets, including Hawaii and Maryland, also might come online late this year, helping boost industry retail revenues.

- **Expansion of mature markets:** Many states that established medical cannabis programs years ago are going through a growth spurt, including Arizona, Connecticut and New Mexico. And despite chaos and uncertainty in California's medical marijuana industry, sales could continue to grow in the nation's single largest MMJ market.

This is just the tip of the iceberg. Total annual retail sales of medical and recreational cannabis could reach $11 billion in 2020, posting double-digit growth each year along the way.

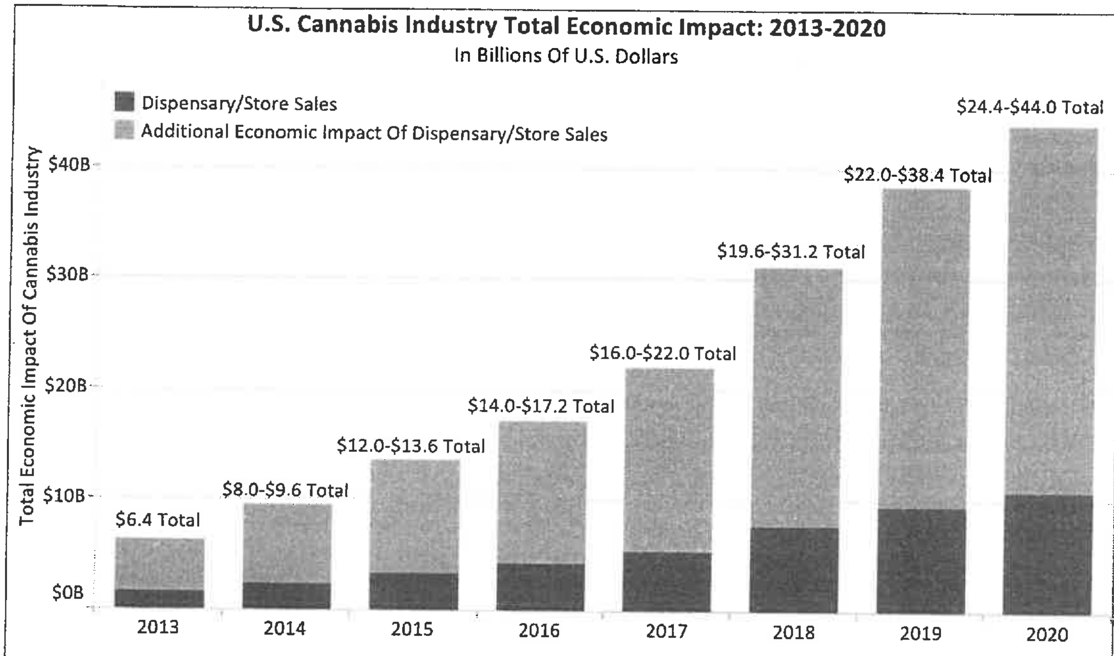
Sales of recreational cannabis could surpass those of medical marijuana as early as 2018, though MMJ revenues will continue to make up a big piece of the pie.

Note that our goal is to provide conservative, realistic financial forecasts that reflect the huge degree of uncertainty in the industry. Total cannabis sales in any given calendar year are highly dependent upon progress made, or not made, in each individual state. California in particular has a huge impact on overall sales, as it's the largest MMJ market in the country. So developments in that state can push industry revenues up or down considerably, even if the same trends aren't playing out elsewhere.

Additionally, California is the big wild card at present. The state doesn't track its medical cannabis industry closely, making it difficult to estimate how big the market is and whether it's growing or shrinking. As new information comes to light over time, it could change our estimates for California, and therefore the industry at large.

Be sure to check out Chapter 2 for a detailed analysis of each state's market and how it fits into the big picture.

Chart 2: U.S. Cannabis Industry Total Economic Impact: 2013-2020



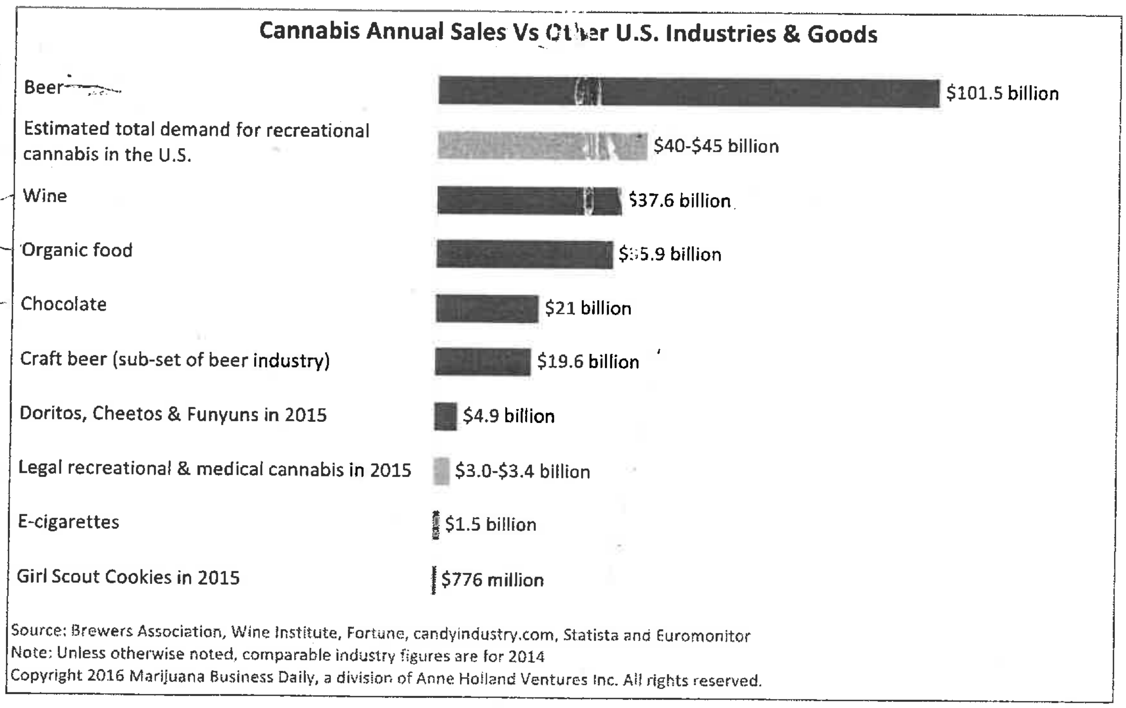
Beyond cannabis sales at retail and the associated taxes that are collected, the industry's total economic impact is substantial.

Using the concept of an economic multiplier that quantifies the "ripple effect" of an initial dollar spent at retail, we estimate the total impact of the industry on the U.S. economy based on cannabis retail sales to be between $14 billion and $17.2 billion this year, and up to $44 billion by the end of 2020.

Overall, for each dollar spent/earned by cannabis companies, an additional three dollars in economic benefit will be realized. For example, a cannabis dispensary/store makes a sale for $100. The business then uses a portion of that money to pay an employee, who in turn uses a portion of that money to buy groceries at the local grocer, and so on – a process that creates a ripple of economic value, most of which remains in local communities. Another example: An infused products maker pays $1,000 to a wholesale grow company, which then uses that money to buy supplies from a vendor, which then uses a portion of that money to pay employees, who then go out and spend their money in the community, etc.

This multiplier can be applied to any dollar amount of spend or revenue along the supply chain, and can also be used to demonstrate the economic contraction associated with a reduction in revenue or other expense or tax cut.

Chart 3: Cannabis Annual Sales Vs Other U.S. Industries & Goods



So how does the U.S. cannabis industry compare to other industries in terms of sales?

Last year, sales of medical and recreational cannabis (the latter of which was only legal for all of 2015 in two states) surpassed those of beloved Girl Scout Cookies, as well as domestic sales of e-cigarettes.

The total estimated annual demand for recreational cannabis alone in the United States is about $40-$45 billion, exceeding that of craft beer, wine and organic food. Currently, most of this value is realized on the black market and isn't taxed, hinting at the tremendous potential for this part of the industry in the future.

Chart 4: Estimated Number Of Cannabis Businesses In The U.S.: 2016

Estimated Number Of Cannabis Businesses In The U.S.: 2016	
Medical Dispensaries/Recreational Stores	3,400 - 4,700
Infused Product Manufacturers	900 - 1,300
Wholesale Cultivators	2,500 - 4,500
Testing Labs	90 - 120
Ancillary Services, Technology & Products Companies	14,000 - 22,000
Plant-Touching Total: 7,000 - 11,000	
Industry Total: 21,000 - 33,000	

In another measure of the cannabis industry's tremendous economic contribution, the number of companies in the industry is now in the tens of thousands, proving marijuana's very real impact on the American economy.

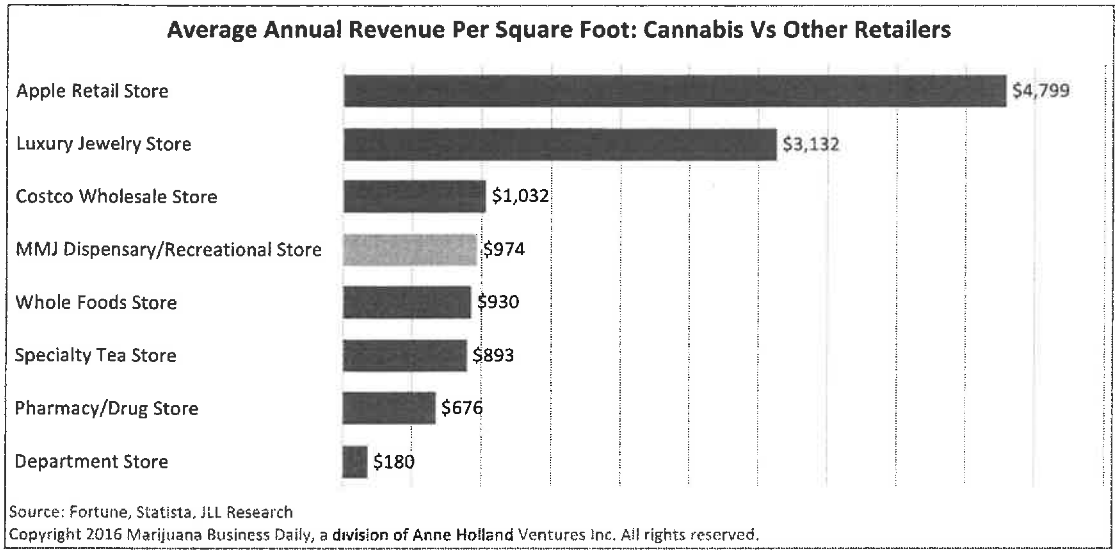
For sector-specific details on employment, look in Chapter 1. The figures in that section not only help cannabis entrepreneurs and interested observers quantify this aspect of the industry's impact, but they also provide critical benchmarks and targets for new and growing businesses.

Data Snapshot By Sector

Retailers

As the sector that interacts with patients and customers, medical and recreational retailers are truly the face of the industry. These businesses are at the end of the supply chain, so their financial performance is one of the more reliable indicators of demand, market size and future opportunities.

Chart 5: Average Annual Revenue Per Square Foot: Cannabis Vs Other Retailers



In large part because of rules and regulations, dispensaries and retail stores aren't packed with inventory, and each patient/customer has a one-on-one interaction with a sales associate (generally referred to as a "budtender").

Sales per square foot, therefore, are generally driven by increased customer traffic.

To that end, sales per square foot for cannabis retailers can be quite a bit higher than those for other businesses to which they are often compared, such as drug stores and department stores.

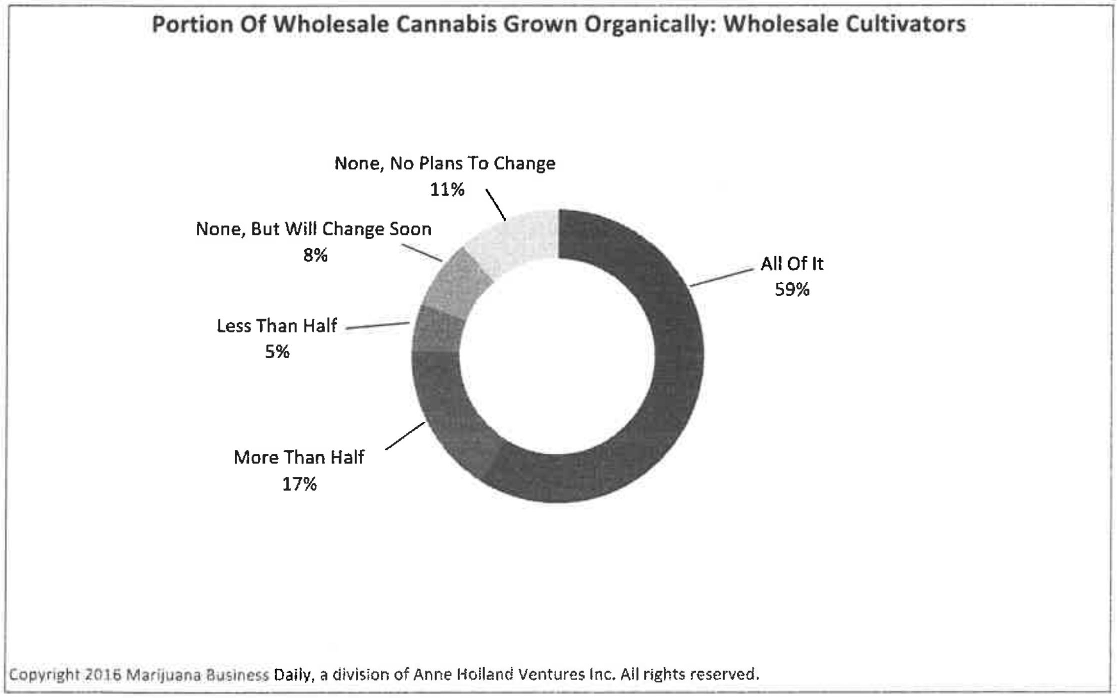
Interested in how large the typical retail space is for medical dispensaries and recreational stores? How about the portion of those businesses' monthly budgets dedicated to marketing and advertising to drive foot traffic? Find these details and more in Chapter 3.

Cultivators

At the heart of the industry are the businesses that actually grow cannabis, whether that's vertically integrated dispensaries/stores or wholesale cultivators that sell to infused product makers and retailers.

One of the most widely discussed topics within the industry is the overall health and safety of the final product, which is almost entirely the result of cultivation practices. Use of pesticides, solvents and even nutrients with heavy metals are frequently the impetus for detailed and complex regulations.

Chart 6: Portion Of Cannabis Grown Organically: Wholesale Cultivators



So why haven't two out of five wholesale cultivators adopted all-organic growing practices? Does that affect these businesses' bottom line? What other technology and innovative practices do cannabis growers utilize, and what needs are presently unmet?

These insights (and many more related to cultivation) are in Chapter 3.

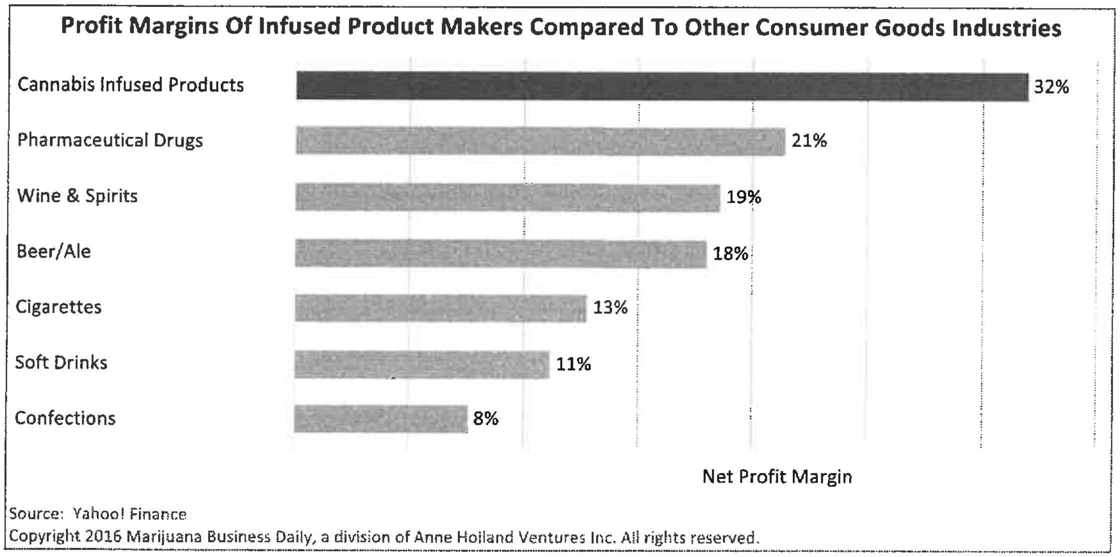
Infused Products

Cannabis infused products – which include concentrates, edibles and topicals – have proven immensely popular in states that allow them. Based on early data out of Colorado and Washington State, where both medical and recreational markets are operational, these products account for a growing portion of overall retail sales with each passing month.

So how are infused product manufacturers faring in terms of profitability?

Quite well.

Chart 7: Profit Margins Of Infused Product Makers Compared To Other Consumer Goods Industries



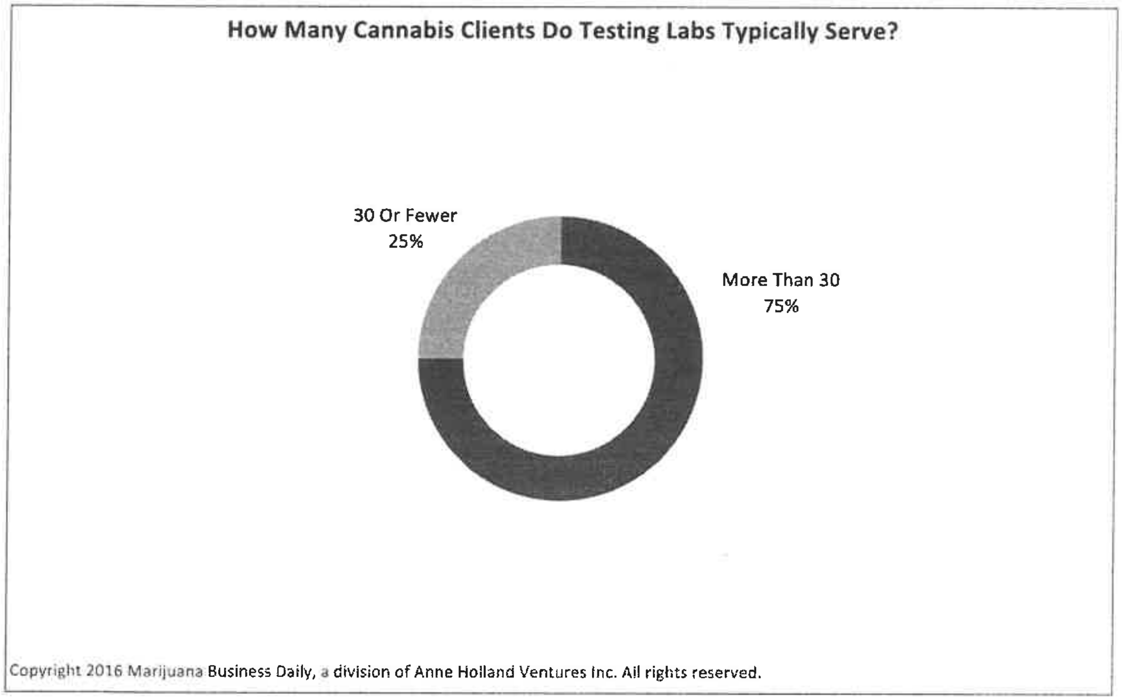
Though success and financial performance vary among states and individual companies – and certainly none yet exist on the scale of a Coors, Coca-Cola or Pfizer – infused product makers are well-positioned to build brand loyalty and expand across state lines. With profit margins like this, they also represent an area of tremendous opportunity within the industry.

Head over to Chapter 4 for detailed insights on startup costs, typical revenues, number of products manufactured and much more for businesses in this sector.

Testing Labs

By sheer number of companies, testing labs represent the smallest major sector in the cannabis industry. However, they play a critical role both in protecting patients/consumers and furthering the legitimization of the industry. And as more states require mandatory testing (a relatively new phenomenon), labs are seeing their client lists swell.

Chart 8: How Many Cannabis Clients Do Testing Labs Typically Serve?



This sector is another area poised for rapid growth and expansion in the coming years as more states legalize medical and/or recreational cannabis and public officials increasingly tackle the health and safety considerations of commercial marijuana.

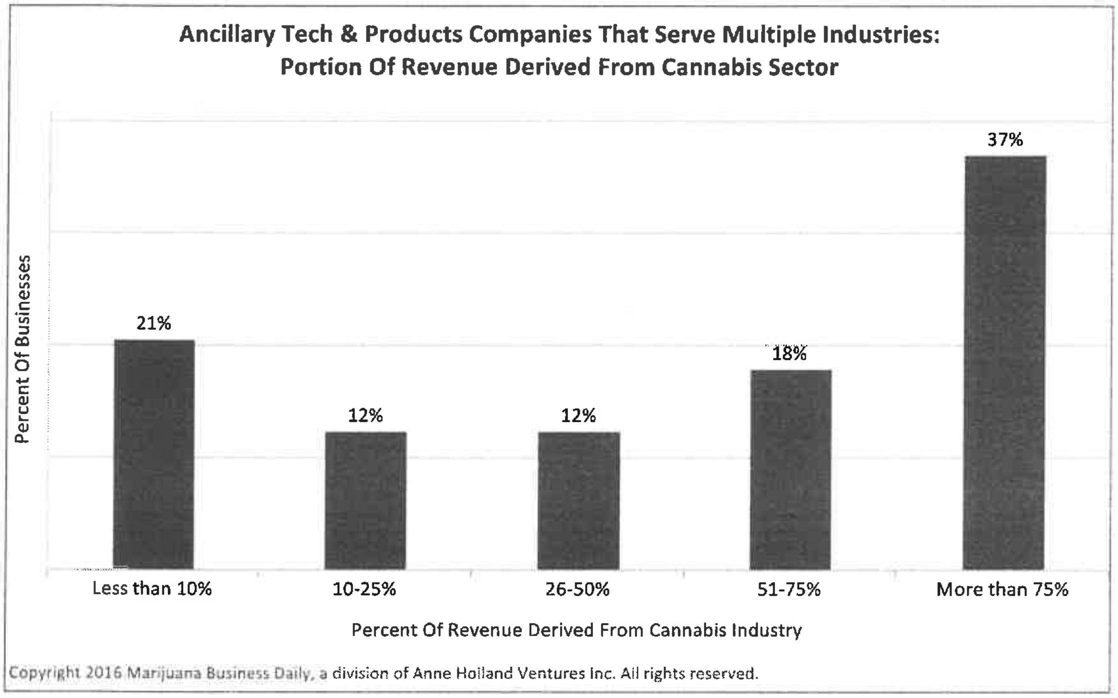
To learn more about some of the unique challenges this sector faces and get a glimpse into the financials of these businesses, be sure to check out Chapter 4.

Ancillary Firms

Retail stores and cultivation sites often come to mind first when thinking about business opportunities in the marijuana space. But a massive part of the industry revolves around ancillary companies, which provide products, technology and services to other cannabis businesses and patients/consumers.

While many ancillary companies focus solely on the marijuana market, a growing number of businesses from other industries are also dipping their toes in the cannabis arena without abandoning other markets and revenue streams.

Chart 9: Ancillary Tech & Products Companies That Serve Multiple Industries: Portion Of Revenue Derived From Cannabis Industry



Curious what portion of ancillaries exclusively serve cannabis companies? How about what specific products, technology and services they provide and what their revenue looks like? Those details and more can be explored in Chapter 4.

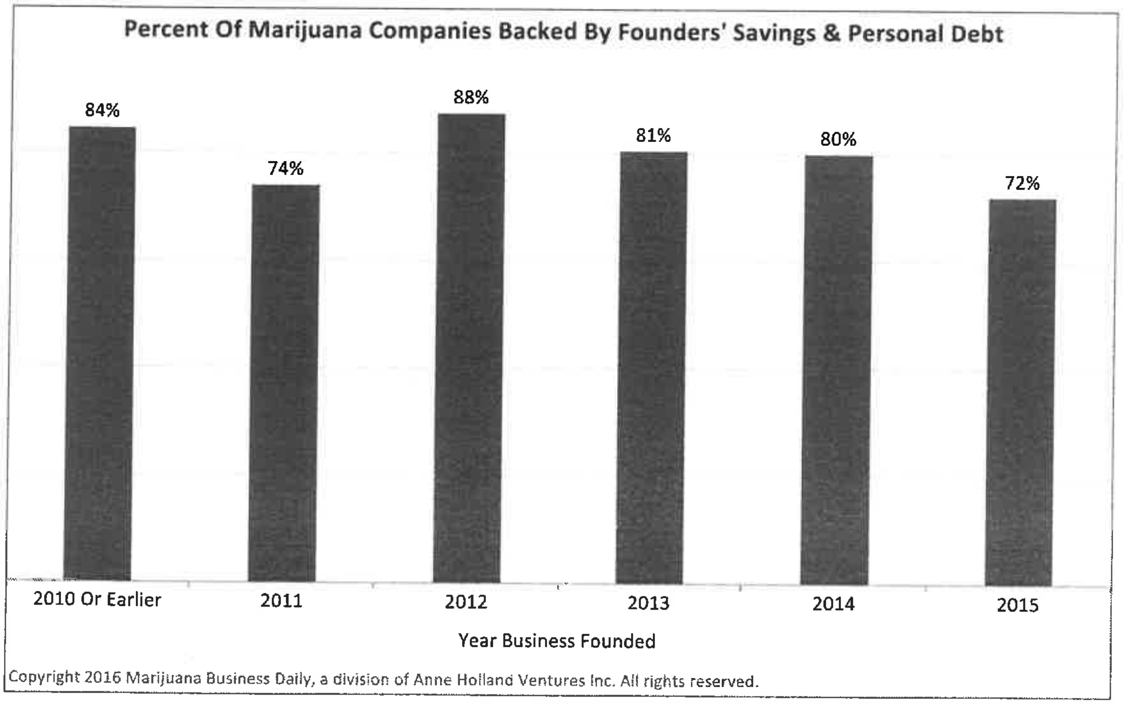
Snapshot of Additional Data

Financing

The cannabis industry simply would not have matured and grown so quickly without the support of the pioneering investors that have been willing to take on unprecedented levels of risk to fund marijuana companies. Still, most cannabis entrepreneurs had to bootstrap their companies, as the number of investors interested in the space was extremely low.

That's changing quickly.

Chart 10: Percent Of Marijuana Companies Backed By Founders' Savings & Personal Debt



As more capital flows into the industry, fewer entrepreneurs need to rely solely on their own savings and personal debt to get started or expand.

To be sure, cannabis entrepreneurs certainly still face difficult and often debilitating hurdles in the realm of fundraising. But there's more money being pumped into the industry than ever before.

The good news for cannabis investors is that a healthy portion of marijuana businesses need external capital. Finding the true gems can be tricky, though, and at this point there's more investment capital waiting on the sidelines than great opportunities in which to deploy it. As a result, investors can still be picky for now.

Be sure to check out Chapter 5 for a complete run-down of current fundraising needs. You'll also find insight on whether cannabis investors have realized returns on that capital.

Profitability

Despite the immense challenges and obstacles cannabis companies face every day, the underlying financials of most businesses currently generating revenue are strong. About 75% of companies in all major sectors are at least breaking even, and an impressive 20% of marijuana businesses are earning profits that would make owners in any industry envious.

Chart 11: Portion Of Revenue-Generating Cannabis Businesses That Are Profitable

Portion Of Revenue-Generating Cannabis Businesses That Are Profitable

	Very Profitable	Modestly Profitable	Break-Even	Losing Some Money	Losing A Lot Of Money
Medical Dispensaries/Recreational Stores	18%	41%	29%	11%	1%
Infused Product Manufacturers	27%	27%	37%	7%	2%
Wholesale Cultivators	29%	31%	28%	10%	2%
Testing Labs	67%	33%			
Ancillary Services Firms	42%	27%	17%	13%	2%
Ancillary Technology & Products Companies	18%	36%	21%	18%	8%

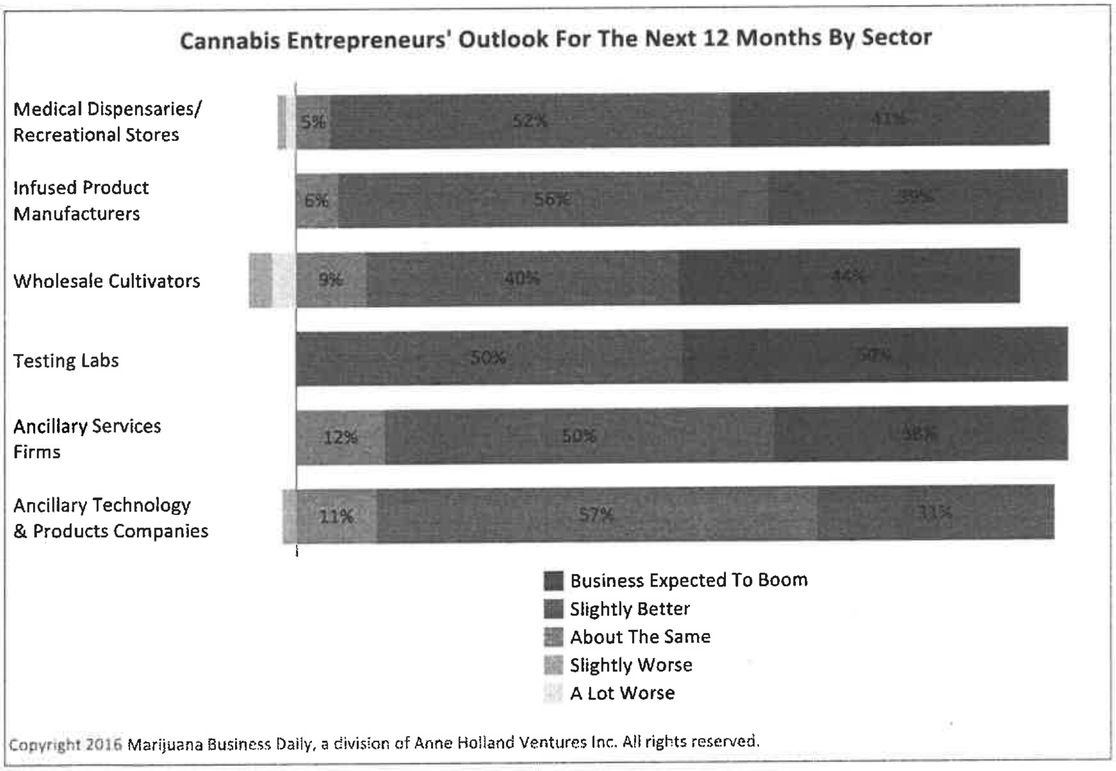
Portion Of Sector: 1% – 67%

For insight on sector-specific performance and why businesses in some spaces are doing better than others, head over to chapters 3 and 4.

Outlook

Maybe it's youthful energy, exuberance from being involved in a once-in-a-lifetime opportunity or even pure determination to succeed. Whatever the root cause, optimism abounds in this industry.

Chart 12: Cannabis Entrepreneurs' Outlook For The Next 12 Months By Sector



There is no better place or time right now for bold moves, big bets and paradigm-shifting innovation in the cannabis industry. By leading this social and economic experiment in free markets, civil rights and legitimization of a previously underground economy, these businesses are quite literally making history. This Factbook will help you navigate your own path through the industry.

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FOR RENT
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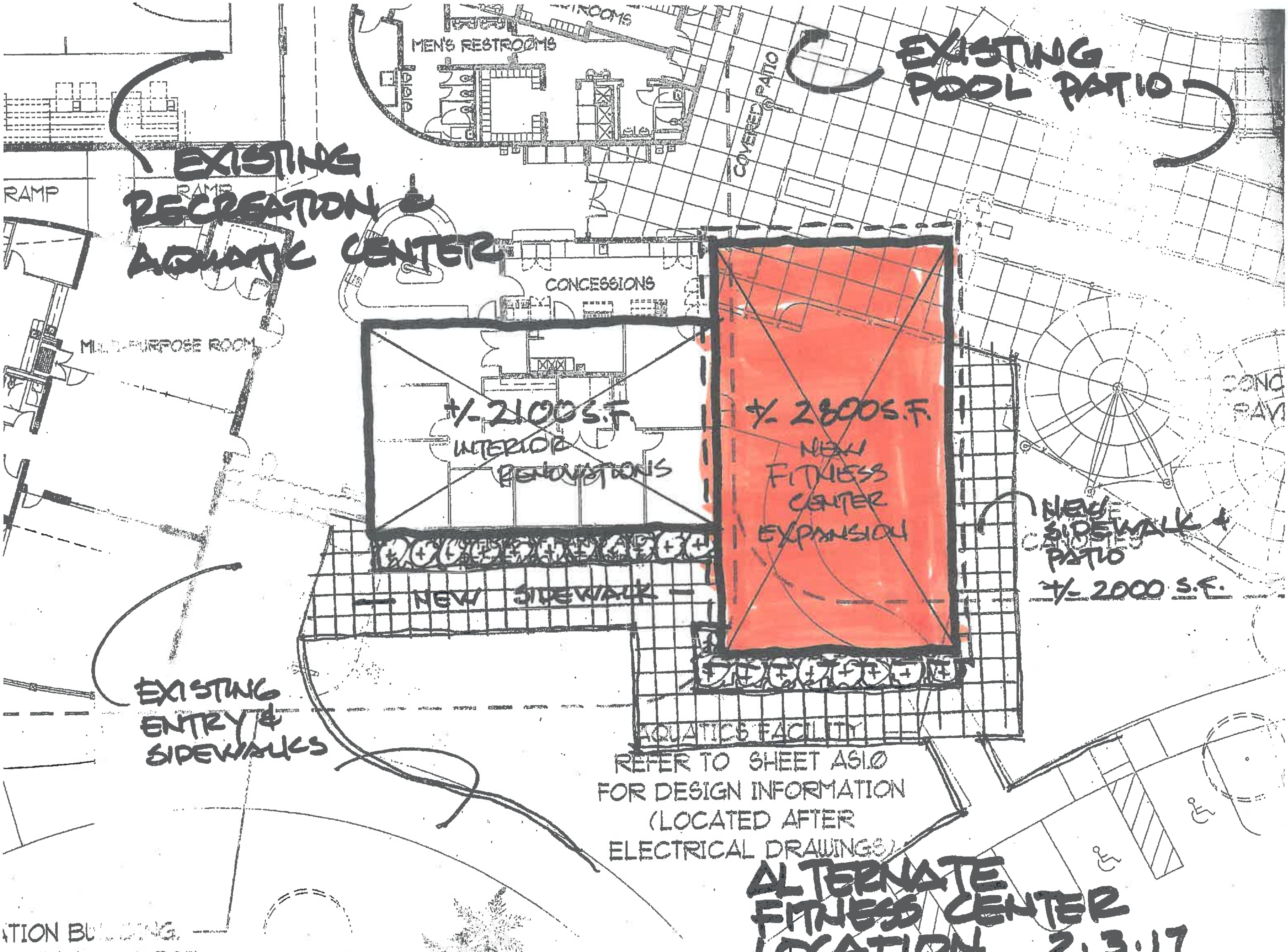
CHILD CARE
HEALTH FITNESS
ENTRY LOBBY
RECEPTION
ADMIN. ASST.
SOUTH LOBBY
STORAGE
GUARD BREAK ROOM
MULTI-PURPOSE ROOM
ACTIVITY ROOMS
NEW ADDITIONS (2,250 SF)
RENOVATIONS (8,550 SF)


EXISTING POOL PATIO
MEN'S RESTROOMS
RESTROOMS
COVERED PATIO
EXISTING RECREATION & AQUATIC CENTER
RAMP
RAMP
CONCESSIONS
MULTI-PURPOSE ROOM
+/- 2100 S.F. INTERIOR RENOVATIONS
+/- 2800 S.F. NEW FITNESS CENTER EXPANSION
NEW SIDEWALK & PATIO +/- 2000 S.F.
NEW SIDEWALK
EXISTING ENTRY & SIDEWALKS
AQUATICS FACILITY
REFER TO SHEET AS1.0 FOR DESIGN INFORMATION (LOCATED AFTER ELECTRICAL DRAWINGS)
ALTERNATE FITNESS CENTER LOCATION 2.3.17

New Port Richey
Recreation & Aquatics Center
Schematic Budget
Alternate Fitness Center Addition Layout
Kimley-Horn Sketch Dated: 2.3.2017
2.6.2017

HENNESSY
90 Years Strong! Building Trust.

New Port Richey RAC - Alternate Fitness Center Addition Layout	
Description	**Cost**
Relocate Existing Site Utilities	$6,500
Demo Surrounding Site for New Sidewalks/Patios	$4,900
New Sidewalks/Patios @ Fitness Center Addition (2,000 SF)	$15,500
Landscaping/Irrigation Improvements @ Fitness Center Addition	Included
2,800 SF Fitness Center Addition	$840,276
Steel Joist Roof on Block Bearing Walls on Spread Footings	Included
Painted Stucco Exterior	Included
Exterior Storefront Doors & Windows	Included
Flat TPO Roof w/Parapets	Included
Open Interior Ceilings	Included
Sports Flooring	Included
Mechanical, Electrical, Plumbing, & Fire Protection (MEPF)	Included
2,100 SF of Interior Renovations for Activity Rooms	$111,552
Double Door (Pass-Thru) from Activity Rooms to Fitness Center	Included
Alternate Fitness Center Addition w/Activity Room TI	**$978,728**

Comments from Councilman Bill Phillips – 2-7-17

1. City Priority Projects have changed since July 2016

2. Funding in the Penny for Pasco #1 ($1,131,842.00) will pay for the needed improvements – Penny for Pasco #2 ($726,123.00) can be re-allocated this fiscal year to other projects (Parking garage, Roadways, Neighborhoods, Streetscape).

3. This option will meet the spirit and goals from the consultant report for revenue enhancement & programming.

4. The Economic Development gains for the entire City, will benefit the millennial housing projects, improvements by North Bay hospital, and aid in our presentation for the VA project.

5. The issues of this facility will not go away if we do not address them now.