

ORDINANCE No. 187359 As Amended

* Adopt regulations for marijuana license procedures and requirements (Ordinance; add Code Chapter 14B.130 and amend Section 3.96.060)

The City of Portland ordains:

Section 1. The Council finds:

1. The Oregon voters approved Measure 91 in November, 2014, legalizing the sale and consumption of marijuana, and allowing local government limited time place and manner regulatory authority over licensed premises that grow, produce, sell, and transfer marijuana and marijuana items.
2. HB 3400 was enacted by the 2015 Oregon Legislature, and was signed into law by the Governor on June 30, amending Measure 91.
3. HB 3400 also modified SB 1531 as passed by the 2014 Oregon Legislature to legalize the sale of medical marijuana from medical marijuana dispensaries. HB 3400 revised the authority given to local governments over dispensaries selling or transferring marijuana and marijuana items.
4. The 2015 Oregon Legislature also enacted SB 460 to allow medical marijuana dispensaries registered with the Oregon Health Authority to sell limited amounts of retail marijuana and immature plants to adults over the age of 21, beginning Oct 1, 2015 and continuing until December 31, 2016.
5. In November, 2014, the City Council initiated the Portland Marijuana Policy Program in the Office of Neighborhood Involvement (ONI) to manage complaints, community expectations, and respond with authorized enforcement mechanisms as appropriate.
6. The Council recognizes that the voters' approval of Measure 91 indicates a desire for the safe integration of a legitimate and regulated marijuana industry into the community that allows the industry to operate while also ensuring that public safety and livability are maintained.
7. Current estimates indicate that Portland has 132 legal Medical Marijuana Dispensaries open and operating. Previously, the City was not informed by the Oregon Health Authority regarding the location, or proposed locations, of medical marijuana dispensaries until after they were open, and only then if the dispensary voluntarily authorized the release of that information. Under new law, all dispensary locations will be known by the City.
8. Saturation of locations selling alcohol has been shown to have adverse impacts on the surrounding community, and increases the likelihood that those under the age of 21 will have access. Saturation of marijuana retail outlets and medical dispensaries could have similar impacts and increase the availability of marijuana to people under age 21 in Portland.

9. ORS 475.314 limits medical dispensaries from being located within 1,000 feet from another Medical Dispensary or within 1,000 feet of schools. HB 3400 authorizes cities and counties to adopt up to 1,000 foot buffers between retail marijuana businesses to address potential saturation issues.
10. Estimates are that the City has 40% of all licensed liquor establishments in the State. Based on this experience, and the fact that the State Legislature allowed some Oregon communities to prohibit marijuana businesses, there are expectations that the City could also become the location for many retail marijuana businesses in Oregon.
11. In implementing recreational marijuana laws in Washington and Colorado, state and local governments significantly underestimated the cost of responding to the proliferation of marijuana businesses. Denver, Colorado experienced an influx of 941 marijuana licenses in the first year of legalization, 411 of which were retail outlets. Washington received over 7,000 license applications for the 334 locations that were made available for retail sales.
12. Marijuana remains a controlled substance under federal law. In August, 2013, the Office of the Department of Justice, Office of the Deputy Attorney General issued a memorandum containing guidance on priorities for federal marijuana enforcement which included preventing the distribution of marijuana to minors, and generally preventing its sale to existing illegal markets across state lines. The City also has an interest in assuming appropriate oversight of the industry to proactively ensure that these issues are addressed for protection of Portland residents and businesses.
13. The proposed fee schedule attached in Exhibit B is intended to recover the cost of implementing, administering, and enforcing the regulatory program.
14. Community input called for the City to have thoughtful implementation and meaningful enforcement of the regulations. A summary of community involvement efforts and its direct impact in shaping proposed City Code is attached in Exhibit C. In addition, ONI has actively reached out to members of the community and the industry. Since July 1st, ONI has held three Town Hall Events with approximately 100 participants, and its staff has attended over 35 meetings and engaged in more than 625 communications with interested stakeholders. In preparing the code revisions under this ordinance, ONI convened a Community Stakeholder Workgroup that was representative of Portland's diverse communities and interest groups to ensure that community input was appropriately incorporated as the Code language was being drafted.

NOW, THEREFORE, the Council Directs:

- a. Title 14 of the City Code, Public Order and Police, is hereby amended by adding Chapter 14B.130, Chapter 14B.130 Marijuana Regulatory License Procedure and Requirements, as set forth in Exhibit A attached to this Ordinance.
- b. City Code Section 3.96.060, Responsibilities of the Office of Neighborhood Involvement, is hereby amended to read as follows:

3.96.060 Responsibilities of the Office of Neighborhood Involvement.

There is hereby established and created an Office of Neighborhood Involvement which shall consist of a Director and such other employees as the Council may from time to time provide. In order to facilitate participation and improved communication between the public, Neighborhood Associations, Business District Associations, District Coalitions and the City, the Office of Neighborhood Involvement shall:

- A.** Assist Neighborhood Associations, District Coalitions and others in planning and developing programs for public involvement, crime prevention, dispute resolution and budget review;~~and,~~
- B.** Act as an information clearinghouse and resource to Neighborhood and Business Associations, other groups and the public;~~and,~~
- C.** Notify interested persons of meetings, hearings, elections and other public participation events of the Office of Neighborhood Involvement neighborhood system;~~and,~~
- D.** Enter into, monitor, administer contracts, and memorandums of understanding for Neighborhood Associations through District Coalitions;~~and,~~
- E.** Promote and facilitate open communication and notification from City agencies to Neighborhood Associations, District Coalitions, and Business District Associations, promote and facilitate communication amongst City agencies about public involvement best practices and policy;~~and,~~
- F.** Support and promote public involvement within the Neighborhood Association framework;~~and,~~
- G.** Adopt and revise such Standards as are deemed necessary for the implementation of this Chapter and for orderly public involvement in City government through Neighborhood Associations and District Coalitions. In so doing, the Office of Neighborhood Involvement shall seek representation from Neighborhood Associations, District Coalitions, Business District Associations, diverse community interests, city agencies that engage in considerable public involvement activities, and other interested people as necessary;~~and,~~
- H.** Pursuant to the adopted Standards, formally recognize a Neighborhood Association and/or acknowledge a Business District Association. If a Neighborhood Association or Business District Association fails to meet the minimum requirements of chapter 3.96, the Office of Neighborhood Involvement may suspend partial or all benefits and may ultimately revoke formal recognition of a Neighborhood Association or acknowledgement of a Business District Association;~~and,~~

I. Promote, encourage and support diverse and multicultural public involvement;~~and,~~

J. Establish open and fair grievance procedures for Neighborhood Associations, District Coalitions, and the Office of Neighborhood Involvement;~~and,~~

K. Establish open meetings and public records standards for Neighborhood Associations and District Coalitions;

L. Administer and enforce City Code Title 18, Noise Control;~~;~~ and,

M. Other duties as assigned to the Office by Council.

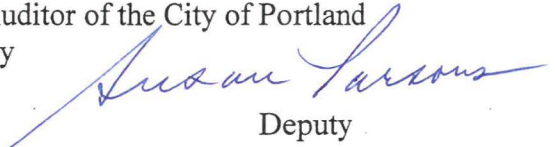
- c. The Marijuana Policy Program Regulatory License Fee Schedule attached as Exhibit B is adopted.

Section 2. The Council declares an emergency exists because state law adopted by the 2015 Oregon Legislature will allow medical marijuana dispensaries to begin retail sales on October 1st, 2015, and it is necessary to have local regulations in place to protect the public health and safety; therefore this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council: **SEP 30 2015**

Commissioner Amanda Fritz
Prepared by: Theresa Marchetti, Víctor Salinas
Date Prepared: September 10, 2015

Mary Hull Caballero
Auditor of the City of Portland
By


Deputy

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Agenda No.
ORDINANCE NO. 187 3 5 9 As Amended
 Title

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INTRODUCED BY Commissioner/Auditor: Amanda Fritz	CLERK USE: DATE FILED <u>SEP 11 2015</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Hales Position 1/Utilities - Fritz <i>Amanda Fritz</i> Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Novick	Mary Hull Caballero Auditor of the City of Portland By: <u><i>Mary Hull Caballero</i></u> Deputy ACTION TAKEN: SEP 16 2015 CONTINUED TO SEP 23 2015 9:30 A.M. As Amended SEP 23 2015 CONTINUED TO SEP 30 2015 9:30 A.M. As Amended
BUREAU APPROVAL Bureau: Office of Neighborhood Involvement Bureau Head: Amalia Alarcon de Morris <i>Amalia Alarcon de Morris</i> Prepared by: Theresa Marchetti/Victor Salinas Date Prepared: 9-10-15	
Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input checked="" type="checkbox"/> No	
<input checked="" type="checkbox"/> City Auditor Office Approval: required for Code Ordinances <i>Tonia</i>	
<input checked="" type="checkbox"/> City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter <i>John Walters</i>	
Council Meeting Date 9-16-15	

AGENDA
TIME CERTAIN <input checked="" type="checkbox"/> Start time: <u>2:00PM</u> Total amount of time needed: X ³ hours (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input checked="" type="checkbox"/> Total amount of time needed: <u>2</u> hours (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	✓	
2. Fish	✓	
3. Saltzman	✓	
4. Novick	_____	
Hales	✓	