

# **CITY OF PORTLAND MARIJUANA POLICY PROGRAM**

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# Legislative Background

- **SB 1531 – Passed by Legislature in 2014**
  - Legalized sale of medical marijuana from medical marijuana dispensaries
- **Measure 91 Passed by voters in November of 2014 –**
  - Legalized personal use and growing of marijuana
  - Framework for regulatory system for licensing the sale and distribution of Marijuana modeled after the Liquor Control Act



# Legislative Background – cont.

- **HB 3400 passed by the legislature in 2015-**
- **Modified Measure 91 and SB 1531**
  - Requires a Land Use Compatibility Statement from the Local Government before the state issues a recreational license
  - Allows local governments to opt out of housing one or more license types
  - Allows local governments to regulate the business operations of retailers, wholesalers, producers, processors, and medical dispensaries.
  - Allows local governments to tax recreational marijuana at 3% with a referral to the voters.
  - Allows local governments to create a 1000ft buffer between recreational retail locations to reduce saturation.



# Legislative Background – cont.

- **SB 460 Passed in 2015**
  - Allows for a 'soft start' of recreational sales to be sold from existing Medical Dispensaries from October 1<sup>st</sup>, 2015 to December 31<sup>st</sup>, 2016.
    - Tax free until December 31<sup>st</sup>, 2015
    - Taxed at 25% through 2016



# COLE MEMO: Federal Guidelines for Jurisdictions Pursuing Legalization of Marijuana

- Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels;
- Preventing diversion of marijuana from states where it is legal under state law in some form to other states;
- Preventing state authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity.
- Preventing violence or the use of firearms in the cultivation and distribution of marijuana
- Preventing youth access to marijuana



# Marijuana in Portland



- 132 Medical Dispensaries Registered with the state – 120 are operating.
- \*\*Current Compliance Issues
- Portland houses 40% of the retail alcohol market – assume that Marijuana will be similar numbers
- Twenty five local Jurisdictions have prohibited licensing within their boundaries.

# Proposed Portland Marijuana Regulatory License

Portland has an interest in regulating the marijuana businesses and medical dispensaries within the city limits to address:

- Responsible integration of the industry
- Environmental impacts related to livability and public safety
- Security of the industry
- Community expectations
- Unlicensed locations (Oregon Health Authority and Oregon Liquor Control Commission have no statutory authority)



# Creating a Roadmap for Success

## BELL-CURVE OF BEHAVIOR



- Compliance begins with understanding expectations
- Meaningful enforcement is key

## WHO? Proposed Marijuana Regulatory License Required ....

**Medical Dispensary– Sells  
Marijuana and Marijuana Items to  
OMMA Cardholders and Caregivers  
Over 21**

**Marijuana Processor - Production  
of Marijuana Items including  
edibles and concentrates**

**Marijuana Producer - Grower**

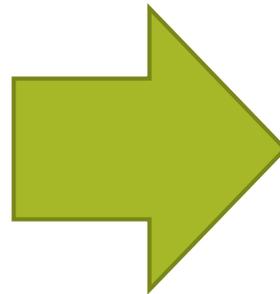
**Marijuana Retailer – Sells  
Marijuana and Marijuana Items to  
General Public Over 21**

**Marijuana Wholesaler - Transfers  
marijuana from producers and  
processors to retailers**

*City is not regulating Growers and  
Producers currently under the  
Medical Marijuana System*

## WHAT? Proposed Marijuana Regulatory License Minimum Standards to Process License

- Fixed Location (no mobile or satellite locations allowed)
- 1000 ft. from a school (HB 3400)
- Dispensary must be 1000 ft. from another Dispensary (SB 1530)
- MJ Retailer must be 1000 ft from another MJ *Retailer*
- Cannot locate in Zones RF- RH (state statute prohibits licenses in zones that are exclusively residential)



Partnership with the  
State's Licensing  
Process  
Land Use Compatibility  
Statement



# WHAT? Proposed Marijuana Regulatory License Application Procedure

## **All Applicants must submit:**

- City of Portland Forms
- Business License
- Change of Use permit, if applicable
- Proof of Alarm permit
- Lease showing authorization for use from property owner
- Application Fee

## **Applications for Producers or Processors**

- All appropriate permits are being obtained, or have been obtained.

## **Applications for Retailers and Dispensaries**

- **Marijuana Control Plan**
  - Security
  - Minor access
  - Trash
  - CPTED (Crime Prevention Through Environmental Design)

# WHAT? Proposed Marijuana Regulatory License NOTIFICATION

## **ALL APPLICANTS:**

The Director shall provide notice of an application before a final decision is made to the Police Bureau, Bureau of Fire and Rescue, Bureau of Revenue and Financial Services, and Bureau of Development Services.

## **MEDICAL DISPENSARIES AND MARIJUANA RETAILERS:**

- Property owners and property occupants within 300 feet of the proposed licensed premises
- The District Coalition Office and Neighborhood Association in which the marijuana regulatory Licensee is located, or proposed to be located
- Area residents by posting a public notice where the marijuana regulatory licensee is located, or proposed to be located.

License will be issued Upon presentation of State Approval and  
Payment of License Fee



# Public Involvement:

- Three Town Halls
  - 100 participants
- Community Stakeholder Workgroup
- Targeted outreach
  - 635 contacts

Regulations reflect the collaborative  
Process and input received.



# Public Involvement : Themes of Feedback

- Avoid preferential treatment for existing Medical Dispensaries opting into soft-start sales; regulations by October 1<sup>st</sup>, 2015.
- Work with the state to ensure that soft start does not encourage the illegal market
- Ensure Marijuana Control Plan does not unreasonably affect business operations
- Address social environments including smoking lounges and events; responsible consumption
- Use an Equity lens: Create opportunity for small growers, emerging business owners and communities of color to access the market



# Public Involvement : Themes of Feedback (cont.)

- Address and educate about marijuana addiction and prevention awareness
- Limit saturation of adult businesses in the City i.e. bars, marijuana retailers, lottery etc.
- Support legal business and go after “bad actors”. Program is only as good as its enforcement.
- Address funding for the marijuana policy program
- Address police enforcement and response to complaints



## WHAT? Proposed Marijuana Regulatory License Licensee Requirements

### **All Licensees :**

- Display City License
- No consumption on premises
- Security System – Surveillance
- No delivery service unless **specifically provided by state law under the OMMA.**

### **All Marijuana Retailers and Medical Dispensaries**

- Must have someone designated at entrance to check ID.
- Hours of operation must be no earlier than 7am and no later than 9pm.
- Must not set up mobile or satellite locations.



## WHAT? Proposed Marijuana Regulatory License Licensee Requirements

### **All Marijuana Producer or Wholesaler Licensees:**

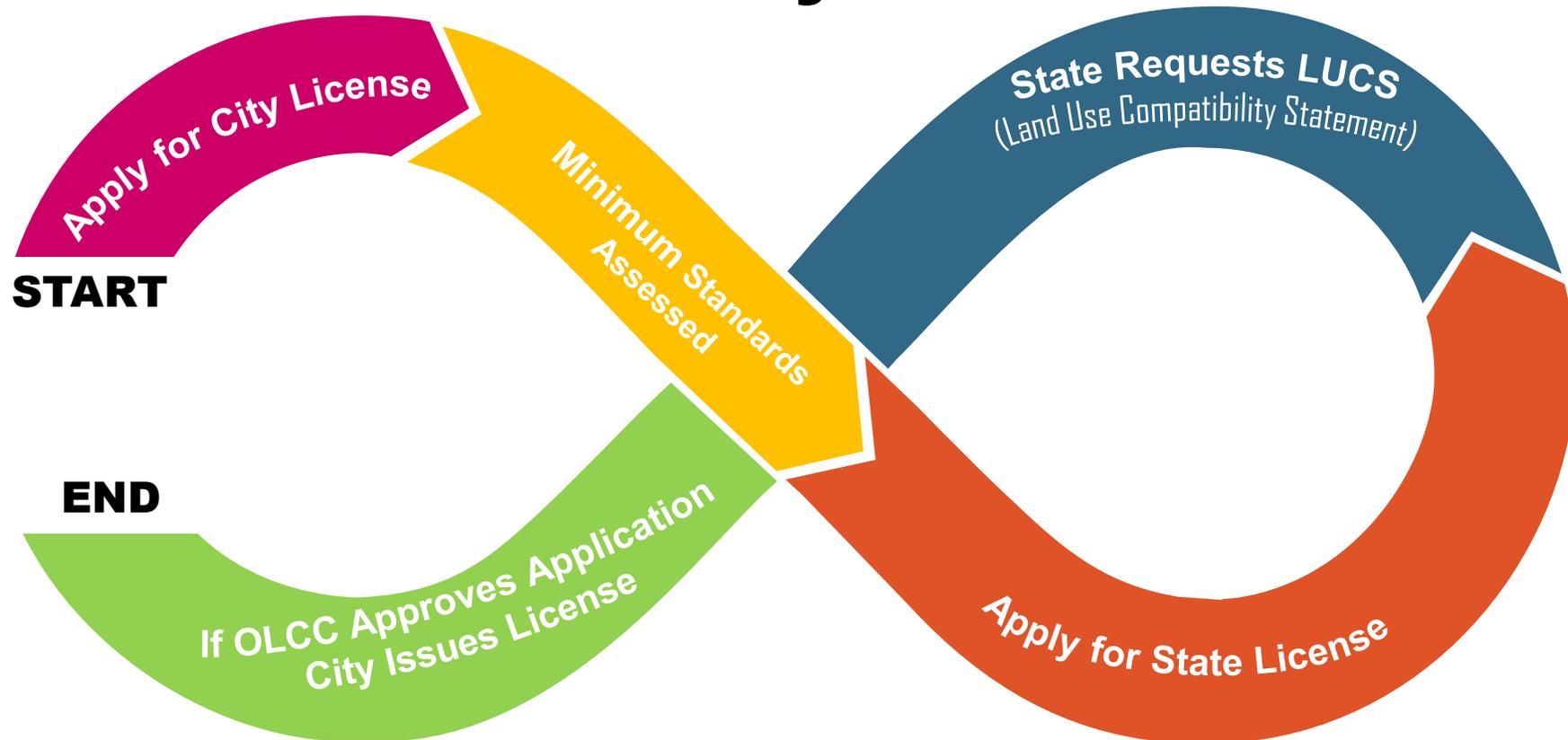
- May not be open to general public.
- Must install a filter system for the building ventilation to address odor impacts.

### **All Marijuana Processor Licensees:**

- Must not be open to the general public
- Must adhere to State and local regulations for food preparation



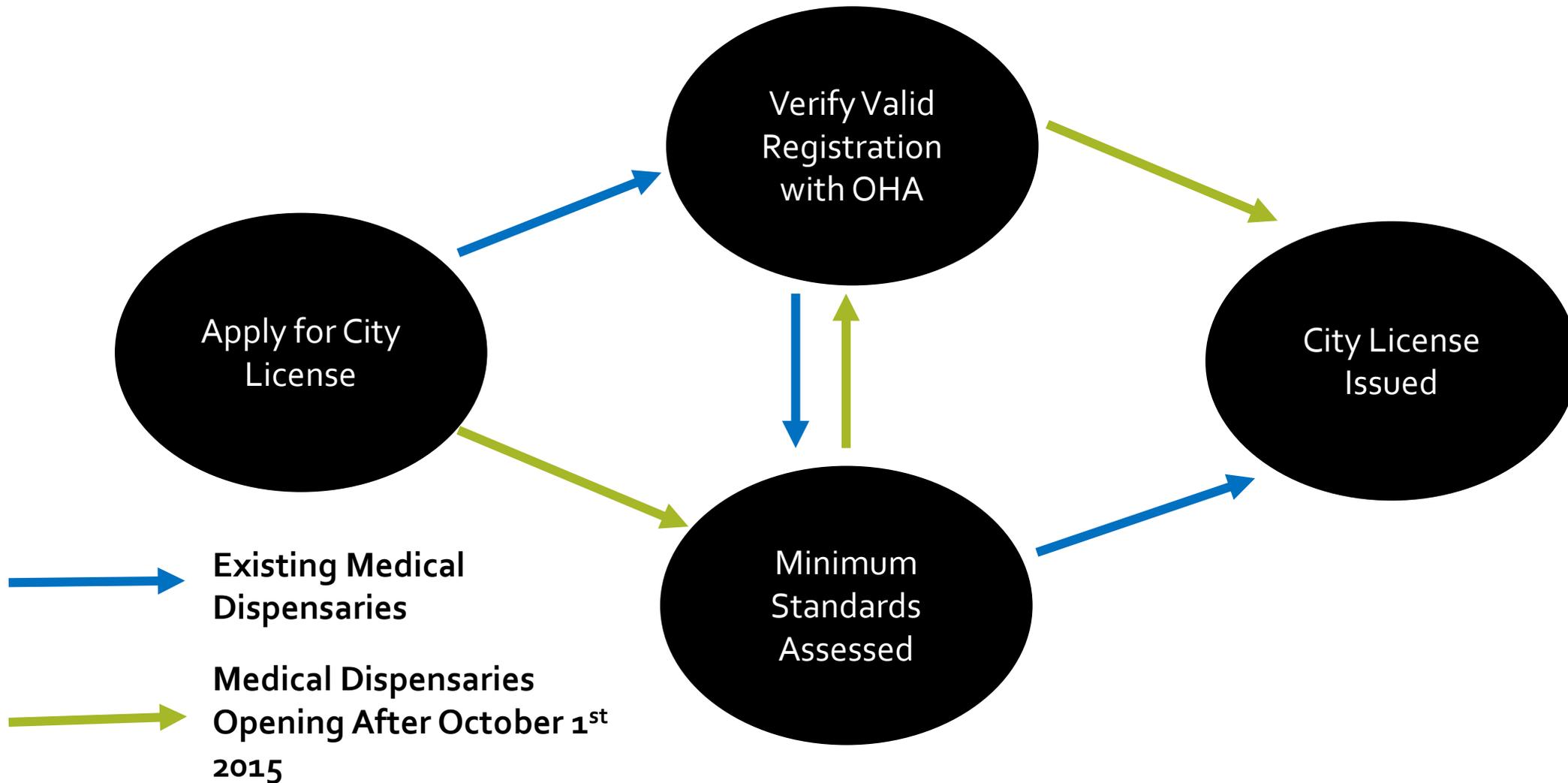
# Application Process Recreational Marijuana Business \*



\* Licensing Categories include

- Producer (grower)
- Processor
- Wholesaler
- Retailer

# Application Process – Medical Dispensaries



## WHAT? Proposed Marijuana Regulatory License ENFORCEMENT

- **May be subject to penalties up to \$5,000 for administrative violations**
  - Operating without a license
  - Operating in violation of a requirement of Chapter 14B.130
- **Four Code Enforcement Staff are requested as part of this presentation**
  - Allow for two 2-person teams
- **No Criminal Citations or Enforcement will be conducted by this office**
- **District Attorney Rod Underhill has confirmed that his Office will address violations related to minor access and public consumption in a communication to Commissioner Amanda Fritz.**



# Fee Structure

Projected Application and Licensing Revenue			
	Application Fee	Projected # of Applications	Total Revenue
Medical Dispensary	\$ 750.00	130	\$ 97,500.00
Marijuana Processor	\$ 500.00	50	\$ 25,000.00
Marijuana Producer	\$ 500.00	25	\$ 12,500.00
Marijuana Retailer	\$ 750.00	130	\$ 97,500.00
Marijuana Wholesaler	\$ 500.00	25	\$ 12,500.00
	License & Renewal Fees	Projected # of Licenses	Total Revenue
Medical Dispensary	\$ 1,750.00	130	\$ 227,500.00
Marijuana Processor	\$ 2,000.00	50	\$ 100,000.00
Marijuana Producer	\$ 2,000.00	25	\$ 50,000.00
Marijuana Retailer	\$ 3,000.00	130	\$ 390,000.00
Marijuana Wholesaler	\$ 2,000.00	25	\$ 50,000.00
		Total Revenue	\$1,062,500.00



# Cost of Administering Marijuana Program

Marijuana Policy Program			
Projected Operational & Staffing Costs and Revenue			
Projected Operational and Staffing Costs			
Number of Staff	Positions		
4	Marijuaan Policy Code Enforcement Officer		
1	Marijuana Policy Administrative Support Specialist		
1	Marijuana Policy Program Assistant		
1	Marijuana Policy Program Coordinator		
3	Seasonal Marijuana Policy Admin. Support Specialist		
1	Livability Programs Manager		
		Total ongoing cost	\$ 892,500.00
		Total one-time cost	\$ 170,000.00
			\$ 1,062,500.00

Includes all program costs, materials and services.



# Next Steps:

- Educational Program
  - Youth Prevention and DUII
  - Application Procedure for Industry
- Local Tax Option 3%
- Community Workgroup Round 2
  - Smoking Lounges
  - Events
  - Future Legislative Sessions



# Requested Council Action:

- Amendment to Section 14B.130.70, 14B.130.100, 14B.130.110, and 14B.130.120 to address inconsistencies with PCC 22.10 and PCC 3.130
- Amendment to 14B.130.080 C.2 –ensure proper food production regulations for processors
- Amendment to 14B.130.090 D.3 – Police Assistance to reflect current Portland Police protocols.
- **Adopt the Marijuana Regulatory License and Procedure Requirement as amended**



# Feedback – Questions?

