

Parsons, Susan

From: Washington, Mustafa
Sent: Thursday, June 23, 2016 1:03 PM
To: Council Clerk – Testimony
Subject: FW: Please vote for agenda item 731 without amendment

Mustafa Washington
Constituent Services Specialist
Office Of Mayor Charlie Hales
P: 503-823-4120
mustafa.washington@portlandoregon.gov

-----Original Message-----

From: Thomas Karwaki [mailto:karwaki@yahoo.com]
Sent: Wednesday, June 22, 2016 3:40 PM
To: Commissioner Fritz <amanda@portlandoregon.gov>; Hales, Mayor <mayorcharliehales@portlandoregon.gov>
Cc: Commissioner Saltzman <dan@portlandoregon.gov>; Commissioner Fish <nick@portlandoregon.gov>
Subject: Please vote for agenda item 731 without amendment

While I support the need for air pollution monitoring, new diesel engines and Police officer pay raises, I think the voters would prefer a close nexus between the tax collected and the use of the funds. And I say that after knocking on doors and talking to over 1,000 voters in April and May.

Thomas Karwaki
253.318.2075

Parsons, Susan

Subject: HPRM: RE: item 731 Marijuana Sales Tax = written testimony for 6/22 council meeting

From: Broughal, Justine

Sent: Wednesday, June 22, 2016 1:37 PM

To: Parsons, Susan <Susan.Parsons@portlandoregon.gov>

Subject: QRE: HPRM: RE: item 731 Marijuana Sales Tax = written testimony for 6/22 council meeting

Hey Susan,

I just received testimony from a constituent via the phone re: marijuana tax.

Susan Garber – 503.232.1204 – onelovesmg@yahoo.com

She is 100% in favor of the marijuana tax. Furthermore, she supports using the tax for community health. She supports the testimony of Mary Peveto from Neighbors for Clean Air. Susan is in favor of using the money to convert diesel trucks to clean fuel and using the money to clean up toxic hot spots alongside DEQ.

Thanks,

Justine Broughal

Constituent Services Assistant

Office of Commissioner Amanda Fritz

Justine.Broughal@portlandoregon.gov

(503) 823-3008

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REFER A MEASURE TO CITY VOTERS FOR THE NOV 8 ELECTION
ESTABLISH A 3% TAX ON RECREATIONAL MARIJUANA SALES

IF YOU WISH TO SPEAK TO CITY COUNCIL, PRINT YOUR NAME, ADDRESS, AND EMAIL.

NAME (print)

ADDRESS AND ZIP CODE

Email

✓ Stacey Vallas	2856 N.W. Thurman St 97210	stacey.vallas@gmail.com
✓ Mary Peveto	2882 NW Thurman St 97210	Mary@whats.howrart.org
✓ Chris Winter	3024 SE 26 th Ave 97202	chris@crag.org
✓ Pam Allee	7425 W Portsmouth Ave 97203	alleepa@gmail.com
invited ✓ Matt Walstatter	3956 NE 37 th 97212	mattepuregreenpd.com
invited ✓ Geoff Sogerman		
✓ Mary Ann Schwab	on record	
✓ Doug Larson	9907 N. Edison St.	Larson.DJ@gmail.com
✓ MARY ENG		
✓ ARTIST LAURA VANDERLYN		

REFER A MEASURE TO CITY VOTERS FOR THE NOV 8 ELECTION

ESTABLISH A 3% TAX ON RECREATIONAL MARIJUANA SALES

IF YOU WISH TO SPEAK TO CITY COUNCIL, **PRINT** YOUR NAME, ADDRESS, AND EMAIL.

NAME (print)

ADDRESS AND ZIP CODE

Email

NAME (print)	ADDRESS AND ZIP CODE	Email
✓ Shedrick Wilkins	945 NW Naito Pkwy, #134 Portland, OR	
✓ Penny Meiners		

Mayor Hales. Members of the Council,

I am Geoff Sugerman, here today representing my employer Groundworks Operations. This week this week we received our first City of Portland Marijuana Regulatory License for our recently opened medical marijuana dispensary store "SERRA" located at 2519 SE Belmont. We are also applying for production and processing licenses here in Portland and will soon be opening up a retail store in the downtown area.

Before I discuss the ordinance, I do want to say that my frequent experiences with the staff of the Marijuana Program at ONI have been very positive. I have found the staff to be professional, responsive, and courteous. They have a difficult job and they are working hard to do it well. As do we as applicants. The licensure process here is more demanding and significantly more expensive than other jurisdictions where Groundworks operates including Eugene and Washington County. It is working here, but it can be improved.

To the ordinance:

Over the last two legislative sessions, the state has decided on a retail sales tax for adult use marijuana. Currently, the tax on adult users in medical dispensaries is 25%. Once OLCC licensees come on line, the state portion of the tax drops to 17% (of which the city gets a share) and you have the option to add an additional 3% tax just for the city.

With the overall rate going down 5%, I think you will see little opposition from either consumers or cannabis businesses. We have heard little mention of the tax rate in the stores we now have open.

Additionally, we were able to pass legislation last session to ensure no medical patient will ever have to pay taxes at recreational or medical shops.

So it is most appropriate for the council to ask voters if they want this tax.

The next issue is what to do with the anticipated \$3 million in City tax revenue.

Over the past three weeks I have attended two meetings with Commissioner Fritz and members of the cannabis community where these and other issues were discussed. This ordinance outlines three areas where those funds can be used:

1. Drug Education and Treatment
2. Police services and public safety
3. Assistance to small businesses in areas disproportionately impacted by cannabis prohibition.

We think that the language in this ordinance is sufficiently broad so that these tax dollars could be used for a wide range of things. A number of us intend to participate in the ONI budget process. And we will be glad to work with all of you on these decisions moving forward if voters approve this measure. In the meantime, here are a few thoughts on how cannabis consumer tax dollars can be used to help the people and the neighborhoods who were most impacted by prohibition.

1. Expungement and job training: We still have far too many people who carry felony convictions from marijuana convictions for crimes now legal. Helping these citizens expunge their record will free them up to find housing, get jobs and rid their lives of the stigma of a felony conviction. This approach will impact homelessness and unemployment while directly helping people who have been harmed by prohibition. And I think it can be done pretty cheaply.
2. Drug treatment: If the city can use these cannabis tax dollars to aid in preventing drunk driving or assisting the county or local non-profits in efforts to attack alcoholism and opioid abuse, those are cannabis tax dollars well spent.
3. Using these tax dollars to fund police services may be a difficult issue for some constituencies in Portland. Rather than debate those merits, I would ask you to consider that our legal marijuana stores are already offsetting public safety costs considerably. Not having to cite or arrest adult use marijuana consumers frees up time and resources for other needs. Additionally, the \$15 million (and growing fast), that Oregonians are spending right now each month on buying 7 grams of marijuana at a time means these "pot shops" have actually become the first line of defense against illegal black market marijuana sales. Portlanders have embraced these shops. They are using them willingly and they are glad to have a safe, legal place to go. I have heard of very few situations where police were required to intervene at shops and I will be most interested to see trends in arrest and citation reports on marijuana related charges. If we want to use cannabis tax dollars for police services let's at least recognize that marijuana and these businesses are a growing part of the solution and not really much of a public safety problem at all.
4. We are already seeing strong growth in jobs in this emerging cannabis sector and that will only accelerate as more production, processing and retail stores come on line. So any funds we can use to make sure these small, often family-owned, craft businesses are successful can represent huge wins for our neighborhoods and downtown.

That's just my thoughts on some of the ways we can use these dollars at the start of what will be a lengthy budget process if voters approve this tax.

Additionally, we are very gratified that starting this month, Commissioner Fritz and a number of industry representatives opened up ongoing dialogue about the licensing program we now have with an eye toward how we can improve the program.

Our cannabis businesses are already paying dividends in jobs and public safety. Now cannabis customers will be paying a tax directly to the city. We can accomplish a lot of goals – jobs, equity, public safety, community infrastructure, rebuilding lives – if we use these dollars wisely. We are more than willing to help in those discussions.

Thank you.

June 22, 2016

3% Tax on Recreational Marijuana (as well as cannabis byproducts) Sales

Good Afternoon Mayor Hales, and Commissioners:
My name is Mary Ann Schwab, Community Advocate

Yes, Commissioner Fritz worked with cannabis industry representatives, neighbors, City staff and other members of the Council to shape a proposal for how the projected revenue will be spent. "It is important to me that there is a nexus between the purpose of the tax and the benefit to those who will be paying it," she says. "The City doesn't have enough money to address the public health and safety impacts of drug and alcohol consumption. This tax would provide resources for those purposes, as well as support for new businesses and job training."

Please do not take money away from these purposes. I believe doing so would take away the nexus and make the ballot measure harder to pass.
I am asking Council to stick to the uses as proposed.

In my humble opinion, the proposed 3% Tax on Recreational Marijuana [as well as Cannabis by products] Sales is unthinkable insufficient. It will not pencil out the Taxpayers' total cost to pay for the ONI Noise Control Officer, Police Officers, 9-1-1 Responders who respond to those individuals and business owners who find loopholes working on the shady side of life. For starters, maybe accepting free plants in exchange for whatever?

Did I fail to mention the OLCC 1977 penny-a-pint malt beverage production fee has been frozen since 1977? As for increasing the penny-a-pint to a dime, will take an additional 40 years.
Yes, about the time when the PDC URA South Waterfront and Clinton Street Triangle expires in 2056.

If we don't do it right, we will lose votes in November. The public doesn't like tap dancing with their dollars.

Thank you for active listening.

mas
(503) 236-3522



June 22, 2016

AUDITOR 06/22/16 AM 9:25

To Mayor Charlie Hales and Commissioners Fritz, Saltzman, Fish and Novick:

Thank you for the opportunity to comment on the proposed 3% tax on recreational marijuana sales. We applaud the initiative to collect funds that can be re-invested in Portland to build a safer, healthier community. Oregon Environmental Council respectfully requests that you consider investing a portion of these funds in a public health solution that will deliver cost-effective, business-friendly and very effective public health results: the upgrade of diesel engines in construction and heavy-duty vehicles.

There is no question that Portland has a diesel pollution problem. In some areas, diesel pollution concentrations exceed the state's health benchmark by factors upwards of ten times. In addition to this increased cancer risk, diesel exhaust is a significant contributor to heart attacks and asthma attacks that our city pays for in lost work and school days, medical bills, and compromised quality of life. What's more, diesel pollution is increasingly linked to subtle but irreversible health effects on children's cognitive functioning, compromising their future ability to thrive.

The good news is that investing in upgraded diesel engines will deliver a significant benefit both to public health and to small businesses. Diesel engines built after 2011 are as much as 95% cleaner than old engines, virtually eliminating cancer risk. By some estimates, every dollar invested in diesel engine upgrades delivers \$17 in health benefits.

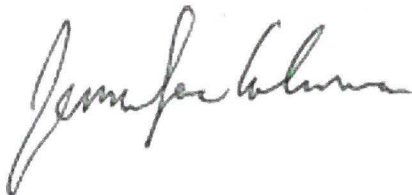
The oldest and most polluting engines also tend to be the ones that work in greatest proximity to our neighborhoods, running local routes or at work on local construction projects. These older engines are the workhorses of small business owners, for whom the cost of a new engine is prohibitive. By investing our dollars in offsetting the cost of new engines, we can gain public health benefits from supporting these local operators.

An investment in diesel upgrades is also an investment in environmental justice. Neighborhoods with greater-than-average numbers of lower-income and people-of-color residents tend to be the same neighborhoods experiencing the greatest concentrations of diesel pollution. Because the same demographics experience many health disparities, these communities are likely to be more vulnerable to health harm from diesel pollution. If we continue to allow pollutants like diesel to undermine health in these neighborhoods, we are undermining all efforts to address the achievement gap and cycles of poverty.

Diesel pollution may seem far afield from offsetting the public health issues associated with recreational marijuana use. However, few public health initiatives promise a 95% reduction in a source of health hazards and a \$17 return on investment for every dollar, with the added bonus

of benefits to small business. Unless we invest in upgrading our diesel fleet, we will continue to pay a high price for diesel pollution for at least another two decades. While California phases in stricter standards for diesel engines, we are likely to see the older, more polluting vehicles migrate to Portland. It makes sense for Portland to consider every possible source of funding for a public health initiative that is sure to deliver.

I am submitting these comments on behalf of Oregon Environmental Council. Founded in 1968, Oregon Environmental Council is a nonprofit, non-partisan, membership-based organization that advances innovative, collaborative and equitable solutions to Oregon's environmental challenges for today and future generations.



Jennifer Coleman
Health Outreach Director
Oregon Environmental Council
222 NW Davis #309
Portland, OR 97215

- **Thank you** for this opportunity – Commissioner Fritz
- My **name** is Maree Wacker,, CEO, De Paul Treatment Centers
- **We serve about 2,400** individuals a year and their families with comprehensive SUD and MH treatment. 20% of our clients are the City’s homeless.
- We offer the **full continuum** of care from medical detox to residential to day treatment and outpatient. We believe **addiction is a disease** and treatable like any other. And **treatment works!**
- We **employ 170 people** and our **budget** is approximately \$13 million.
- **Three locations - two locations in the City** – Adult – downtown at 13th & Washington and Youth at NE Killingsworth & 42nd
- I am here to **support the Council’s vote to refer a ballot for a 3% tax** on recreational marijuana sales to the voters
- **90% of adults addicted today** first began using under the age of 18 and half under the age of 15 according to The Partnership for Drug Free Kids
- At De Paul’s **youth facility, we serve kids age 12 through 17**
- **61%** of them coming to De Paul for treatment have a **primary drug of choice** that is marijuana
- We **anticipate**, although it is too early to tell, **this percentage will rise** due to the legalization of marijuana and the resulting declining belief among youth regarding the risks associated with marijuana use
- The **costs of providing youth treatment** are substantial due to the heavy regulation for child caring facilities
- Currently, **De Paul loses \$102/night**, an annual gap of over **\$770,000** for every youth in treatment
- **De Paul actively works to cover this gap** because we believe that treatment works and we change lives everyday
- **Therefore, we support a 3% local tax** with the potential to help us narrow the existing funding gap
- **Please support referring the tax to voters.**