MARIJUANA SUBCOMMITTEE MEETING
May 10, 2016 1:00 pm
Newberg City Hall, 414 East First St
Permit Center Conference Room

The meeting was called to order at 8:00 A.M.

ROLL CALL:

Members Present: Councilor Denise Bacon
Councilor Stephen McKinney
Councilor Patrick Johnson
Mayor Bob Andrews (ex-officio member)

Staff Present: Doug Rux, Community Development Director
Truman Stone, City Attorney

ELECTION OF CHAIR:

MOTION: Bacon/McKinney moved to nominate Patrick Johnson as Chair. Motion carried (3 Yes/ 0 No).

APPROVAL OF MINUTES:

MOTION: Bacon/McKinney moved to approve the March 3, 2016, minutes. Motion carried (3 Yes/ 0 No).

POTENTIAL DEVELOPMENT CODE MODIFICATIONS FOR MEDICAL AND RECREATIONAL MARIJUANA BASED ON 2016 LEGISLATIVE BILLS:
Community Development Director Doug Rux discussed the reconciliation process for the City's marijuana regulations and changing State laws. The medical and recreational marijuana rules had been modified and were being blended. The Council had recently repealed the ban for selling recreational marijuana out of medical marijuana dispensaries. The State was allowing recreational edibles to be sold out of dispensaries. Recreational retail would be able to sell medical marijuana and edibles. He then explained SB 1601, SB 1511, HB 4014, SB 1598, and HB 4094. SB 1511 said a retailer could get a license from OLCC, but if they were going to sell medical marijuana, they had to be registered by OLCC, so there would be two approvals required. OLCC was going through the permanent rules process that would end in June and had started the temporary rule process for the 2016 legislative bills. Processors, producers, and wholesalers would be able to provide product for the medical side as well as retail. A medical wholesaler category had been created. All the marijuana regulations were put together in one State Statute. In Newberg, processors were a conditional use in the C-2 for recreational, but they did not have a mirror for medical being conditional use in C-2.

There was discussion regarding the location of marijuana businesses and the required buffers, how recreational and medical marijuana uses were blending, and how people could work in both markets.

CDD Rux said medical marijuana dispensaries could be located within 500 feet rather than 1,000 feet from schools if there was a physical or geographic barrier capable of preventing children from traversing from school to the dispensary. However, the barrier was not defined. A retail facility could have a 500 foot buffer from a

school if it had the same kind of barrier. The question was did they want to modify the regulation in Newberg, or keep it at 1,000 feet. If it was changed, the City would have to notify the Oregon Health Authority and OLCC. He did not think there were any barriers in the City and did not recommend the change. The applicant would have to bring the land use compatibility statement to the local government to fill out, and the local government would have 21 days to fill it out unless it had to go through the conditional use process and after that process, then the City would fill it out. OLCC could not share license information except with police. A medical dispensary could transition to a retail business. OLCC would not issue a license for a primary residence. There were new provisions that allowed the Department of Revenue to collect local taxes on behalf of a local government. It would be done through an Intergovernmental Agreement and there was a cost associated with it. Research certificates were their own category and a research facility could grow plants that they would research.

CDD Rux said there were six questions regarding reconciliation. The first was that medical dispensaries were permitted in the C-2 and C-3 districts with a 1,000 foot buffer from schools and parks. Retail marijuana stores were permitted in C-1, C-2, C-3, and C-4 with the 1,000 foot buffer, 1,000 buffer between retailers, and 1,000 foot separation between retailers and dispensaries. The question was should medical marijuana dispensaries also be permitted in C-1 and C-4.

There was discussion regarding where these zones were located in the City and where the buffers would be.

Councilor Bacon thought this change made sense. Chair Johnson thought medical marijuana was used for medicine and did not want to make it more difficult for people to get medicine. He thought medical dispensaries should be permitted in C-1, C-2, C-3, and C-4 and retailers only in C-2 and C-3. Mayor Andrews asked what would happen if medical went into recreational, or recreational into medical. CDD Rux thought the likelihood was high that both would happen at the same location.

City Attorney Truman Stone thought the facilities would be prohibited from obtaining the license due to the land use compatibility statement if it was not permitted in the zoning. CDD Rux explained the areas in C-1 and C-4 that could be used for these facilities. With the land available in these zones, there was the possibility for six to eight dispensaries and/or retail facilities in Newberg if there was space available and they were able to get a license and could meet all of the buffer requirements.

MOTION: Bacon/Johnson moved to allow medical marijuana dispensaries to be permitted in C-1 and C-4 to align with recreational. Motion passed (2 Yes/ 1 No [McKinney]).

CDD Rux said the second issue was medical marijuana processors were allowed in M-1, M-2, M-3, and M-4I, and recreational processors were allowed indoors only in M-1, M-2, M-3, and M-4, and as a conditional use in C-2 with a 1,000 foot buffer from schools and parks. Should medical marijuana processors also be a conditional use in C-2?

Councilor Bacon thought the regulations should be consistent.

MOTION: Bacon/Johnson moved to allow medical marijuana processors as a conditional use in C-2 with a 1,000 foot buffer from schools and parks. Motion carried (3 Yes/ 0 No).

CDD Rux said the third issue was medical marijuana wholesaler was not a category under State law previously, but SB 1511 allowed medical marijuana wholesale activities. Recreational wholesalers were allowed as

conditional uses in C-1 and permitted use in M-1, M-2, M-3, M-4, A/R, M-1/SP, SD/E, and I/I. Should a new category for medical wholesale be added that mirrored the recreational wholesaler?

MOTION: Bacon/Johnson moved to have the medical marijuana wholesaler regulations mirror those for recreational wholesaler. Motion carried (3 Yes/ 0 No).

CDD Rux said the fourth issue was recreational marijuana retailers were allowed in the C-1/SP, C-2, and subdistricts with a 1,000 foot buffer to schools and parks and a 1,000 foot buffer between retailers and dispensaries. Medical marijuana dispensaries were not permitted in these same subdistricts.

Chair Johnson thought the medical side was more regulated and justified. He was in favor of making the subdistricts open for medical marijuana.

MOTION: McKinney/Johnson moved to include medical marijuana dispensaries in the same subdistricts as recreational retailers. Motion carried (3 Yes/ 0 No).

CDD Rux said the fifth issue was medical marijuana processors were allowed in the M-1/SP and SD/E, but recreational marijuana processors were prohibited in those subdistricts. There were other locations that allowed recreational processors.

Chair Johnson moved to leave the regulations the way they were. Motion died for lack of a second.

MOTION: McKinney/Bacon moved to allow recreational marijuana processors in the same subdistricts as medical marijuana processors. Motion passed (2 Yes/ 1 No [Johnson]).

CDD Rux said the sixth issue was whether or not to reduce the schools and parks buffer to less than 1,000 feet.

MOTION: McKinney/Johnson moved to keep the buffer for schools and parks at 1,000 feet. Motion carried (3 Yes/ 0 No).

MOTION: Johnson/McKinney moved to recommend to the City Council to initiate a Development Code amendment. Motion carried (3 Yes/ 0 No).

FUTURE MEETING SCHEDULE:

There would be one last meeting of the committee in order to approve these minutes.

ADJOURNMENT: Chair Johnson adjourned the meeting at 9:45 A.M.

Approved by the Marijuana Subcommittee this 5 day of July, 2016.

Councilor Patrick Johnson,
Marijuana Subcommittee Chair

Bobbie Morgan

Bobbie Morgan, Office Assistant II