

CITY OF DUNDEE
CITY COUNCIL MEETING
Fire Hall Community Room

Phone (503) 538-3922 ~ Fax (503) 538-1958

Email: DundeeCity3@comcast.net Website: DundeeCity.org

The Mission of City Government is to provide essential, quality public services in support of the livability, safety and viability of the Dundee community.

APRIL 5, 2016 7 - 9 PM.

Times printed are estimates. Actual time may vary.

1. Open Regular City Council Meeting
2. Pledge of Allegiance
3. Amendments to the Agenda, if any
4. Public Hearing:
 - 4.1 LURA 16-01, Development Code Amendment – Marijuana Facilities Pages 1 - 112
 - 4.2 Ordinance No. 545-2016, Regulations for Marijuana Facilities Pages 113 - 116
5. Public Comment: Each speaker will be allowed up to 5 minutes to speak after being recognized by the Mayor. Out of courtesy for the speaker, please refrain from talking.
6. Consent Agenda: The following items are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council member (or a citizen through a Council member) so requests, in which case the item will be removed from the Consent Agenda and considered separately. If any item involves a potential conflict of interest, Council members should so note before adoption of the Consent Agenda.
 - 6.1 City Council Minutes, March 15, 2016 Pages 117 - 122
 - 6.2 OLCC Application, Quailhurst Vineyard Estate Pages 123 - 130
Action Required: Motion to Accept the Consent Agenda
7. Old Business:
 - 7.1 Fire Station – Community Message Sign Pages 131 - 134
Action Required
 - 7.2 Loan Refunding Options Pages 135 - 138
Action Required
 - 7.3 10th Street Project Change Order No. 2 Pages 139 - 144
Action Required
 - 7.4 Dundee's Local Government Dinner Pages 145 - 148
Action Required
8. New Business:
 - 8.1 Chehalem Valley Vision Update Pages 149 - 184
Discussion
9. Council Concerns & Committee Reports
10. Mayor's Report
11. City Administrator Report

12. Public Comment: Each speaker will be allowed up to 5 minutes to speak after being recognized by the Mayor. Out of courtesy for the speaker, please refrain from talking.
13. Executive Session: In accordance with ORS 192.660 (2)(i) to review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.
14. Adjourn

Pending Business:

1. Public Works
 - 1.1 Water Master Plan Update
 - 1.2 Highway 99W Sidewalk/Streetscape
 - 1.3 Inflow & Infiltration Program
2. Planning/Land Use
 - 2.1 Dundee Riverside Master Plan – Future Actions
 - 2.2 Exterior Lighting – Code Update/Street Light Standards
 - 2.3 Industrial Zone Standards
 - 2.4 Marijuana Facilities
3. City Council
 - 3.1 Update SDC Methodologies
 - 3.2 LID 2013-01 Final Assessment Ordinance
4. Parks & Trails
 - 4.1 Viewmont Greenway Park Improvement
 - 4.2 Harvey Creek Trail Property Rehabilitation
 - 4.3 WWTP Nature Park Grant Application
5. Next Available Ordinance & Resolution No's.
 - 5.1 Ordinance No. 545-2016
 - 5.2 Resolution No. 2016-04

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to the Assistant City Recorder at City Hall (503) 538-3922.

STAFF REPORT

Type IV Legislative Development Code Amendments Development Code amendments to add regulations for marijuana facilities

FILE NUMBER: LURA 16-01
ORDINANCE NO.: 545-2016
REQUEST: Adopt an ordinance amending the Development Code to add regulations for marijuana facilities
APPLICANT: City of Dundee
HEARING DATE: April 5, 2016

ATTACHMENTS:

Ordinance No. 545-2016 with:

Exhibit "A": Findings

1. Signed Planning Commission Order of Recommendation (with exhibits by reference)
 2. Staff memo to Planning Commission, dated 2/17/16 (with attachments by reference)
 3. Planning Commission meeting minutes: 2/17/16
 4. Planning Commission Memo, dated 1/20/16
 5. Oregon's seven regulated marijuana activities
 6. Similarities & differences between medical and recreational marijuana programs
 7. Recreational marijuana FAQ
 8. OAR 845-025
-

EXECUTIVE SUMMARY:

On March 19, 2014, Senate Bill (SB) 1531 was signed into law. SB 1531 gave local governments the ability to impose certain regulations and restrictions on the operation of medical marijuana dispensaries, including the ability to impose a moratorium for a period of time up until May 1, 2015, which Dundee did. Dundee adopted rules regulating medical marijuana dispensaries in April 2015 and now has one operating medical marijuana dispensary.

The Oregon Legislature enacted four bills during the 2015 legislative session related to the Oregon Medical Marijuana Act and Measure 91. House Bill (HB) 3400 was the omnibus bill covering recreational marijuana and modifications to the medical marijuana program. HB 2014 was enacted addressing taxes on the sale of recreational marijuana, SB 460 related to limited retail sales of marijuana from medical marijuana dispensaries, and SB 844 enacted a task force on researching the medical and public health properties of cannabis. In addition, the Oregon Liquor Control Commission adopted temporary Oregon Administrative Rules (OAR) in Chapter 845, Division 25 to govern the recreational marijuana program (final draft dated November 20, 2015), and the Oregon Health Authority adopted temporary OAR Chapter 333, Division 8 for revisions to the medical marijuana program (dated September 22, 2015).

The City now needs to adopt time, place, and manner regulations for medical marijuana growers and processors, and for recreational marijuana producers, processors, wholesalers, retailers, and laboratories. The city may consider combining the medical and recreational categories into one "marijuana facilities" category. This is a timely issue as the state will soon begin issuing licenses and registrations for all categories of medical and recreational marijuana activities. There are several attachments to this staff report with details about the

various regulated marijuana activities in Oregon, the similarities and differences between the medical and recreational marijuana programs, and FAQs about recreational marijuana in Oregon.

The Planning Commission held a workshop to discuss the regulations and proposed amendments on January 20, 2016, and a public hearing to consider the proposed amendments on February 17, 2016. Staff's original recommendation to the Planning Commission was to remove the regulation requiring marijuana dispensary and retail facilities to be 1,000 feet from parks. The rationale behind this recommendation was twofold: first, the closest park is across the railroad tracks and behind the Fire Station, not in proximity to marijuana dispensary or retail outlets (existing or future); and second, staff added a proposed provision requiring dispensary and retail facilities to be located on Highway 99W, in an attempt to address a previous concern about marijuana facilities in the future Riverfront development area. The Planning Commission considered this recommendation but voted to keep the distance provision from parks.

On February 17, 2016, the Planning Commission adopted an Order of Recommendation recommending that the City Council adopt the proposed Development Code amendments to add regulations for marijuana facilities.

PROPOSED DEVELOPMENT CODE AMENDMENTS:

Staff recommends creating the following uses under the heading of "marijuana uses": Marijuana Dispensary or Retail Facility; Marijuana Producers or Grow Sites; Marijuana Processors; Marijuana Wholesalers; and Marijuana Testing Laboratory. In addition, the existing Development Code section 17.203.050, Marijuana dispensary in a commercial zone, would be amended to be inclusive of all of the marijuana categories. The Oregon Administrative Rules (OAR) heavily regulate all types of marijuana facilities, particularly with security requirements, but the city should still adopt time, place, and manner regulations specifying which zones the different marijuana facilities can operate in and any other regulations necessary for compatibility.

Proposed Amendments: Additions are shown as double underline, deletions are shown as ~~strikethrough~~.

Table 17.202.020: Zoning Use Table		P: Permitted Use; CU: Conditional Use; S: Special Use Requirements Apply; N: Not Permitted									
Uses	Residential			Commercial and Employment			Public and Agriculture				Special Use Requirements
	R-1	R-2	R-3	C	CBD	LI	P	PO	A	EFU	
<u>Marijuana Uses</u>											
Marijuana Dispensary or Retail Facility	N	N	N	<u>P/S</u>	<u>P/S</u>	N	N	N	N	N	DMC 17.203.250
<u>Marijuana Producer or Grow Site</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>CU +S</u>	<u>N</u>	<u>P/S</u>	<u>N</u>	<u>N</u>	<u>P/S</u>	<u>P/S</u>	<u>DMC 17.203.250</u>
<u>Marijuana Processor</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>CU +S</u>	<u>N</u>	<u>P/S</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>DMC 17.203.250</u>
<u>Marijuana Wholesaler</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>CU +S</u>	<u>N</u>	<u>P/S</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>DMC 17.203.250</u>
<u>Marijuana Testing Laboratory or Research Certificate</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>P/S</u>	<u>N</u>	<u>P/S</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>DMC 17.203.250</u>

17.203.250 Marijuana dispensary in a commercial zone facilities.

A. Purpose. The purpose of these standards are to add time, place, and manner regulations for marijuana facilities in accordance with OAR 845-025 and OAR 333-008. All terminology shall have the same meaning as found in the OAR.

B. Marijuana dispensaries dispensary and retail facilities are allowed in the C and CBD zones, provided all of the following are met:

- A. 1. The dispensary Must be licensed or registered with the state of Oregon and must meet all provisions of Oregon law.
- B. 2. The dispensary Must be located at least 1,000 feet from any park or a public or private elementary, secondary, or career school. elementary, secondary, or parochial school attended primarily by minors, or from another marijuana dispensary or retail facility.
- 3. Must be located on a lot or parcel with frontage along Oregon Highway 99W.
- 4. Drive-through service and walk-up service windows are prohibited.
- 5. Must be located in an enclosed permanent building. Marijuana or marijuana product shall not be visible from the public right-of-way.
- 6. The facility shall confine all marijuana odors and other objectionable odors to levels undetectable at the property line.

C. Non-Retail Marijuana Facilities: Producers and Grow Sites; Processors; Wholesalers; Testing Laboratories; Research Certificate Facilities. These facilities are permitted as listed in Table 17.202.020, and are subject to the following standards:

- 1. Outdoor production facilities shall not be located within 100 feet of a residential zone.
- 2. Processors with an endorsement to extract are prohibited from locating within a commercial zone.
- 3. Facilities shall confine all marijuana odors and other objectionable odors to levels undetectable at the property line.
- 4. The floor area for non-retail marijuana facilities located in a commercial zone shall not exceed 5,000 square feet.

17.501.020 Definitions

“Marijuana dispensary facility” means any facility licensed or registered by the state of Oregon and in compliance with all provisions of Oregon law, including medical marijuana dispensary, grower, and processor, and recreational marijuana producer, processor, wholesaler, and retailer, and marijuana testing laboratory or research certificate facility. All terminology and definitions mean the same as in OAR 845-025 and OAR 333-008.

PUBLIC TESTIMONY:

No written public testimony has been received; the Planning Commission heard oral testimony, which is summarized in the 2/17/16 Planning Commission minutes.

RECOMMENDATION:

At the April 5, 2016, public hearing the City Council should:

1. Consider the Planning Commission Order of Recommendation;
2. Consider public testimony;
3. Deliberate and make findings showing that the proposal is consistent with city and state policies.
Tentative findings are shown in Exhibit "A" of Ordinance No. 545-2016.
4. Vote to adopt Ordinance No. 545-2016.

ORDER OF RECOMMENDATION
DUNDEE PLANNING COMMISSION
FILE NO. LURA 16-01

AN ORDER RECOMMENDING THAT CITY COUNCIL ADOPT AMENDMENTS TO THE DUNDEE
DEVELOPMENT CODE TO ADD REGULATIONS FOR MARIJUANA FACILITIES

RECITALS:

1. The Oregon Legislature enacted four bills during the 2015 legislative session related to the Oregon Medical Marijuana Act and Measure 91: House Bill (HB) 3400 was the omnibus bill covering recreational marijuana and modifications to the medical marijuana program; HB 2014 addressed taxes on the sale of recreational marijuana; SB 460 related to limited retail sales of marijuana from medical marijuana dispensaries; and SB 844 enacted a task force to research the medical and public health properties of cannabis. In addition, the Oregon Liquor Control Commission adopted temporary Oregon Administrative Rules (OAR) in Chapter 845, Division 25 to govern the recreational marijuana program (final draft dated November 20, 2015), and the Oregon Health Authority adopted temporary OAR Chapter 333, Division 8 for revisions to the medical marijuana program (dated September 22, 2015).
2. The City previously adopted rules for marijuana dispensaries, and now needs to adopt time, place, and manner regulations for medical marijuana growers and processors, and for recreational marijuana producers, processors, wholesalers, and retailers. This is a timely issue as the state will begin issuing licenses for medical marijuana growers and processors in March 2016, and for recreational marijuana growers and processors in April 2016. Licenses for recreational marijuana wholesalers and retailers are expected to be issued starting in July 2016.
3. The proposed amendments would permit recreational marijuana facilities as well as medical marijuana dispensaries in the Commercial (C) and Central Business District (CBD) zones of Dundee. In addition, the proposed Development Code amendments outright and conditionally permit marijuana producers, processors, wholesalers, and testing laboratories in various zones in accordance with the new state laws found in OAR 845-025 and OAR 333-008.
4. Notice of the Planning Commission hearing was published in the Newberg Graphic on February 3, 2016.

THE DUNDEE PLANNING COMMISSION ORDERS AS FOLLOWS:

1. The Planning Commission recommends that the Dundee City Council adopt the following Development Code amendments. Proposed additions to the Code are shown as underlined, deletions are shown as ~~strikethrough~~.

Table 17.202.020: Zoning Use Table		P: Permitted Use; CU: Conditional Use; S: Special Use Requirements Apply; N: Not Permitted									
Uses	Residential			Commercial and Employment			Public and Agriculture				Special Use Requirements
	R-1	R-2	R-3	C	CBD	LI	P	PO	A	EFU	
<u>Marijuana Uses</u>											
<u>Marijuana Dispensary or Retail Facility</u>	N	N	N	<u>P/S</u>	<u>P/S</u>	N	N	N	N	N	DMC 17.203.250
<u>Marijuana Producer or Grow Site</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>CU</u> <u>+S</u>	<u>N</u>	<u>P/S</u>	<u>N</u>	<u>N</u>	<u>P/S</u>	<u>P/S</u>	<u>DMC 17.203.250</u>
<u>Marijuana Processer</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>CU</u> <u>+S</u>	<u>N</u>	<u>P/S</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>DMC 17.203.250</u>
<u>Marijuana Wholesaler</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>CU</u> <u>+S</u>	<u>N</u>	<u>P/S</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>DMC 17.203.250</u>
<u>Marijuana Testing Laboratory or Research Certificate</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>P/S</u>	<u>N</u>	<u>P/S</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>DMC 17.203.250</u>

17.203.250 Marijuana dispensary in a commercial zone facilities.

A. Purpose. The purpose of these standards are to add time, place, and manner regulations for marijuana facilities in accordance with OAR 845-025 and OAR 333-008. All terminology shall have the same meaning as found in the OAR.

B. Marijuana dispensaries dispensary and retail facilities are allowed in the C and CBD zones, provided all of the following are met:

1. The dispensary Must be licensed or registered with the state of Oregon and must meet all provisions of Oregon law.

2. The dispensary Must be located at least 1,000 feet from any park or a public or private elementary, secondary, or career school, elementary, secondary, or parochial school attended primarily by minors, or from another marijuana dispensary or retail facility.

3. Must be located on a lot or parcel with frontage along Oregon Highway 99W.

4. Drive-through service and walk-up service windows are prohibited.

5. Must be located in an enclosed permanent building. Marijuana or marijuana product shall not be visible from the public right-of-way.

6. The facility shall confine all marijuana odors and other objectionable odors to levels undetectable at the property line.

C. Non-Retail Marijuana Facilities: Producers and Grow Sites; Processors; Wholesalers; Testing Laboratories; Research Certificate Facilities. These facilities are permitted as listed in Table 17.202.020, and are subject to the following standards:

1. Outdoor production facilities shall not be located within 100 feet of a residential zone.

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3. Facilities shall confine all marijuana odors and other objectionable odors to levels undetectable at the property line.

4. The floor area for non-retail marijuana facilities located in a commercial zone shall not exceed 5,000 square feet.

17.501.020 Definitions

"Marijuana dispensary facility" means any facility licensed or registered by the state of Oregon and in compliance with all provisions of Oregon law, including medical marijuana dispensary, grower, and processor, and recreational marijuana producer, processor, wholesaler, and retailer, and marijuana testing laboratory or research certificate facility. All terminology and definitions mean the same as in OAR 845-025 and OAR 333-008.

2. This order is based on the staff report, findings shown in Exhibit "A", and public testimony.

APPROVED BY THE DUNDEE PLANNING COMMISSION THIS 17th DAY OF FEBRUARY, 2016:

AYE: 7 NAY: 0 ABSTAIN: 0 ABSENT: 0

SIGNED: Michelle S. Kropf 2/29/16
Michelle Kropf Date
Planning Commission Chair

ATTEST: Robert Daykin 2/29/16
Robert Daykin Date
City Administrator

ATTACHED:
Exhibit A: Findings

Planning Commission Staff Report

TO: Dundee Planning Commission
 FROM: Jessica Pelz, AICP, Planner
 CC: Rob Daykin, City Administrator
 DATE: February 17, 2016
 SUBJECT: Development Code Amendments for Marijuana Rules – PC Order of Recommendation

Background

On March 19, 2014, Senate Bill (SB) 1531 was signed into law. SB 1531 gave local governments the ability to impose certain regulations and restrictions on the operation of medical marijuana dispensaries, including the ability to impose a moratorium for a period of time up until May 1, 2015, which Dundee did. Dundee adopted rules regulating medical marijuana dispensaries in April 2015 and now has one operating medical marijuana dispensary.

The Oregon Legislature enacted four bills during the 2015 legislative session related to the Oregon Medical Marijuana Act and Measure 91. House Bill (HB) 3400 was the omnibus bill covering recreational marijuana and modifications to the medical marijuana program. HB 2014 was enacted addressing taxes on the sale of recreational marijuana, SB 460 related to limited retail sales of marijuana from medical marijuana dispensaries, and SB 844 enacted a task force on researching the medical and public health properties of cannabis. In addition, the Oregon Liquor Control Commission adopted temporary Oregon Administrative Rules (OAR) in Chapter 845, Division 25 to govern the recreational marijuana program (final draft dated November 20, 2015), and the Oregon Health Authority adopted temporary OAR Chapter 333, Division 8 for revisions to the medical marijuana program (dated September 22, 2015).

The City now needs to adopt time, place, and manner regulations for medical marijuana growers and processors, and for recreational marijuana producers, processors, wholesalers, retailers, and laboratories. The city may consider combining the medical and recreational categories into one “marijuana facilities” category. This is a timely issue as the state will soon begin issuing licenses and registrations for all categories of medical and recreational marijuana activities. There are several attachments to this staff report with details about the various regulated marijuana activities in Oregon, the similarities and differences between the medical and recreational marijuana programs, and FAQs about recreational marijuana in Oregon.

The Planning Commission held a workshop to discuss the regulations and proposed amendments on January 20, 2016. **The Planning Commission will hold a public hearing to consider the proposed Development Code amendments and adopt an Order of Recommendation to the City Council on February 17, 2016.**

Proposed Development Code Amendments

Staff recommends creating the following uses under the heading of “marijuana uses”: Marijuana Dispensary or Retail Facility; Marijuana Producers or Grow Sites; Marijuana Processors; Marijuana Wholesalers; and Marijuana Testing Laboratory. In addition, the existing Development Code section 17.203.050, Marijuana dispensary in a commercial zone, would be amended to be inclusive of all of the marijuana categories. The Oregon Administrative Rules (OAR) heavily regulate all types of marijuana facilities, particularly with security requirements, but the city should still adopt time, place, and manner regulations specifying which zones the different marijuana facilities can operate in and any other regulations necessary for compatibility.

Proposed Amendments: Additions are shown as double underline, deletions are shown as ~~strikethrough~~.

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<u>Marijuana Producer or Grow Site</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>CU + S</u>	<u>N</u>	<u>P/S</u>	<u>N</u>	<u>N</u>	<u>P/S</u>	<u>P/S</u>	<u>DMC 17.203.250</u>
<u>Marijuana Processor</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>CU + S</u>	<u>N</u>	<u>P/S</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>DMC 17.203.250</u>
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<u>Marijuana Testing Laboratory or Research Certificate</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>P/S</u>	<u>N</u>	<u>P/S</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>DMC 17.203.250</u>

17.203.250 ~~Marijuana dispensary in a commercial zone.~~ facilities.

A. Purpose. The purpose of these standards are to add time, place, and manner regulations for marijuana facilities in accordance with OAR 845-025 and OAR 333-008. All terminology shall have the same meaning as found in the OAR.

B. Marijuana dispensaries ~~dispensary and retail facilities~~ are allowed in the C and CBD zones, provided all of the following are met:

- A. ~~1. The dispensary~~ Must be licensed or registered with the state of Oregon and must meet all provisions of Oregon law.
- B. ~~2. The dispensary~~ Must be located at least 1,000 feet from any ~~park or a public or private elementary, secondary, or career school, elementary, secondary, or parochial school attended primarily by minors, or from another marijuana dispensary or retail facility.~~
- 3. Must be located on a lot or parcel with frontage along Oregon Highway 99W.
- 4. Drive-through service and walk-up service windows are prohibited.
- 5. Must be located in an enclosed permanent building. Marijuana or marijuana product shall not be visible from the public right-of-way.
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Staff Recommendation

At the February 17, 2016 hearing, the Planning Commission should:

1. Consider the staff memo and any public testimony.
2. Deliberate and make findings showing that the proposal is consistent with city and state policies. Tentative findings are shown in Exhibit A of the Order of Recommendation.
3. Make a recommendation that the City Council adopt the proposed Development Code amendments. The Planning Commission recommendation would return to City Council for a public hearing on March 1, 2016.

Attachments

Planning Commission Order of Recommendation

Exhibit A: Findings

1. Planning Commission Memo, 1/20/16
2. Oregon’s seven regulated marijuana activities
3. Similarities & differences between medical and recreational marijuana programs
4. Recreational marijuana FAQ
5. OAR 845-025
6. OAR 333-008

CITY OF DUNDEE

Meeting: Planning Commission Meeting

Location: City Council Meeting Chambers
620 S.W. 5th Street
Dundee, Oregon 97115

Date: February 17, 2016

Time: 7:00 p.m.

I. Meeting called to order.

Vice-Chairman Michelle Kropf called the meeting to order. Commissioners present, which consisted of quorum, were Michelle Kropf, Francisco Stoller, Danny Sikkens, Isaiah Cox, Kevin Swanson, Dustin Swenson, Sara Whitfield. Staff members included City Administrator Rob Daykin and City Planner Jessica Pelz.

Members of the audience were Jim Maguire, Shelly and Troy Pigman, Margaret Shibel, Mary Jane Bachmeier Swanson, Shannon and Don Howland, Carl and Linda Miller, Geoff Sugerman, Alan and Alice Kluge, Kim Doades, Jeff and Lisa Peck, Terry and Debbie Newhouse, Tom Burns, Amy Caruso-Picker, Scott Bernhardt, Kathy Harris, Matthew Bilka, Noel Johnson, Jennifer Sitter, and Robin Sikkens.

II. Introduction of New Planning Commissioners

New commission members Dustin Swenson, Sara Whitfield, and Kevin Swanson were introduced.

III. Election of 2016 Chairman and Vice-Chairman

It was moved and seconded to nominate Commissioner Kropf as Chairman. Motion passed unanimously.

It was moved and seconded to nominate Commissioner Stoller as Vice-Chairman. Motion passed unanimously.

IV. Approval of Minutes from Previous Meeting(s)

It was moved and seconded to approve the minutes from the November 18, 2015 Planning Commission meeting. Motion passed unanimously.

V. Public Comment

There was no general comment from the audience; those in attendance were informed that there was a five minute time limit for public comments during the public hearing phase.

VI. Public Hearings

A) Appeal – MP 15-13, CA 15-20 Herbert

1. Objections to Notice

Chairman Kropf began by reading the statement of interest into record. She then questioned whether there were objections to notice. No objections were heard.

2. Objections to Jurisdiction

There were no objections to jurisdiction.

3. Declarations of Ex-Parte, Bias, or Conflict of Interest

There were no declarations of bias or conflict of interest. Commissioners Sikkens, Kropf, and Stoller declared ex-parte contact based on familiarity of property.

4. Staff Report

Planner Pelz read the staff report into record.

5. Proponents

The applicant, Richard Herbert, was not in attendance; there were no proponents.

6. Opponents

Alan Kluge, 209 SW Birch Street, spoke and stated that the appeal should not have been filed by Richard Herbert as he was not the original applicant of the partition. He also stated that the appeal did not address specific criteria. He concluded by stating that he agreed with the Administrative Decision.

Planner Pelz read in to record public comments received after the planning commission packet had been delivered. This included a letter from Kathy Harris and an email from Lynn and Randy Scott.

7. General Testimony

There was no general testimony.

8. Staff Recommendation

That Planning Commission consider the staff memo and public testimony; deliberate and make findings; and make a motion adopting the planning commission order which would deny the appeal of the partition decision and uphold the original decision of denial for a 3-lot partition at 400 SW 3rd Street.

9. Deliberation

Commissioner Cox stated that he had read the packet and it seemed there was a lot of contention, however he thought that the code spoke for itself.

Commissioner Swanson stated that it shouldn't be considered due to the property dispute. There was a general consensus for denial among the commissioners.

Chairman Kropf moved to deny. The motion was seconded and passed unanimously.

B) LURA 16-01, City of Dundee Marijuana Regulations

1. Objections to Notice

Chairman Kropf began by reading the statement of interest into record. She then questioned whether there were objections to notice. No objections were heard.

2. Objections to Jurisdiction

There were no objections to jurisdiction.

3. Declarations of Bias, or Conflict of Interest

Chairman Kropf asked if there were any Commissioners that needed to declare bias or abstain from the public hearing. She then stated that she had spoken with the Dundee Hills Wine Growers Association and various members of the public regarding the application.

She then asked a question about why the regulations regarding distance a facility needed to be from a park was not included in the proposed standards. Planner Pelz responded that this would be discussed during the public hearing phase.

4. Staff Report

Planner Pelz read the staff report into record.

Commissioner Swanson asked a question about the statement that the State would soon be issuing licenses, but he thought that there were already dispensaries selling recreationally. Planner Pelz responded yes they were, but that was only for a certain period of time. CA Daykin stated that the OLCC was late in formulating the rules and explained that they were worried about a black market forming so they allowed dispensaries that were already licensed to sell recreational. This law was effective to the end of 2016. He clarified that recreational and medical uses would not be allowed on the same property with the exception of this special circumstance ruling effective until the end of the year. Chairman Kropf stated that her understanding was that medical dispensaries could turn into recreational retail.

Planner Pelz continued with the staff report. She explained that the reason they took out the park provision was because the Planning Commission voted to opt out of the park regulation. City Council added it in. There was dissent from some commissioners that they did not opt out; it was clarified that the vote was in favor of taking it out even though there were some commissioners that objected.

Planner Pelz handed out maps showing potential locations based on current zoning guidelines and varying potential regulations. Chairman Kropf asked if the park provision could be added back in. The answer was that Planning Commission could recommend it to City Council.

Planner Pelz continued with the staff report (reading amended code provisions). She then explained the maps. CA Daykin added that the State would soon be issuing licenses. He informed the Commission that, if the City had not specified the zones where marijuana facilities were allowed, the current allowed uses in each zone would be looked at. For instance, a retail location could go in to any commercial zone.

Chairman Kropf asked again why the park distance regulation was taken out. CA Daykin explained that it went back to when the original recommendation was made to City Council the Planning Commission had voted to leave the regulation out. City Council put it in because they didn't like the idea of the Commercial area in the Riverside District being able to have these businesses. The "fix" was to limit the use to Highway 99W.

There was a question about why there was concern about keeping the Highway 99W regulation and adding the park distance regulation back in. CA Daykin and Planner Pelz responded that they were concerned that doing so regulated the uses out of the City. It was questioned about whether keeping the park regulation and the limitation to Highway 99W would still allow Chalice to operate. This was answered affirmatively.

It was noted that the closest park was Fortune Park and since it was separated by railroad tracks and a highway it seemed like having kids playing at the park being influenced by these types of business was limited. Chairman Kropf stated that there were sidewalks in town and that families and people cross them all the time to go to different parks and school. Commissioners started giving general agreement to this statement; Planner Pelz reminded them that this time was not for deliberation and they needed to move to public testimony.

5. General Testimony

Chairman Kropf called Jim McGuire to speak.

Mr. Maguire stated that he managed Hawkins Cellars. He was on Planning Commission in Hillsboro and they just went through this process. He stated he was not opposed to marijuana businesses but he would recommend putting operating hours into the code. He also said that it was a good idea to put "active use" parks in as opposed to a walking trail. Further, he stated that he did not want the dispensaries limited to Highway 99W and noted that Dundee was going to grow in the future and to take this into account when considering the parks regulation.

Mary Jane Buchmeier-Swanson, an employee of Dundee Elementary and a citizen who lives on SW 7th Street, talked about traffic coming down 9th and the concern about the increase if a marijuana facility should be allowed there (in the old Riteway building). She believed that there should be a traffic study if a business were proposed. Commissioner Stoller asked staff if a traffic study was required for a new business. Planner Pelz responded that this applied to businesses that might incur more than 40 trips during peak periods. She also

noted that it was zoned for business, it was a business, and that a business would go in again. She did note that if improvements were made to the building one of the requirements would be street improvements. Since it was a collector street this would likely include road and sidewalk enhancements.

Geoff Sugerman talked and stated that they had purchased the old Riteway building with the purpose of putting a medical or recreational business in. He acknowledged that the building was approximately 800-feet from Fortune Park. Mr. Sugerman stated that he liked the proposed regulations. He noted that there was a fire station in between them and the park and that there was no direct line of sight or direct access from the park. He felt that the location on the corner of SW 9th was the only other building that would be able to have a marijuana retail facility on Highway 99W. He addressed the concerns expressed that if another marijuana retail location came in to town would impact either the neighborhood or community. He did not feel this would happen with two marijuana retail shops in Dundee. He again noted that he liked the proposed regulations and hoped that they could remain as is, since they wanted to move in and become members of the community.

Commissioner Sawnsen asked if he had information that the current medical dispensary was going to go recreational. Mr. Sugerman stated that yes, he knew the owner of Chalice and the intent would be to go recreational. He also talked about an upcoming proposed law that would allow recreational to sell medical tax free. Commissioner Swanson also asked if he would be willing to do a traffic study to alleviate concerns. Mr. Sugarman responded that yes, they would be willing to do what the City asked of them. He also stated that they had already begun looking at possible improvements in order to upgrade the building and parking. Commissioner Swenson asked who the target customer base was— whether recreational or medical. Geoff answered that it was both. There was additional questioning about how many medical patients there were in Dundee and whether Chalice could not handle the customer base. Commissioner Stoller asked how much traffic they expected. Geoff responded that he believed it would be approximately 250 per day.

Tom Burns stated that he was here to represent as a part owner of a winery, Chapter 24, but that he'd also been asked to represent Chalice. He was also there as a parent. He stated that Dundee should stay winery; that's what they were known for. He stated that Geoff wanted to open a business on SW 9th Street, but he believed that SW 9th was more than just a corner in Dundee-- he believed it was a kind of gateway to wineries up in the hills. He stated that Chalice was a company of four dispensaries and four to five growth sites and then gave some history. As a parent, he encouraged his son to wander. He stated he would be concerned to have him wander past a marijuana retail location where the mystery of what went on behind the screened windows drew his attention.

Mr. Burns stated that he worked with the State of Oregon on the medical marijuana regulations and he would be happy to answer any questions about how they made decisions on what the regulations should be; he also noted after questioning that the laws were meant to mirror liquor regulations.

Shannon and Don Howland, residents at 211 SW 9th Street, stated that she wanted to have the 1000ft distance requirement from parks left in the code. She also liked the restriction to Highway 99W but thought that if something had "to

give" it should be that provision. She also stated that she would like to see operating hours in the code, and noted that although some properties had been changed to CBD with the recent zone changes the uses had not changed and some were still residential. She also stated that the fire station was nearby and that since it was a community use facility she objected to having that on one side of the street and a marijuana shop on the other.

Kim Doades, a resident at 948 SW Tomahawk Place, stated agreement with everything Shannon had stated. She said that she believed the parks distance requirement should be left in. She liked Dundee as a wine town. Further, she stated that she did not like the idea of her children possibly being intrigued by frosted windows.

Noel Johnson, a resident at 962 SW Tomahawk Place, agreed with a lot of what had been stated and agreed that the parks distance requirement should be left in the code. She also stated that she would like to see Dundee become the next Napa Valley.

Jennifer Sitter, a resident at 101 NW Brier Avenue, stated that she is pro-marijuana and pro-Chalice but has a concern with having another dispensary in Dundee. She believed that having two dispensaries in such a small town was unnecessary. As a member of the tourism committee she was concerned about having a business on the corner of SW 9th Street because she also saw it as a gateway to the wine country. Finally, she believed the distance to parks requirement should be kept in the code.

Debbie Newhouse, resident at 826 SW View Crest Drive, stated that she moved here because of the wine persona and she didn't want to have to say "turn at the pot shop" when she gave directions to friends on how to get to her house; she was also concerned about traffic. She believed that one retail marijuana store was enough.

The public testimony was closed.

7. Staff Recommendation

Planner Pelz gave final comments – reason took out park provision was because of City Council's "intent" which was to avoid dispensaries in the Riverside area. There were questions from the Commission about why the Riverside was being excluded but Highway 99W was not. They questioned if keeping the provision for parks and adding the requirement to be on Highway 99W would still meet the intent of Council to keep these types of businesses out of the Riverside. Planner Pelz and CA Daykin responded affirmatively, that this would keep them out of the Riverside.

Planner Pelz also responded to traffic concerns on SW 9th street by reiterating that the location was zoned for commercial use and that any business that moved in would generate traffic and a need for parking. She noted that precluding a specific type of business from going there does not prevent from another business from going in.

Planner Pelz gave the staff recommendation is to recommend City Council adopt the revisions as presented. She then explained the process of deliberation and motion.

8. Deliberation

There were questions about how long ago the zoning along Highway 99W had been changed; what the expected conversion rate (use to use) was; and, whether a new business coming in could change the zoning.

The Commissioners then went around the table to find out the views of each Commissioner. The majority were in favor of keeping the parks distance requirement in the code. A question arose during discussion concerning where another marijuana facility could go if the Highway 99W provision was left in. CA Daykin suggested the Commission try not to focus on specific properties because they were adopting regulations governing a whole list of uses and not a specific business.

Chairman Kropf asked if it was staff's concern that the State would come back and contest the regulations. CA Daykin answered that it was more that a person would appeal to the State.

Commissioner Stoller stated that he was struggling with keeping the parks provision in because doing so felt like a specific business was being targeted. He then asked if, for instance, a retail sex shop could go in at that location. Planner Pelz stated that they could not choose what businesses operate. He did not feel it was his job as a Commissioner to put something in the code to stop a specific business from going in. There was discussion regarding this viewpoint among the Commissioners.

CA Daykin asked if there were any other issues besides the buffer zone from Parks that needed to be discussed. There was a brief conversation about whether operating hours needed to be set. The general consensus was that the State would be governing this area and the hours would likely change, possibly several times, as the State ironed out the rules.

It was moved and seconded to include the 1000ft. buffer in the regulations. The motion was seconded. Motion passed 6-1.

There was a question about whether streets should be discussed and whether regulations could be added. It was noted that this could not be done at this meeting since it was not related to marijuana regulations specifically.

It was moved to adopt the Planning Commission Order of Recommendation recommending that City Council adopt amendments to the Dundee Development Ordinance to add recommendations for marijuana facilities as amended to include the 1000ft from Parks buffer. Motion was seconded. Motion carries unanimously.

Planner Pelz stated that the next step would be for the public hearing at City Council. CA Daykin stated that the date had not been set yet. There was a question about how far in advance notice would be given. CA Daykin responded 10 days.

The Commission asked whether the property owner and applicant were noticed (Herbert). CA Daykin and Planner Pelz both responded yes and that he had been communicated with, but were unsure about why they were not in attendance.

V. Planning Issues from Commission Members.

Commissioner Sikkens questioned if safety on feeder streets could be discussed. Planner Pelz asked what kinds of things he was thinking about. Commissioner Sikkens responded that he believed that the property owners should be obligated to make improvements. CA Daykin stated through various land use processes the City was sometimes able to add these requirements, but it depended on the type of improvements being made to the site. The improvements required had to be consistent with the amount of work being done. It was asked how the City would know if businesses were doing what they needed to do. Planner Pelz answered that it was done through a land use application and overseen by the Planning Department.

There was additional discussion about traffic regulations, ODOT requirements, traffic lights, crosswalks, and signs. There was a question about whether there was anything citizens could do—letters to the editor, etc.—to implore ODOT to complete improvements they had proposed. CA Daykin stated that ODOT needed to find the funds.

There was a question about the "End School Zone" signs on Highway 99W. It was pointed out that only one side (direction) had this sign. CA Daykin stated he would bring it to ODOT's attention.

CA Daykin talked about the upcoming Riverside District planning and the expectation that it would be coming to the Commission for workshops in the spring.

There was discussion about the progress of turning the sewer lagoon property in to a Park. CA Daykin responded that this was still a plan but it largely revolved around money. He also noted that at this time they were being used for the excessive rainfall, which is putting decommissioning the lagoons behind schedule.

VI. Adjournment

It was moved and seconded to adjourn the meeting. Motion carries, unanimously.

Michelle Kropf, Chairman

ATTEST:

Melody Osborne, Planning Secretary

Memorandum

TO: Dundee Planning Commission
FROM: Jessica Pelz, AICP, Planner
CC: Rob Daykin, City Administrator
DATE: January 20, 2016
SUBJECT: Development Code Amendments for Marijuana Rules - Workshop

Background

On March 19, 2014, Senate Bill (SB) 1531 was signed into law. SB 1531 gave local governments the ability to impose certain regulations and restrictions on the operation of medical marijuana dispensaries, including the ability to impose a moratorium for a period of time up until May 1, 2015, which Dundee did. Dundee adopted rules regulating medical marijuana dispensaries in April 2015 and now has one operating medical marijuana dispensary.

The Oregon Legislature enacted four bills during the 2015 legislative session related to the Oregon Medical Marijuana Act and Measure 91. House Bill (HB) 3400 was the omnibus bill covering recreational marijuana and modifications to the medical marijuana program. HB 2014 was enacted addressing taxes on the sale of recreational marijuana, SB 460 related to limited retail sales of marijuana from medical marijuana dispensaries, and SB 844 enacted a task force on researching the medical and public health properties of cannabis. In addition, the Oregon Liquor Control Commission adopted temporary Oregon Administrative Rules (OAR) in Chapter 845, Division 25 to govern the recreational marijuana program (final draft dated November 20, 2015), and the Oregon Health Authority adopted temporary OAR Chapter 333, Division 8 for revisions to the medical marijuana program (dated September 22, 2015).

The City now needs to adopt time, place, and manner regulations for medical marijuana growers and processors, and for recreational marijuana producers, processors, wholesalers, and retailers. This is a timely issue as the state will begin issuing licenses for medical marijuana growers and processors in March 2016, and for recreational marijuana growers and processors in April 2016. Licenses for recreational marijuana wholesalers and retailers are expected to be issued starting in July 2016. There are several attachments to this memo with details about the various regulated marijuana activities in Oregon, the similarities and differences between the medical and recreational marijuana programs, and FAQs about recreational marijuana in Oregon.

This is a workshop for the Planning Commission on the new state rules. The Planning Commission will hold a public hearing to consider proposed Development Code amendments and make a recommendation to the City Council on February 17, 2016.

Attachments

1. Oregon's seven regulated marijuana activities
2. Similarities & differences between medical and recreational marijuana programs
3. Recreational marijuana FAQ
4. OAR 845-025
5. OAR 333-008

Medical Marijuana

Medical marijuana is regulated by OAR 330-008, which has rules for dispensaries and growers, but not yet for processors. These sections are excerpts from OAR 330-008, and the full text can be found in Attachment 1.

333-008-0010 Definitions

- (9) "Grow site" means a specific location registered by the Authority used by the grower to produce marijuana for medical use by a specific patient.
- (11) "Grower" has the same meaning as "person responsible for a marijuana grow site."
- (15) "Medical marijuana facility" is a facility, registered by the Authority, under OAR 333-008-1050.
- (24) "Production" includes the manufacture, planting, cultivation, growing or harvesting of a controlled substance.

333-008-0025 Marijuana Grow Site Registration

(1) A patient may register a marijuana grow site with the Authority. The address of a medical marijuana facility may not be listed by a patient on the application as the location of the marijuana grow site. The Authority will register only one grow site per patient, and will only register grow sites in Oregon.

...

(7) All usable marijuana, plants, seedlings and seeds, associated with the production of marijuana for a patient by a grower, are the property of the patient and must be provided to the patient, or, if the marijuana is usable marijuana or an immature marijuana plant, transferred to a registered medical marijuana facility, upon request.

...

(11) A grower may produce marijuana for no more than four patients or designated primary caregivers concurrently.

(12) The Authority may not register a grow site if the location of the grow site is the same location as a medical marijuana facility.

333-008-0080 Permissible Amounts of Medical Marijuana

(1) A patient or the patient's designated primary caregiver may possess up to six mature marijuana plants, 24 ounces of usable marijuana, and a patient and the patient's designated primary caregiver may possess a combined total of up to 18 marijuana seedlings or starts.

...

(3) A grower:

(a) May produce marijuana for and provide marijuana to a patient or that person's designated primary caregiver as authorized under ORS 475.300 through 475.346 and these rules;

(b) May possess up to six mature plants and up to 24 ounces of usable marijuana for each patient or designated primary caregiver for whom marijuana is being produced;

(c) May possess up to 18 marijuana seedlings or starts for each patient for whom marijuana is being produced.

(4) A grower may produce marijuana for no more than four patients or designated primary caregivers concurrently.

...

HB 3400 contains language on medical marijuana processing sites. At this time staff has not identified any OAR language regarding medical marijuana processing sites. The HB does contain guidance that processors may not be in a residentially zoned areas. See recreational marijuana processing further in this memo for more guidance.

QUESTIONS: In which zones should medical marijuana growing and processing operations be permitted and/or conditional uses? Should the city allow both indoor and outdoor production? Should the city adopt rules for

marijuana growers/producers and processors, etc., that are across the board and applicable to both medical and recreational operations?

DISCUSSION: The city may want to consider adopting general rules for growers/producers, processors, etc. that are applicable to both medical and recreational marijuana. The rationale for this would be that the state rules are heavily regulating all types, so if the city regulates the time, place, and manner of a marijuana use, that use would still have to comply with all of the further detailed regulations in the OAR.

Recreational Marijuana

Here is a summary of the draft OAR 845-025 rules for all recreational marijuana licenses and for each type of recreational marijuana category (producers, processors, wholesalers, and retailers). These sections are excerpts from OAR 845-025, and the full text can be found in Attachment 1.

General Requirements Applicable to All Marijuana Licenses (excerpted and emphasis added):

845-025-1230 Licensed Premises Restrictions and Requirements

(1) A **licensed premises** may not be located:

- (a) On federal property; or
- (b) At the same physical location or address as a:
 - (A) Medical marijuana grow site registered under ORS 475.304, unless the grow site is also licensed under section 116, chapter 614, Oregon Laws 2015;
 - (B) Medical marijuana processing site registered under section 85, chapter 614, Oregon Laws 2015; or
 - (C) Medical marijuana dispensary registered under ORS 475.314.
 - (D) Liquor licensee licensed under ORS Chapter 471 or as a retail liquor agent appointed by the Commission.

(2) The licensed premises of a **producer** applicant may not be on:

- (a) Public land; or
- (b) The same tax lot or parcel as another producer licensee under common ownership.

(3) The licensed premises of a **retailer** may not be located:

- (a) Within 1,000 feet of:
 - (A) A public elementary or secondary school for which attendance is compulsory under ORS 339.020; or
 - (B) A private or parochial elementary or secondary school, teaching children as described in ORS 339.030.
- (b) In an area that is zoned exclusively for residential use.

(4) The licensed premises of a **processor** who has an endorsement to process extracts may not be located in an area that is zoned exclusively for residential use.

(5) The licensed premises of a **processor, wholesaler, laboratory and retailer** must be enclosed on all sides by permanent walls and doors.

...

(16) A licensee may not sublet any portion of a licensed premises.

...

Note: the House Bill also contained language specifying that cities could not require retailers to be more than 1000 feet from each other. This is not yet in the draft rules, but the rules are classified as "temporary" at this point and may change in order to fully implement the legislation.

QUESTIONS/ACTIONS NEEDED: HB 3400 modified the definition for schools to redefine public primary and secondary schools and provide a definition for private and parochial schools. We will need to amend our current definitions to comply with the changed definition of schools. We will also need to add definitions to address these new uses.

These are the definitions from **OAR 845-025**:

(29) "Marijuana processor" means a person who processes marijuana items in this state.

(40) "Processes":

(a) "Processes" means the processing, compounding or conversion of marijuana into cannabinoid products, cannabinoid concentrates or cannabinoid extracts;

(b) "Processes" does not include packaging or labeling.

(30) "Marijuana producer" means a person who produces marijuana in this state.

(43) "Produces":

(a) "Produces" means the manufacture, planting, cultivation, growing or harvesting of marijuana.

(b) "Produces" does not include:

(A) The drying of marijuana by a marijuana processor, if the marijuana processor is not otherwise producing marijuana; or

(B) The cultivation and growing of an immature marijuana plant by a marijuana processor, marijuana wholesaler or marijuana retailer if the marijuana processor, marijuana wholesaler or marijuana retailer purchased or otherwise received the plant from a licensed marijuana producer.

(31) "Marijuana retailer" means a person who sells marijuana items to a consumer in this state.

(32) "Marijuana wholesaler" means a person who purchases marijuana items in this state for resale to a person other than a consumer.

These are Dundee's current definitions:

17.501.020 Definitions

"Marijuana dispensary" means any facility registered by the state of Oregon and in compliance with all provisions of Oregon law.

"School, career" means any private proprietary professional, technical, business or other school instruction, organization or person that offers any instruction or training for the purpose or purported purpose of instructing, training or preparing persons for any profession at a physical location attended primarily by minors.

"School, college or vocational" means an institution offering post-secondary instruction primarily to adults, usually working toward a diploma, degree, or certificate.

"School, commercial" means a business that provides instruction to children or adults for a fee or other compensation, such as a music school or dancing school, where the instruction is normally beyond basic educational requirements for a high school diploma, post-secondary degree, or equivalent.

"School, elementary or secondary" means an institution offering instruction in the several branches of learning and study, in accordance with the rules and regulations of the State Department of Education, including grades kindergarten through 12.

Proposed definition: "School, elementary or secondary" means a category of uses that includes public and private schools, secular or parochial, at the primary, elementary, middle, junior high, or high school level that provide state mandated basic education primarily to minors, and including grades kindergarten through 12.

Recreational Marijuana Producers (Growers) (excerpted and emphasis added):

845-025-1470 Producer Security Requirements

(1) In addition to the security requirements in OAR 845-025-1400 to 845-025-1460, a producer must effectively prevent public access and obscure from public view all areas of marijuana production. A producer may satisfy this requirement by:

- (a) Submitting a security plan as described in OAR 845-025-1400;
- (b) Fully enclosing indoor production on all sides so that no aspect of the production area is visible from the exterior satisfies; or
- (c) Erecting a solid wall or fence on all exposed sides of an outdoor production area that is at least eight (8) feet high.

(2) If a producer chooses to dispose of usable marijuana by any method of composting, as described in OAR 845-025-7750, the producer must prevent public access to the composting area and obscure the area from public view.

845-025-2000 Definitions

As used in OAR 845-025-2000 to 845-025-2080:

- (1) "Canopy" means the surface area utilized to produce mature marijuana plants calculated in square feet and measured using the outside boundaries of any area that includes mature marijuana plants including all of the space within the boundaries.
- (2) "Indoor production" means producing marijuana in any manner:
 - (a) Utilizing artificial lighting on mature marijuana plants; or
 - (b) Other than "outdoor production" as that is defined in this rule.
- (3) "Outdoor production" means producing marijuana:
 - (a) In an expanse of open or cleared ground; or
 - (b) In a greenhouse, hoop house or similar non-rigid structure that does not utilize any artificial lighting on mature marijuana plants, including but not limited to electrical lighting sources.

845-025-2020 Producer Privileges

(1) A producer may only plant, cultivate, grow, harvest and dry marijuana in the manner approved by the Commission and consistent with chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2015 and these rules.

(2) A producer may engage in indoor or outdoor production of marijuana, or a combination of the two.

(3) A producer may sell or deliver:

- (a) Usable marijuana to the licensed premises of a marijuana processor, wholesaler, retailer, laboratory, or research certificate holder;
- (b) Dried mature marijuana plants that have been entirely removed from any growing medium to the licensed premises of a marijuana processor or research certificate holder; or
- (c) Immature marijuana plants and seeds to the licensed premises of a marijuana producer, wholesaler, retailer or research certificate holder.

(4) A producer may not sell a mature marijuana plant other than as provided in section (3)(b) of this rule.

(5) A producer may provide a sample of usable marijuana to a marijuana wholesaler, retailer or processor licensee for the purpose of the licensee determining whether to purchase the product. The sample product may not be consumed on a licensed premises. Any sample provided to another licensee must be recorded in CTS.

845-025-2030 Licensed Premises of Producer

(1) The licensed premises of a producer authorized to cultivate marijuana indoors includes all public and private enclosed areas used in the business operated at the location and any areas outside of a building that the Commission has licensed.

(2) The licensed premises of a producer authorized to cultivate marijuana outdoors includes the entire lot or parcel, as defined in ORS 92.010, that the licensee owns, leases or has the right to occupy.

(3) A producer may not engage in any privileges of the license within a primary residence.

(4) The licensed premises of a producer may not be located at the same physical location or address as a marijuana grow site registered under ORS 475.304 unless the producer is also a person responsible for a marijuana grow site and has been issued a license by the Commission in accordance with section 116, chapter 614, Oregon Laws 2014, and OAR 845-025-1100.

845-025-2040 Production Size Limitations

(1) Cultivation Batches and Cultivate Batch Sizes.

(a) A producer must establish cultivation batches and assign each cultivation batch a unique identification number.

(b) A cultivation batch may not have more than 100 immature plants.

(c) A producer may have an unlimited number of cultivation batches at any one time.

(2) Canopy Size Limits.

(a) Indoor Production.

(A) Tier I: Up to 5,000 square feet.

(B) Tier II: 5,001 to 10,000 square feet.

(b) Outdoor production.

(A) Tier I: Up to 20,000 square feet.

(B) Tier II: 20,001 to 40,000 square feet.

(c) Mixed production. If a producer intends to have a mixture of indoor and outdoor production the Commission will determine the producer's tiers and canopy sizes by applying the ratio in section (4) of this rule.

(d) For purposes of this section, square footage of canopy space is measured starting from the outermost point of the furthest mature flowering plant in a designated growing space and continuing around the outside of all mature flowering plants located within the designated growing space.

(e) A producer may designate multiple grow canopy areas at a licensed premises but those spaces must be separated by a physical boundary such as an interior wall or by at least 10 feet of open space.

(f) If a local government adopts an ordinance that would permit a producer to have a higher canopy size limit than is permitted under this rule, the local government may petition the Commission for an increase in canopy size limits for that jurisdiction. If the Commission grants such a petition, the Commission may amend this rule in addition to considering changes to the license fee schedule.

(g) On an annual basis, the Commission will evaluate market demand for marijuana items, the number of person applying for producer licenses or licensed as producers and whether the availability of marijuana items in this state is commensurate with the market demand. Following this evaluation the Commission may amend this rule as needed.

...

845-025-2400 Medical Marijuana Grow Site Opt-In

(1) For purposes of this rule:

(a) "Grower" means a person responsible for a marijuana grow site as that term is defined in OAR 333-008-0010.

(b) "Grow site" has the meaning given that term in OAR 333-008-0010.

(c) "Patient" has the same meaning given that term in OAR 333-008-0010.

(2) A grower may apply for a producer license to produce marijuana at the same location as a grow site only if all growers producing marijuana at that address are listed on the application.

(3) In addition to the requirements of OAR 845-025-1030, the applicants must provide proof that each patient for whom the applicants are producing marijuana at the grow site proposed to be licensed has granted permission for the applicants to apply for a license and sell excess usable marijuana and immature plants to licensees of the Commission.

(4) If the Commission approves the application and issues a producer license, the licensees may not possess more than the amount of usable marijuana or marijuana plants permitted under ORS 475.300 to 475.346 unless the licensed premises ceases to be registered as a grow site with the Oregon Health Authority (OHA).

(5) If the licensed premises ceases to be registered as a grow site with the Oregon Health Authority, the licensee must notify the Commission within 5 days and provide proof that no growers or patients are registered by OHA at the licensed premises.

(6) A licensee licensed under this rule must record in CTS within five days of initial licensure, all mature and immature marijuana plants and usable marijuana on the licensed premises.

(7) A producer, licensed under this rule:

(a) Is subject to these rules with the exception of OAR 845-025-2060;

(b) Must comply with the duties, functions and powers of a grower under ORS 475.300 to 475.346 and any rule adopted thereunder, except that a grower is not subject to OHA's requirements related to the reporting or tracking of mature marijuana plants and usable marijuana;

(c) May sell usable marijuana or immature plants in excess of amounts produced for a patient, to other licensees, in accordance with these rules; and

(d) May, notwithstanding section 6, chapter 614, Oregon Laws 2015, transfer marijuana and usable marijuana to other registrants under ORS 475.300 to 475.346 in accordance with any rules adopted by the OHA.

QUESTIONS: In which zones should recreational marijuana producing operations be permitted and/or conditional uses? Should the city allow both indoor and outdoor production?

DISCUSSION: This could be considered similar to a greenhouse or nursery operation. The state rules include a requirement that any outdoor growing is secured by an 8 feet tall solid fence or wall. The only zone that would currently be allowed in would be the LI zone, which doesn't have fence height limits.

Recreational Marijuana Retailers (excerpted and emphasis added):**845-025-2800 Retailer Privileges**

A retailer is the only licensee that is authorized to sell a marijuana item to a consumer 21 years of age or older.

845-025-2820 Retailer Operational Requirements**(1) A retailer may:**

- (a) Only receive marijuana items from a producer, wholesaler, processor or laboratory;
- (b) Only sell marijuana items to a consumer from the licensed premises, unless sale is made pursuant to a bona fide order as described in OAR 845-025-2880;
- (c) Only sell up to the following amounts at any one time to a consumer within one day:
 - (A) One ounce of usable marijuana;
 - (B) 16 ounces of a cannabinoid product in solid form;
 - (C) 72 ounces of a cannabinoid product in liquid form;
 - (D) Five grams of cannabinoid extracts or concentrate, whether sold alone or contained in an inhalant delivery system;
 - (E) Four immature marijuana plants; and
 - (F) Ten marijuana seeds;
- (d) Refuse to sell marijuana items to a consumer; and
- (e) Only sell to consumers between the hours of 7:00 a.m. and 10 p.m. local time.

(2) A retailer may not:

- (a) Provide free samples of a marijuana item to a consumer;
 - (b) Sell or give away pressurized containers of butane or other materials that could be used in the home production of marijuana extracts;
 - (c) Require a consumer to purchase other products or services as a condition of purchasing a marijuana item or receiving a discount on a marijuana item;
 - (d) Sell a marijuana item for less than the cost of acquisition;
 - (e) Provide coupons or offer discounts, except that uniform volume discounts are permitted;
 - (f) Permit consumers to be present on the licensed premises or sell to a consumer between the hours of 10:00 p.m. and 7:00 a.m. local time the following day; or
 - (g) Sell any product derived from industrial hemp, as that is defined in ORS 571.300, that is intended for human consumption, ingestion, or inhalation, unless it has been tested, labeled and packaged in accordance with these rules.
- (3) A retailer's pricing on marijuana items must remain consistent during each day.
- (4) Prior to completing the sale of a marijuana item to a consumer, a retailer must verify that the consumer has a valid, unexpired government-issued photo identification and must verify that the consumer is 21 years of age or older by viewing the consumer's:
- (a) Passport;
 - (b) Driver license, whether issued in this state or by any other state, as long as the license has a picture of the person;
 - (c) Identification card issued under ORS 807.400;
 - (d) United States military identification card; or
 - (e) Any other identification card issued by a state that bears a picture of the person, the name of the person, the person's date of birth and a physical description of the person.
- (5) Marijuana items offered for sale by a retailer must be stored in such a manner that the items are only accessible to authorized representatives until such time as the final sale to the consumer is completed.
- (6) For purposes of this rule, "coupon" means any coupon, ticket, certificate token or any other material that a person may use to obtain a price reduction or rebate in connection with the acquisition or purchase of a marijuana item.

845-025-2840 Retailer Premises**(1) The licensed premises of a retailer:**

- (a) May not be located in an area that is zoned exclusively for residential use.

(b) May not be located within 1,000 feet of:

(A) A public elementary or secondary school for which attendance is compulsory under ORS 339.020; or

(B) A private or parochial elementary or secondary school, teaching children as described in ORS 339.030.

(c) Must be enclosed on all sides by permanent walls and doors.

(2) A retailer must post in a prominent place signs at every:

(a) Point of sale that read:

(A) "No Minors Permitted Anywhere on the Premises"; and

(B) "No On-Site Consumption".

(b) Exit from the licensed premises that reads: "Marijuana or Marijuana Infused Products May Not Be Consumed In Public".

(3) A retailer must designate a consumer sales area on the licensed premises where consumers are permitted. The area shall include the portion of the premises where marijuana items are displayed for sale to the consumer and sold and may include other contiguous areas such as a lobby or a restroom. The consumer sales area is the sole area of the licensed premises where consumers are permitted.

(4) All inventory must be stored on the licensed premises.

(5) For purposes of determining the distance between a retailer and a school referenced in subsection (1)(b) of this rule, "within 1,000 feet" means a straight line measurement in a radius extending for 1,000 feet or less in any direction from the closest point anywhere on the boundary line of the real property comprising a school to the closest point of the licensed premises of a retailer. If any portion of the licensed premises is within 1,000 feet of a school as described subsection (1)(b) of this rule an applicant will not be licensed.

QUESTIONS: In which zones should recreational marijuana retailers be permitted and/or conditional uses?

DISCUSSION: Dundee currently allows marijuana dispensaries as a permitted use in the C and CBD zones. The new state rules specify operating hours for retail marijuana establishments, where the previous medical marijuana dispensary rules did not.

17.203.250 Marijuana dispensary in a commercial zone.

Marijuana dispensaries are allowed in the C and CBD zones, provided all of the following are met:

A. The dispensary must be registered with the state of Oregon and must meet all provisions of Oregon law.

B. The dispensary must be located at least 1,000 feet from any park or a public or private elementary, secondary, or career school.

Recreational Marijuana Processors (excerpted and emphasis added):

845-025-3210 Endorsements

(1) A marijuana processor may only process and sell cannabinoid products, concentrates or extracts if the processor has received an endorsement from the Commission for that type of processing activity.

Endorsements types are:

(a) Cannabinoid edible processor;

(b) Cannabinoid topical processor;

(c) Cannabinoid concentrate processor; and

(d) Cannabinoid extract processor.

(2) An applicant must request an endorsement upon submission of an initial application but may also request an endorsement at any time following licensure.

(3) In order to apply for an endorsement an applicant or processor licensee must submit a form prescribed by the Commission that includes a description of the type of products to be processed, a description of equipment to be used, and any solvents, gases, chemicals or other compounds proposed to be used to create extracts or concentrates.

(4) Only one application and license fee is required regardless of how many endorsements an applicant or licensee requests or at what time the request is made.

(5) An individual processor licensee may hold multiple endorsements.

(6) For the purposes of endorsements any cannabinoid product that is intended to be consumed orally is considered a cannabinoid edible.

(7) If a processor is no longer going to process the product for which the processor is endorsed the processor must notify the Commission in writing and provide the date on which the processing of that product will cease.

(8) The Commission may deny a processor's request for an endorsement if the processor cannot or does not meet the requirements in OAR 845-025-3200 to 845-025-3290 for the endorsement that is requested. If the Commission denies approval the processor has a right to a hearing under the procedures of ORS chapter 183.

845-025-3220 General Processor Requirements

(1) A processor must:

(a) Use equipment, counters and surfaces for processing that are food-grade and do not react adversely with any solvent being used.

(b) Have counters and surface areas that are constructed in a manner that reduce the potential for development of microbials, molds and fungi and that can be easily cleaned.

(c) Maintain the licensed premises in a manner that is free from conditions which may result in contamination and that is suitable to facilitate safe and sanitary operations for product preparation purposes.

(d) Store all marijuana items not in use in a locked area, including products that require refrigeration in accordance with OAR 845-025-1410.

(e) Assign every process lot a unique identification number and enter this information into CTS.

(2) A processor may provide a sample of a cannabinoid product, concentrate or extract to a marijuana wholesaler or retailer for the purpose of the wholesaler or retailer licensee determining whether to purchase the product but the product may not be consumed on a licensed premises. Any sample provided to another licensee must be recorded in CTS.

(3) A processor may not process or sell a marijuana item:

(a) That by its shape and design is likely to appeal to minors, including but not limited to:

(A) Products that are modeled after non-cannabis products primarily consumed by and marketed to children; or

(B) Products in the shape of an animal, vehicle, person or character.

(b) That is made by applying cannabinoid concentrates or extracts to commercially available candy or snack food items.

845-025-3250 Cannabinoid Edible Processor Requirements

(1) A cannabinoid edible processor may only process in a food establishment licensed by the Oregon Department of Agriculture (ODA) and must comply with the applicable provisions of OAR 603, Division 21, Division 22, Division 24, Division 25, with the exception of OAR 603-025-0020(17) and Division 28.

(2) A cannabinoid edible processor may not:

- (a) Engage in processing in a location that is operating as a restaurant, seasonal temporary restaurant, intermittent temporary restaurant, limited service restaurant, single-event temporary restaurant, commissary, mobile unit, bed or breakfast, or warehouse licensed under ORS 624;
- (b) Share a food establishment with a person not licensed and endorsed by the Commission as a cannabinoid edible processor;
- (c) Process food intended for commercial sale that does not contain cannabinoids, at the licensed premises; or
- (d) Use a cannabinoid concentrate or extract to process food unless that concentrate or extract was made by a processor licensed by the ODA under ORS 616.706.

(3) A cannabinoid edible processor may share a food establishment with another cannabinoid edible processor if:

(a) The schedule, with specific hours and days that each processor will use the food establishment, is prominently posted at the entrance to the food service establishment and has been approved by the Commission:

(A) The schedule must be submitted to the Commission in writing and will be approved if it demonstrates that use of a shared food establishment by multiple cannabinoid edible processors does not create an increased compliance risk.

(B) A processor licensee may only change the schedule with prior written approval from the Commission.

(b) Each licensee designates a separate area to secure, in accordance with OAR 845-025-1410, any marijuana, cannabinoid products, concentrates or extracts that a licensee stores at the food establishment. If a cannabinoid edible processor does not store marijuana, cannabinoid products, concentrates or extracts at the food establishment those items must be stored on a licensed premises.

(4) A food establishment used by a cannabinoid edible processor is considered a licensed premises and must meet the security and other licensed premises requirements in these rules.

(5) A cannabinoid edible processor is strictly liable for any violation found at a shared food establishment during that processor's scheduled time or within that processor's designated area in the food establishment.

845-025-3260 Cannabinoid Concentrate and Extract Processor Requirements

(1) Cannabinoid Concentrates or Extracts. A processor with a cannabinoid concentrate or extract endorsement:

(a) May not use Class I solvents as those are classified in the Federal Drug Administration Guidance, Table I, published in the Federal Register on December 24, 1997 (62 FR 67377).

(b) Must:

(A) Only use a hydrocarbon-based solvent that is at least 99 percent purity.

(B) Only use a non-hydrocarbon-based solvent that is food-grade.

(C) Work in an environment with proper ventilation, controlling all sources of ignition where a flammable atmosphere is or may be present.

(D) Use only potable water and ice made from potable water in processing.

(E) If making a concentrate or extract that will be used in a cannabinoid edible, be endorsed as a cannabinoid edible processor and comply with OAR 845-025-3250.

(2) Cannabinoid Extracts. A processor with an endorsement to make cannabinoid extracts:

(a) May not use pressurized canned butane.

(b) Must:

(A) Process in a:

(i) Fully enclosed room clearly designated on the current diagram of the licensed premises.

- (ii) Spark proof room equipped with evacuation fans and lower explosive limit (LEL) detectors.
 - (B) Use a commercially manufactured professional grade closed loop extraction system designed to recover the solvents and built to codes of recognized and generally accepted good engineering practices, such as:
 - (i) The American Society of Mechanical Engineers (ASME);
 - (ii) American National Standards Institute (ANSI);
 - (iii) Underwriters Laboratories (UL); or
 - (iv) The American Society for Testing and Materials (ASTM).
 - (C) If using CO₂ in processing, use a professional grade closed loop CO₂ gas extraction system where every vessel is rated to a minimum of nine hundred pounds per square inch.
 - (D) Have equipment and facilities used in processing approved for use by the local fire code official;
 - (E) Meet any required fire, safety, and building code requirements specified in:
 - (i) Applicable Oregon laws;
 - (ii) National Fire Protection Association (NFPA) standards;
 - (iii) International Building Code (IBC);
 - (iv) International Fire Code (IFC); and
 - (F) Have an emergency eye-wash station in any room in which cannabinoid extract is being processed; and
 - (G) Have all applicable material safety data sheets readily available to personnel working for the processor.
- (3) Cannabinoid Concentrates. A processor with an endorsement to make cannabinoid concentrates:
- (a) May not:
 - (A) Use denatured alcohol.
 - (B) If using carbon dioxide, apply high heat or pressure.
 - (b) Must only use or store dry ice in a well-ventilated room to prevent against the accumulation of dangerous levels of CO₂.
 - (c) May use:
 - (A) A mechanical extraction process;
 - (B) A chemical extraction process using a nonhydrocarbon-based or other solvent, such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol; or
 - (C) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, provided that the process does not involve the use heat over 180 degrees or pressure.

845-025-3280 Cannabinoid Topical Processor

A processor with a cannabinoid topical endorsement may not engage in processing in a location that is operating as a restaurant, seasonal temporary restaurant, intermittent temporary restaurant, limited service restaurant or single-event temporary restaurant licensed under ORS 624.

QUESTIONS: In which zones should recreational marijuana processors be permitted and/or conditional uses?

DISCUSSION: A processor could be considered similar to a "Beverage and Bottling Facility, Winery, Brewery, or Distillery, including Warehousing and Distribution; see also Retail Small-Scale Winery, Brewery, or Distillery", which is a permitted use in the LI (Industrial) zone, or to "Food Processing, including Canning, Freezing, Drying and Similar Food Processing and Preserving", which is a permitted use in the LI and A (Agriculture) zones and a conditional use in the EFU zone. Both uses are subject to DMC 17.203.140, which regulates outdoor and unenclosed uses (requires screening and buffering). A processor could also be similar to Small-Scale Manufacturing in the community commercial zone, as defined in DMC17.203.150.

17.203.150 Small-scale manufacturing in the community commercial zone.

A. Purpose. The following standards, which restrict or limit the size of some manufacturing uses, are intended to promote compatibility between small-scale manufacturing in the community commercial (C) zone and adjacent commercial and residential uses. By controlling the form of development, the most objectionable impacts, such as odor, dust, smoke, cinders, fumes, noise, glare, heat, vibration, and others, can be avoided. The standards do not apply to zones where manufacturing uses are permitted outright. A retail small-scale winery, brewery, or distillery is subject to DMC [17.203.060](#) and is not subject to this section.

B. Review Process. Small-scale manufacturing uses, where allowed under DMC [17.202.020](#), shall be reviewed for compliance with the standards of this section pursuant to the site development review process in Chapter [17.402](#) DMC or the conditional use permit process in Chapter [17.404](#) DMC, as applicable.

C. Approval Criteria. In addition to other applicable development standards of this code, the following standards apply to small-scale manufacturing uses:

1. The area involved in the manufacturing of the product and all storage of materials shall not involve more than 5,000 square feet of floor area.
2. The building and site plan shall provide for adequate buffering and/or screening of adjacent residential and commercial uses, except where such uses complement the proposed manufacturing use. For example, where the manufacturing use is a bakery, distillery or brewery, and the adjacent use is a dining or drinking establishment, buffering or screening may not be required.
3. Uses involving carpentry, metal fabrication, machine work, lathing, drilling, welding, hammering, offset printing, and similar noise or odor producing activities, where noise levels beyond the building would routinely exceed 60 dBA, require conditional use permit approval under Chapter [17.404](#) DMC.
4. Uses involving outdoor or unenclosed activities, except as allowed elsewhere by this code, shall require approval of a conditional use permit.
5. Uses that the city planning official determines could be objectionable in relationship to surrounding residential or commercial uses, due to odor, dust, smoke, cinders, fumes, noise, glare, heat, vibration, or similar impacts, shall not be permitted without approval of a conditional use permit; and all such potential adverse impacts shall be mitigated through the project design and specific conditions of approval.
6. All other applicable standards of this code shall be met. All sign requirements of Chapter [17.306](#) DMC shall be met.

Recreational Marijuana Wholesalers (excerpted and emphasis added):**845-025-3500 Wholesale License Privileges; Prohibitions**

(1) License Privileges. A wholesale licensee may:

(a) Purchase marijuana items from a producer, processor or wholesale licensee.

(b) Sell, including sale by auction:

(A) Any type of marijuana item to a retail, wholesale or research certificate holder.

(B) Only immature marijuana plants and seeds to a producer licensee.

- (C) Only usable marijuana to a processor licensee.
 - (c) Transport and store marijuana items on behalf of other licensees, pursuant to the requirements of OAR 845-025-7500 to OAR 845-025-7590.
 - (d) Provide a sample of usable marijuana or a cannabinoid product, concentrate or extract to a marijuana wholesaler, retailer or processor licensee for the purpose of the licensee determining whether to purchase the product. The product may not be consumed on a licensed premises. Any sample provided to another licensee must be recorded in CTS.
- (2) Prohibited Conduct. A wholesale licensee may not:
- (a) Receive marijuana items from any source other than a producer, processor or wholesale licensee.
 - (b) Sell or otherwise transfer a marijuana item to consumers or any entity other than a licensee of the Commission.
- (3) For purposes of this rule, "marijuana item" does not include a mature marijuana plant.

QUESTIONS: In which zones should recreational marijuana wholesalers be permitted and/or conditional uses?

DISCUSSION: This could be a similar use to "Freight Terminals, including Loading Docks, Storage, Warehousing, Wholesale Distribution, Cold Storage; except personal storage such as mini-storage warehouses", which is a permitted use in the LI zone, and is subject to DMC 17.203.140 for any outdoor storage.

Other Things...Marijuana Testing Laboratories

845-025-5000 Laboratory License Privileges

A licensed marijuana testing laboratory may:

- (1) Obtain samples of marijuana items from licensees for purposes of performing testing as provided in these rules and OAR 333-007-0300 to 333-007-0490;
- (2) Transport and dispose of samples as provided in these rules; and
- (3) Perform testing on marijuana items in a manner consistent with the laboratory's accreditation by the Oregon Health Authority, these rules and OAR 333-007-0300 to 333-007-0490.

QUESTIONS: In which zones should recreational marijuana testing laboratories be permitted and/or conditional uses?

DISCUSSION: This is probably a pretty low impact use that could be appropriate for the industrial zone, and potentially for the commercial zone.

Table 17.202.020: Zoning Use Table

P: Permitted Use; CU: Conditional Use; S: Special Use Requirements Apply; N: Not Permitted

Uses	Residential			Commercial & Emp.			Public and Agriculture				Special Use Requirements
	R-1	R-2	R-3	C	CBD	LI	P	PO	A	EFU	
EXISTING											
Marijuana Dispensary	N	N	N	P	P	N	N	N	N	N	DMC 17.203.250
Garden Supply, including Commercial Greenhouses	N	N	N	P/S	CU+S	CU+S	N	N	P	CU+S	DMC 17.203.140 if outdoors/unenclosed, DMC 17.203.180 in EFU, see limits in OAR 660-33 in EFU
Beverage and Bottling Facility, Winery, Brewery, or Distillery, including Warehousing and Distribution; see also Retail Small-Scale Winery, Brewery, or Distillery	N	N	N	N	N	P	N	N	N	N	
Food Processing, including Canning, Freezing, Drying and Similar Food Processing and Preserving	N	N	N	N	N	P	N	N	P	CU+S	DMC 17.203.140 if outdoors/unenclosed, DMC 17.203.180 in EFU, see limits in OAR 660-33 in EFU
Freight Terminals, including Loading Docks, Storage, Warehousing, Wholesale Distribution, Cold Storage; except personal storage such as mini-storage warehouses	N	N	N	N	N	P	N	N	N	N	DMC 17.203.140 if outdoors/unenclosed
Outdoor Storage of Materials of an Industrial Character	N	N	N	N	N	CU+S	N	N	N	N	DMC 17.203.140
Farm Use	N	N	N	N	N	N	N	N	P	P	See DMC Title 6 and DMC 8.16.020. Livestock not allowed in A
PROPOSED											
Recreational Marijuana Retailer											
Recreational Marijuana Processor											
Recreational Marijuana Producer									P	P	HB 3400, Section 34 for EFU land
Recreational Marijuana Wholesaler											
Medical Marijuana Producer									P	P	HB 3400, Section 34 for EFU land
Medical Marijuana Processor											
Marijuana Testing Laboratories											

Oregon's Seven Regulated Marijuana Activities

Marijuana Type	Grow	Make Products	Wholesale	Transfer to User
Medical OHA Registration	<p>Marijuana Grow Site: Location for planting, cultivating, growing, trimming, or harvesting marijuana or drying marijuana leaves or flowers Register under ORS 475.304</p>	<p>Marijuana Processing Site: Location for compounding or converting marijuana into medical products, concentrates or extracts Register under section 85 of HB 3400</p>	None	<p>Medical Marijuana Dispensary: Transfer usable marijuana, immature marijuana plants, seed, and medical products, concentrates and extracts to patients and caregivers Register under ORS 475.314</p>
Recreational OLCC License	<p>Producers: Manufacture, plant, cultivate, grow, harvest Obtain license under section 12 of HB 3400</p>	<p>Processors: Process, compound or convert marijuana into products, concentrates or extracts, but does not include packaging or labeling Obtain license under section 14 of HB 3400</p>	<p>Wholesalers: Purchase marijuana items for resale to a person other than a consumer Obtain license under section 15 of HB 3400</p>	<p>Retailers: Sell marijuana items to a consumer Obtain license under section 16 of HB 3400 *Certain employees must obtain an OLCC handlers permit under section 19 of HB 3400</p>

Similarities

11/19/2015

Medical Marijuana (OHA)	Recreational Marijuana (OLCC)
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Regulates distribution of marijuana	Regulates distribution of marijuana
Types of operations	Types of operations
Marijuana Grow Site	Producers
Marijuana Processing Site	Processors

Applications/Renewals/Fees	Applications/Renewals/Fees
Application required	Application required
Approval or denial of an application	Approval or denial of an application
Fees	Fees
Annual renewal	Annual renewal
Registration can be revoked	License can be revoked
Registered with Secretary of State	Criminal background check
Criminal background check	Site visits by OLCC
Site visit by OHA	
Registration cannot be transferred to another location	

Location Requirements	Location Requirements
Local government can establish land use controls	Local government can establish land use controls
Proximity requirements to schools	Proximity requirements to schools

Security	Security
Restricted access areas	Restricted access areas
Minors not permitted under 18	Under 21 not permitted
Safe for storage	Safe for storage

Medical Marijuana (OHA)	Recreational Marijuana (OLCC)
Alarm Systems	Alarm Systems
Video Surveillance	Video Surveillance
Camera Coverage	Camera Coverage
Video Recording	Video Recording
Testing	Testing
Operation	Operation
Record Keeping	Record Keeping
Packaging & Labeling	Packaging & Labeling
Inspections & Enforcement	Investigation & Enforcement
Violations	Violations
Signs	Signs

Differences

Medical Marijuana (OHA)	Recreational Marijuana (OLCC)
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Oregon Health Authority	Oregon Liquor Control Commission
Registration	License
Serves medical marijuana card holders	Serves general public 21 and older
HB 3400 Medical Marijuana provision changes operative March 1, 2016	

Types of operations	Types of operations
Marijuana Grow Site	Producers
Marijuana Processing Site	Processors
Marijuana Dispensary	Wholesalers
	Retailers

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Applications/Renewals/Fees	Applications/Renewals/Fees
Dispensary \$3500 registration fee, \$500 application fee	\$250 non-refundable fee
Dispensary renewal \$3500 registration fee, \$500 application fee	Fee amount Producers \$4750
	Fee amount Processors \$4750
Registration fee is returned if application incomplete, denied, withdrawn	
Growers - Oregon resident for 1 year if registered before 1/1/15	Fee amount Wholesaler \$4750
Growers - Must be an Oregon resident for 2 years	Fee amount Retailers \$4750
Registration renewal 60 days before expiration	Fee amount Laboratories \$4750
	Renewal fee \$250 non-refundable plus original fee amount
	Handlers permit fee \$100
	Other fees \$50-\$1000
	Late renewal fee \$150
	Must be an Oregon resident for 2 years
	Registration renewal 20 days before expiration

Medical Marijuana (OHA)	Recreational Marijuana (OLCC)
Location Requirements	Location Requirements
Dispensary 1000 feet from school public or private elementary, secondary, career school	Retail 1000 feet from public elementary or secondary school
Dispensary 1000 foot separation between facilities	Retail 1000 feet from private or parochial school
Does not require a Land Use Compatibility Statement	No greater than 1000 foot separation between retailers
MMD can't be on a registered grow site	Land Use Compatibility Statement
Dispensaries in commercial, industrial, mixed use or agricultural land	Can't be on Federal property
Facilities can not be mobile	Can't be at Medical Marijuana grow location
	Can't be at Medical Marijuana processing location
	Can't be at Medical Marijuana dispensary location
	Can't be at a liquor license or retail liquor facility
	Producer can't be on lot or parcel as another Producer
	Producer can't be on public land
	Retail can't be in an area zoned exclusively for residential use
	Wholesaler can't be in an area zoned exclusively for residential use
	Local jurisdiction has prohibited a license type
	Processor with endorsement to extract can't be in an area zoned exclusively for residential use
	Processor, wholesaler, laboratory, retailer must be in an enclosed building
	Can't sell product between 10 PM & 7 AM

Security	Security
Commercial grade door locks	Commercial grade door locks
Locked, secured area	Tour groups permitted for producer and research certificate holder
Restricted access areas	Producers prevent public access and obscure by fully enclosing indoor production or for outdoor production with solid wall or fence 8 feet high
Electronic records encrypted	Restricted access areas
Electronic backup system	
Video recordings & archived records in locked storage	

Medical Marijuana (OHA)	Recreational Marijuana (OLCC)
Alarm Systems	Alarm Systems
Connected to security company	Connected to a security company
Panic buttons	Panic buttons
Video Surveillance	Video Surveillance
Digital	Digital
Digital or network video recorders	Video monitors
Video monitors	Digital archiving devices
Digital archiving devices	Printer
Color printer	Resolution and frame requirements
No resolution and frame requirements	
Camera Coverage	Camera Coverage
In all secure and restricted access areas	Point of sale areas
Point of sales areas	Entry's and Exits (interior and exterior)
Entry's and Exits (interior and exterior)	Limited access areas
Video Recording	Video Recording
24 hours day	24 hours day
No resolution requirements	Resolution requirements
Retention for 30 days	Retention for 30 days
Produce still color photos	Date and timed stamped
Date and timed stamped	
Operation	
Variety of operation requirements	Variety of operation requirements based on the type of license or certificate that is issued
Record Keeping	Record Keeping
Requirements for records to be retained	Cannabis Tracking System through OLCC
Violations	Violations
Variety of violation provisions	Variety of violation provisions

Medical Marijuana (OHA)	Recreational Marijuana (OLCC)
Marijuana Grow Site	Recreational Marijuana Producers
Application	Indoor or outdoor
Residency form	Sell or deliver to processor, wholesaler, retailer, laboratory, research certificate holder
Grow site registration card	Producer outdoors applies to entire lot or parcel
All usable marijuana, plants, seedlings, seeds by a grower are the property of the patient	Can not operate in a primary residence
Grower can produce marijuana for no more than 4 patients (cardholders)	Cultivation batch's not more than 100 immature plants, may have an unlimited number of batch's
Grow sites and dispensary can not be at same location	Canopy size limitations (indoor and outdoor)
Max 6 mature plants for each card holder	Canopy area must be separated by physical boundary such as walls or 10 feet open space
Max 12 mature plants if in an area zoned for residential use	Mixed cultivation indoor/outdoor, limits on canopy size
Max 48 plants if not in an area zoned for residential use	Written operating procedures
Outdoor max 12 lbs usable marijuana per mature plant	Pesticides, fertilizers, soil amendments, growing media are regulated
Indoors max 6 lbs usable marijuana per mature plant	
Medical Marijuana Opt-In	Medical Marijuana Opt-In
N/A	Growers are allowed to apply for a Producer license
	Can not possess more marijuana and plants than allowed under ORS 475.300

Marijuana Dispensary	Marijuana Retailers
Registration	Receive from producer, wholesaler, processor, laboratory
Land use limitations - not in residential, 1000 feet from public elementary, se	Sell 1 oz, 16 oz cannabinoid product in solid form, 72 oz cannabinoid in liquid, 5 grams cannabinoid extracts or concentrate, 4 immature plants, ten marijuana seeds
Can not be at same location as a grow site	Can not provide free samples, sell or giveaway pressurized butane containers, require purchase of other products, provide coupons, sell products from industrial hemp
New school established with 1000 feet dispensary may remain	Consumer health posting requirements
	Delivery to residences
	Tax collection

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Medical Marijuana (OHA)	Recreational Marijuana (OLCC)
Marijuana Processing Site	Marijuana Processors
Application & renewal	Edible processor, topical processor, concentrate processor, extract processor
Edibles, concentrates, extracts	Requires an endorsement
Database	Can hold multiple endorsements along with license
Can only transfer to a cardholder, caregiver or dispensary	Can not process products modeled for products marketed to children, products shaped as animal, vehicle, person or character
Land use limitations	Written policies and procedures
	Training
	Edibles processed in facility licensed by ODA
	Extracts processed in enclosed room
	Concentrates - machine and chemical extraction processes
	Topical can not operate in a restaurant including seasonal, intermittent, limited service

Wholesalers	Wholesalers
Does not allow wholesalers	Purchase from producer, processor or wholesaler
	Sell any marijuana item to retail, wholesale, research
	Sell only mature plants and seeds to producer
	Sell only usable marijuana to a processor
	Can not receive from other than producer, processor or wholesaler
	Sell to consumer

Laboratories
Test for producers, processors, wholesalers, retailers
Accredited by Oregon Health Authority
Annual license renewal
Tracking & reporting

Research Certificate
Public & private researchers

Medical Marijuana (OHA)	Recreational Marijuana (OLCC)
Handlers Permit	Handlers Permit
N/A	Permit required for work within a retailers establishment
	Application process
	Education course
	Retake education course every 5 years
	Permit renewal every 5 years
Testing	Testing
At least one lab to do testing	License required
Tests for mold, pesticides, mildew	Harvest and process lots
	Labeling, storage, security requirements
Packaging & Labeling	Packaging & Labeling
Percentage of THC, weight in grams, testing batch number, description of product	Child resistant
Warning label to keep out of reach of children	Not packaged to be attractive to minors
Child resistant	Packaging can be reused
Packaging not attractive to minors	Requires packaging approval
Seed to Sale Tracking	Seed to Sale Tracking
N/A	Cannabis Tracking System (CTS)
	Administrator Account
Transfers to Registered Facility	Transportation & Delivery
Authorization to Transfer form	Transport by licensee or licensee representative
Only patient or designated primary caregiver can transport	Insurance, lockable vehicle, climate controlled
	Transport manifest
	Waste Management
	Solid waste
	Hazardous waste
	Wastewater

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Medical Marijuana (OHA)	Recreational Marijuana (OLCC)
Advertising	Advertising
N/A	Can not target individuals under 21, including cartoon characters, toys
	Handbills not allowed
	Limits television, radio, print media or internet advertising if 30% of audience is under 21
	Limits marketing towards location based devices

Inspections/Enforcement	Investigation & Enforcement
Initial inspection with 6 months of application approval	No sale to under age 21
Complain inspections	Must allow OLCC staff access during and after business hours
Inspection can be done at any time	On-site consumption prohibited
Notice of Violation	Import/export into or out of State not allowed
Formal enforcement	Prizes not allowed
Notice of Proposed Revocation	No drive-up window activities
Civil action	Pricing must be at or above licensee's costs
Informal enforcement	State or local government inspections allowed

Moratoriums	Moratoriums
May 1, 2014 to May 1, 2015	N/A

Limited Retail Sales	Limited Retail Sales
Permitted from October 1, 2015 - December 31, 2016 if local jurisdiction does ban activity	N/A

Signs	Signs
Variety of signage requirements	Variety of signage requirements

Tax	Tax
No State tax	State taxes recreational retail and processors

FAQs



Recreational Marijuana in Oregon

RECREATIONAL MARIJUANA IN GENERAL

Q: What is the purpose of legalizing recreational marijuana?

A: As stated in Measure 91, the purpose of the Act is to:

- Eliminate the problems caused by the prohibition and uncontrolled manufacture, delivery, and possession of marijuana within this state;
- Protect the safety, welfare, health, and peace of the people of this state by prioritizing the state's limited law enforcement resources in the most effective, consistent, and rational way;
- Permit persons licensed, controlled, regulated, and taxed by this state to legally manufacture and sell marijuana to persons 21 years of age and older, subject to the provisions of this Act;
- Ensure that the State Department of Agriculture issues industrial hemp licenses and agricultural hemp seed production permits in accordance with existing state law;
- Establish a comprehensive regulatory framework concerning marijuana under existing state law.

Q: What does Measure 91 do?

A: Measure 91 allows Oregonians to grow limited amounts of marijuana on their property and to possess personal limited amounts of recreational marijuana for personal use beginning July 1, 2015 under Oregon law. The measure also gives OLCC authority to tax, license and regulate recreational marijuana grown, sold, or processed for commercial purposes. The OLCC does not regulate the home grow/personal possession provisions of the law. Nor does it regulate the sale of small amounts of recreational marijuana through medical marijuana dispensaries starting October 1. The OLCC will begin accepting applications for growers, wholesalers, processors and retail outlets on January 4, 2016.

Q. When did Measure 91 go into effect?

A. The home grow/personal possession provisions of the measure started on July 1, 2015. Sales of small amounts of recreational marijuana through medical marijuana dispensaries will begin October 1. The OLCC will begin issuing commercial recreational marijuana licenses to growers, wholesalers, processors and retail outlets in 2016.

Q. Who will implement the initiative?

A. The initiative designates the Oregon Liquor Control Commission as the state agency that will regulate the commercial growing and selling of recreational marijuana. It also gives the OLCC

authority to license and regulate commercial recreational marijuana operations. The OLCC has no authority to regulate or enforce the home grow/personal possession provisions of the law.

Q: How can I get a job with OLCC in the new marijuana program?

A: OLCC posts job opportunities on the www.oregonjobs.org website. You can also sign up for email alerts through our website to receive notices about OLCC job opportunities.

Q: Has Measure 91 been changed from what voters approved?

A: Yes. The 2015 session of the Oregon Legislature made technical changes to Measure 91. It also authorized the sale of small amounts of recreational marijuana through medical marijuana dispensaries starting October 1. The Legislature also changed the way recreational marijuana is taxed. Instead of the OLCC imposing the tax at the grower level, it will now be imposed at the retail level and collected by the Department of Revenue.

Q: Where can I get more information?

A: As updates occur and information is available, we will share that information with you on this website. To keep up to date, [click here](#).

Q: What if I have additional questions?

A: Please send additional questions to marijuana@oregon.gov.

MEDICAL MARIJUANA

Q. What impact does the new recreational marijuana law have on the current Medical Marijuana Program?

A. Beginning in October 2015, medical dispensaries can sell a one quarter ounce of marijuana flower to any adult over the age of 21. This provision sunsets on December 31, 2016. Beginning in 2016 medical marijuana growers may apply for an OLCC license to sell their excess product into the recreational market.

Q. Should I get a new OMMP card or renew my existing Card?

A. Only you as an individual can determine answer that question. The OLCC cannot advise you about how to make that determination.

Q: What is the difference between recreational marijuana and medical marijuana?

A: Medical marijuana is for patients with qualifying medical conditions. Recreational marijuana, whether grown at a residence, obtained free from an acquaintance, or purchased legally is for personal use for adults 21 years of age or older. For more information on medical marijuana see www.mmj.oregon.gov.

PERSONAL USE

Q: When can I smoke/use recreational marijuana?

A: As of July 1, 2015, Oregonians are allowed to grow up to four plants on their property, possess up to eight ounces of usable marijuana in their homes and up to one ounce on their person. Recreational marijuana cannot be sold or smoked in public. For more information go to: www.whatslegaloregon.com

Q: Where and when can I buy marijuana?

A: Limited amounts of recreational marijuana will be available for purchase through medical marijuana dispensaries starting October 1, 2015. Retail stores licensed by the OLCC will open sometime in the second half of 2016.

Q: Where and when can I buy edibles and extracts?

A: Edibles will eventually be available at retail outlets licensed by the OLCC, hopefully at the same time that the stores open in the second half of 2016.

Q: How much marijuana can I have?

A: As of July 1, 2015, recreational marijuana users can possess up to eight ounces of useable marijuana and four plants per residence in Oregon. An individual can carry up to one ounce in public.

Q: What is meant by “useable” marijuana?

A: Useable marijuana refers to dried marijuana flowers or leaves. In other words, marijuana that is ready to smoke.

Q: Can I grow marijuana at home and when?

A: Yes, with limits. As of July 1, 2015, Oregonians can home grow of up to four plants per residence, regardless of how many people live in the residence. Four adults in one residence does not mean 16 plants. The limit is four per residence.

Q: Where can I obtain marijuana seeds or starts after July 1, 2015?

A: The OLCC can provide no guidance on that issue.

Q. Can a landlord tell tenants not to grow recreational marijuana or smoke it rental units?

A. Measure 91 does not affect existing landlord/tenant laws.

Q: What if an employer requires drug testing?

A: Measure 91 does not affect existing employment law. Employers who require drug testing can continue to do so.

Q: Can I smoke marijuana in a bar/restaurant?

A: No. Marijuana cannot be smoked or used in a public place. The OLCC considers any establishment with a state liquor license to be public, including patios or decks set aside for smokers. Allowing marijuana use may put an establishment's liquor license in jeopardy.

Q: What is the definition of a public place?

A: Measure 91 defines a public place as "a place to which the general public has access and includes, but is not limited to, hallways, lobbies, and other parts of apartment houses and hotels not constituting rooms or apartments designed for actual residence, and highways, streets, schools, places of amusement, parks, playgrounds and premises used in connection with public passenger transportation."

Q: Who can smoke recreational marijuana? What is the minimum age?

A: As of July 1, 2015, anyone 21 years of age and old and consume recreational marijuana in Oregon. Marijuana use or possession of recreational marijuana by anyone under 21 years of age is illegal. That includes home consumption.

Q: Who will enforce recreational marijuana laws?

A: Enforcement of the home grow/personal possession provisions of Measure 91 will be at the discretion of local jurisdictions, the state police and possibly other law enforcement agencies. The OLCC is responsible for enforcement actions against businesses that the OLCC licenses to grow, process, wholesale and sell recreational marijuana and related products.

Q: How much will recreational marijuana cost?

A: The retail price of recreational marijuana will be determined through a competitive marketplace.

Q: Can Oregon recreational marijuana be taken to the state of Washington where it is also legal?

A: No. Taking marijuana across state lines is a federal offense.

Q: How will children be protected from recreational marijuana and marijuana products?

A: Measure 91 prohibits the sale of recreational marijuana to anyone under the age of 21. The act also gives OLCC authority to regulate or prohibit advertising. In writing the rules necessary to implement the new law, the OLCC may also regulate packages and labels to ensure public safety and prevent appeal to minors.

Q: Can I get a DUII while under the influence of marijuana?

A: Yes. Current laws for DUII have not changed. Driving under the influence of intoxicants (DUII) refers to operating a motor vehicle while intoxicated or drugged, including impairment from the use of marijuana. In addition, Measure 91 requires OLCC to examine, research and present a report to the Legislature on driving under the influence of marijuana. The OLCC will do this in conjunction with the Department of Justice Criminal Investigation Division and Oregon State Police.

Q: Can I lose my job for using marijuana?

A: That depends on who you work for and what your employer says about the use of marijuana by employees. Passage of Measure 91 does not change existing employment law in Oregon.

Q: Where will marijuana stores be located?

A: Marijuana retailers may not be located within 1000 feet of a school. All licensed businesses must be located in an area that is appropriately zoned. Also, local jurisdictions have authority to adopt reasonable regulations regarding the location of marijuana businesses, including regulations requiring that the businesses be located no more than 1000 feet from one another. To keep up to date, [click here](#).

Q. What impact does the new recreational marijuana law have on the current Medical Marijuana Program?

A: Beginning in 2016 medical marijuana growers may apply for an OLCC license to sell their excess product into the recreational market. Beginning in October 2015, medical dispensaries can sell a one quarter ounce of marijuana flower to any adult over the age of 21. This provision sunsets on December 31, 2016.

Q: Who collects the tax on recreational marijuana?

A: Taxes on recreational marijuana will be collected by the Oregon Department of Revenue at the retail level.

Q: How is Washington state's recreational marijuana law different than Oregon's?

A: See [Oregon/Washington/Colorado Comparison](#).

Q: Is it legal to possess or use recreational marijuana on Federal or Tribal land in Oregon?

A: No. It is illegal until either the Federal Government or Tribes take action otherwise.

LICENSING

Q: What licenses will be available?

A: The measure lists four types of recreational marijuana licenses: Producer, Processor, Wholesaler, and Retail. A producer is also known as the grower. A processor is a business that will transform the raw marijuana into another product or extract. Processors are also responsible for packaging and labeling of recreational marijuana. A wholesaler is a business that buys in bulk and sells to resellers rather than to consumers. A retailer is a business that sells directly to consumers. The Oregon Legislature also created a license for the laboratories that test marijuana. The OLCC will issue licenses to labs that are certified by the Oregon Health Authority.

Q: When will the OLCC begin accepting license applications?

A: The OLCC will begin accepting license applications for recreational marijuana on January 4, 2016. It will be an online-only application process.

Q. How will OLCC decide how to grant or deny license applications?

A. Undetermined at this point. The OLCC is in the process of writing the rules necessary to implement Measure 91. The agency has appointed an advisory committee that will write the rules and send its recommendations to the Commission sometime this fall for approval.

Q. If I want to apply for a recreational marijuana license, what should I do now?

A. Be patient. The OLCC won't be accepting applications until January 4, 2016. In the meantime, to keep up to date on process, [click here](#).

Q: How much are the licensing fees?

A: Undetermined at this point. Measure 91 established an annual license fee of \$1,000 plus a non-refundable application fee of \$250 per license application. However, the Oregon Legislature made the determination that license fees need to cover the cost of the recreational marijuana program. That means fees are likely to be higher than what Measure 91 envisioned, but how much higher remains to be seen.

Q: How many licenses can I have?

A: A licensee may hold multiple licenses and multiple license types.

Q: Can an out-of-state resident hold an Oregon recreational marijuana license?

A: Measure 91 does not specifically address this question. However, the issue of residency could be addressed through legislation or by the OLCC through the rule-making process.

Q: Who will be eligible for a marijuana license?

A: Anyone over 21 years of age and older will be eligible for a recreational marijuana license if they meet certain conditions outlined in section 29 of Measure 91. Under those conditions, the OLCC may refuse a license if it believes the applicant:

- Is in the habit of using alcoholic beverages, habit-forming drugs, marijuana, or controlled substances to excess.
- Has made false statements to the commission.
- Is incompetent or physically unable to carry on the management of the establishment proposed to be licensed.
- Has been convicted of violating a general or local law of this state or another state, or of violating a federal law, if the conviction is substantially related to the fitness and ability of the applicant to lawfully carry out activities under the license.
- Has maintained an insanitary establishment.
- Is not of good repute and moral character.
- Did not have a good record of compliance with sections 3 to 70 of this Act or any rule of the commission adopted pursuant thereto.
- Is not the legitimate owner of the business proposed to be licensed, or other persons have ownership interests in the business which have not been disclosed.
- Is not possessed of or has not demonstrated financial responsibility sufficient to adequately meet the requirements of the business proposed to be licensed.

- Is unable to understand the laws of Oregon relating to marijuana or the rules of the commission.

Q: What if my city/county wants to go “dry?”

A: Measure 91 states that local governments may not prohibit licenses in their jurisdiction except with a vote at a general election. Measure 91 allows local governments to adopt reasonable time, place and manner restrictions to regulate public nuisance. The Oregon Legislature created an additional provision that allows certain local governments to opt out of the program depending on how the jurisdiction voted on Measure 91.

Q: What kinds of testing will OLCC require?

A: Undetermined at this point. Under Measure 91, the OLCC has the authority to set testing requirements, but this is a policy question that will be determined during the rule-making process.

RETAIL STORES

Q: When will retail recreational marijuana stores be open?

A: The exact date is up in the air, but the most likely time is during the third quarter of 2016.

Q: Will the OLCC distribute marijuana out of a central warehouse?

A: No. Marijuana will be distributed by those who hold an OLCC recreational marijuana license.

Q: Will there be a quota for how many retail outlets will be allowed?

A: The measure does not specifically address the number of retail outlets allowed. Specifics for licensing retail outlets will be part of the rule-making process that is currently underway.

Q: What will OLCC be doing to get ready for marijuana-related businesses?

A: The OLCC has held listening sessions throughout the state to gain a better understanding of what Oregonians expect in the implementation of Measure 91. In addition to getting legislative approval of the marijuana budget for 2015-17 and preparing to hire staff for the program, the OLCC has also selected a vendor to build the online application process and selecting a second vendor for the traceability (seed-to-sale) system to track recreational marijuana. The OLCC has appointed an advisory committee to help write the rules necessary to implement Measure 91 and several subgroups to address specific issues. The goal is have the rules adopted by October or November of this year, after which the agency will hold seminars around the state to familiarize people with the application process in advance of accepting applications on January 4, 2016.

TAXES**Q: How much are the taxes on recreational marijuana?**

A: When recreational marijuana is sold in recreational stores, the taxes will range from 17 to 20 percent. The legislature set the base tax rate at 17 percent, however, they made provisions under certain circumstances for cities and counties to add up to an additional 3 percent tax. The retailer can retain 2 percent of the tax to cover their expenses. The tax will be 25 percent for the limited time that recreational marijuana will be sold in medical dispensaries. Recreational sales in medical dispensaries are slated to start on October 1, 2015, and end on December 31, 2016. The tax will be imposed on sales after January 4, 2016.

Q: How much money will marijuana bring in taxes?

A: The OLCC estimates \$10.7 million in revenue for the 2015-2017 biennium.

Q: Where will the tax money go?

A: Measure 91 provides distribution of revenue after costs to the following:

- 40 percent to Common School Fund
- 20 percent to Mental Health Alcoholism and Drug Services
- 15 percent to State Police
- 10 percent to Cities for enforcement of the measure
- 10 percent to Counties for enforcement of the measure
- 5 percent to Oregon Health Authority for alcohol and drug abuse prevention



► **The Oregon Administrative Rules contain OARs filed through December 15, 2015** ◄

QUESTIONS ABOUT THE CONTENT OR MEANING OF THIS AGENCY'S RULES?
 CLICK HERE TO ACCESS RULES COORDINATOR CONTACT INFORMATION

OREGON LIQUOR CONTROL COMMISSION

DIVISION 25

RECREATIONAL MARIJUANA GENERAL REQUIREMENTS APPLICABLE TO ALL MARIJUANA LICENSEES

845-025-1000

Applicability

- (1) A person may not produce, process, transport, sell, test, or deliver marijuana for commercial recreational use without a license from the Commission or as otherwise authorized under these rules.
- (2) Nothing in these rules exempts a licensee or licensee representative from complying with any other applicable state or local laws.
- (3) Licensure under these rules does not protect a person from possible criminal prosecution under federal law.

Stat. Auth.: Sec 2, Ch 614, OL 2015

Stats. Implemented: Sec 12, 14, 15, 16, 33, 38, 93, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1015

Definitions

For the purposes of OAR 845-025-1000 to 845-025-8590, unless otherwise specified, the following definitions apply:

- (1) "Adulterated" means to make a marijuana item impure by adding foreign or inferior ingredients or substances. A marijuana item may be considered to be adulterated if:
 - (a) It bears or contains any poisonous or deleterious substance in a quantity rendering the marijuana item injurious to health, including but not limited to tobacco or nicotine;
 - (b) It bears or contains any added poisonous or deleterious substance exceeding a safe tolerance if such tolerance has been established;
 - (c) It consists in whole or in part of any filthy, putrid, or decomposed substance, or otherwise is unfit for human consumption;
 - (d) It is processed, prepared, packaged, or is held under improper time-temperature conditions or under other conditions increasing the probability of contamination with excessive microorganisms or physical contaminants;
 - (e) It is processed, prepared, packaged, or held under insanitary conditions increasing the probability of contamination or cross-contamination;
 - (f) It is held or packaged in containers composed, in whole or in part, of any poisonous or deleterious substance rendering the contents potentially injurious to health;
 - (g) Any substance has been substituted wholly or in part therefor;
 - (h) Damage or inferiority has been concealed in any manner; or
 - (i) Any substance has been added thereto or mixed or packaged therewith so as to increase its bulk or weight, or reduce its quality or strength, or make it appear better or of greater value than it is.

(2) "Authority" means the Oregon Health Authority.

- (3) "Business day" means Monday through Friday excluding legal holidays.
- (4) "Cannabinoid" means any of the chemical compounds that are the active constituents of marijuana.
- (5) "Cannabinoid concentrate" means a substance obtained by separating cannabinoids from marijuana by:
- (a) A mechanical extraction process;
 - (b) A chemical extraction process using a nonhydrocarbon-based or other solvent, such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol; or
 - (c) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, provided that the process does not involve the use of high heat or pressure; or
- (6) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate, cannabinoid extract or dried marijuana leaves or flowers have been incorporated.
- (7) "Cannabinoid extract" means a substance obtained by separating cannabinoids from marijuana by:
- (a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane or propane;
 - (b) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, if the process uses high heat or pressure; or
 - (c) Any other process identified by the Commission, in consultation with the authority, by rule.
- (8) Cannabinoid Product
- (a) "Cannabinoid product" means a cannabinoid edible and any other product intended for human consumption or use, including a product intended to be applied to the skin or hair, that contains cannabinoids or dried marijuana leaves or flowers.
- (b) "Cannabinoid product" does not include:
- (A) Usable marijuana by itself;
 - (B) A cannabinoid concentrate by itself;
 - (C) A cannabinoid extract by itself; or
 - (D) Industrial hemp, as defined in ORS 571.300.
- (9) "Cannabis Tracking System" or "CTS" means the system for tracking the transfer of marijuana items and other information as authorized by section 23, chapter 614, Oregon Laws 2015.
- (10) "Compliance transaction" means a single covert, on-site visit in which a Commission authorized representative poses as an authorized representative of a licensee or a consumer and attempts to purchase or purchases a marijuana item from a licensee, or attempts to sell or sells a marijuana item to a licensee.
- (11) "Container" means a sealed, hard or soft-bodied receptacle in which a marijuana item is placed prior to being sold to a consumer.
- (12) "Commission" means the Oregon Liquor Control Commission.
- (13) "Consumer" means a person who purchases, acquires, owns, holds or uses marijuana items other than for the purpose of resale.
- (14) "Date of Harvest" means the date the mature marijuana plants in a harvest lot were cut, picked or removed from the soil or other growing media. If the harvest occurred on more than one day, the "date of harvest" is the day the last mature marijuana plant in the harvest lot was cut, picked or removed from the soil or other growing media.
- (15) "Financial consideration" means value that is given or received either directly or indirectly through sales, barter, trade, fees, charges, dues, contributions or donations.
- (16) "Financial interest" means having an interest in the business such that the performance of the business causes, or is capable of causing, an individual, or a legal entity with which the individual is affiliated, to benefit or suffer financially, and such interests include but are not limited to:
- (a) Receiving, as an employee or agent, out-of-the-ordinary compensation, either in the form of overcompensation or undercompensation;
 - (b) Lending money, real property or personal property to an applicant or licensee for use in the business at a commercially unreasonable rate;

- (c) Giving money, real property or personal property to an applicant or licensee for use in the business; or
- (d) Being the spouse or domestic partner of an applicant or licensee. For purposes of this subsection, "domestic partners" includes adults who qualify for a "domestic partnership" as defined under ORS 106.310.
- (17) "Harvest lot" means marijuana that is uniform in strain, cultivated utilizing the same growing practices and harvested at the same time.
- (18) "Immature marijuana plant" means a marijuana plant that is not flowering.
- (19) "Intended for human consumption" means intended for a human to eat, drink, or otherwise put in the mouth but does not mean intended for human inhalation.
- (20) "Laboratory" means a laboratory certified by the Authority under ORS 438.605 to 438.620 and authorized to test marijuana items for purposes specified in these rules.
- (21) "Licensee" means any person who holds a license issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015.
- (22) "License holder" includes:
- (a) Each applicant listed on an application that the Commission has approved;
- (b) Each individual who meets the qualification described in OAR 845-025-1045 and who the Commission has added to the license under OAR 845-025-1030; or
- (c) Each individual who has a financial interest in the licensed business and who the Commission has added to the license under OAR 845-025-1030.
- (23) "Licensee representative" means an owner, director, officer, manager, employee, agent, or other representative of a licensee, to the extent that the person acts in a representative capacity.
- (24) "Limited access area" means a building, room, or other contiguous area on a licensed premises where a marijuana item is produced, processed, stored, weighed, packaged, labeled, or sold, but does not include a point of sale area on a licensed retailer premises.
- (25) "Marijuana":
- (a) "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.
- (b) "Marijuana" does not include industrial hemp, as defined in ORS 571.300.
- (26) "Marijuana flowers" means the flowers of the plant genus Cannabis within the plant family Cannabaceae.
- (27) "Marijuana items" means marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts.
- (28) "Marijuana leaves" means the leaves of the plant genus Cannabis within the plant family Cannabaceae.
- (29) "Marijuana processor" means a person who processes marijuana items in this state.
- (30) "Marijuana producer" means a person who produces marijuana in this state.
- (31) "Marijuana retailer" means a person who sells marijuana items to a consumer in this state.
- (32) "Marijuana wholesaler" means a person who purchases marijuana items in this state for resale to a person other than a consumer.
- (33) "Mature marijuana plant" means a marijuana plant that is not an immature marijuana plant.
- (34) "Minor" means any person under 21 years of age.
- (35) "Non-Toxic" means not causing illness, disability or death to persons who are exposed.
- (36) "Permittee" means any person who holds a Marijuana Handlers Permit.
- (37) "Person" has the meaning given that term in ORS 174.100.
- (38) "Premises" or "licensed premises" includes the following areas of a location licensed under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015:
- (a) All public and private enclosed areas at the location that are used in the business operated at the location, including offices, kitchens, rest rooms and storerooms;
- (b) All areas outside a building that the Commission has specifically licensed for the production, processing, wholesale sale or retail sale of marijuana items; and

(c) For a location that the Commission has specifically licensed for the production of marijuana outside a building, the entire lot or parcel, as defined in ORS 92.010, that the licensee owns, leases or has a right to occupy.

(d) "Premises" or "licensed premises" does not include a primary residence.

(39) "Primary Residence" means real property inhabited for the majority of a calendar year by an owner, renter or tenant, including manufactured homes and vehicles used as domiciles.

(40) "Processes":

(a) "Processes" means the processing, compounding or conversion of marijuana into cannabinoid products, cannabinoid concentrates or cannabinoid extracts;

(b) "Processes" does not include packaging or labeling.

(41) "Process lot" means:

(a) Any amount of cannabinoid concentrate or extract of the same type and processed at the same time using the same extraction methods, standard operating procedures and batches from the same harvest lot; or

(b) Any amount of cannabinoid products of the same type and processed at the same time using the same ingredients, standard operating procedures and batches from the same harvest lot or process lots of cannabinoid concentrate or extract.

(42) "Producer" means a marijuana producer licensed by the Commission.

(43) "Produces":

(a) "Produces" means the manufacture, planting, cultivation, growing or harvesting of marijuana.

(b) "Produces" does not include:

(A) The drying of marijuana by a marijuana processor, if the marijuana processor is not otherwise producing marijuana; or

(B) The cultivation and growing of an immature marijuana plant by a marijuana processor, marijuana wholesaler or marijuana retailer if the marijuana processor, marijuana wholesaler or marijuana retailer purchased or otherwise received the plant from a licensed marijuana producer.

(44) "Propagate" means to grow immature marijuana plants or to breed or produce the seeds of the plant Cannabis family Cannabaceae.

(45) "Public place" means a place to which the general public has access and includes, but is not limited to, hallways, lobbies and other parts of apartment houses and hotels not constituting rooms or apartments designed for actual residence, and highways, streets, schools, places of amusement, parks, playgrounds and areas used in connection with public passenger transportation.

(46) "Regulatory specialist" means a full-time employee of the Commission who is authorized to act as an agent of the Commission in conducting inspections or investigations, making arrests and seizures, aiding in prosecutions for offenses, issuing citations for violations and otherwise enforcing chapter 471, ORS 474.005 to 474.095 and 474.115, Commission rules and any other statutes the Commission considers related to regulating liquor or marijuana.

(47) "Retailer" means a marijuana retailer licensed by the Commission.

(48) "Safe" means:

(a) A metal receptacle with a locking mechanism capable of storing all marijuana items on a licensed premises that:

(A) Is rendered immobile by being securely anchored to a permanent structure of an enclosed area; or

(B) Weighs more than 750 pounds.

(b) A "vault"; or

(c) A refrigerator or freezer capable of being locked for storing marijuana items that require cold storage that:

(A) Is rendered immobile by being securely anchored to a permanent structure of an enclosed area; or

(B) Weighs more than 750 pounds.

(49) "Shipping Container" means any container or wrapping used solely for the transport of a marijuana items in bulk to a marijuana licensee as permitted in these rules.

(50) "These rules" means OAR 845-025-1000 to 845-025-8590.

(51) "UID" means unique identification.

(52) "Usable Marijuana"

(a) "Usable marijuana" means the dried leaves and flowers of marijuana.

(b) "Usable marijuana" does not include:

(A) The seeds, stalks and roots of marijuana; or

(B) Waste material that is a by-product of producing or processing marijuana.

(53) "Vault" means an enclosed area or room that is constructed of steel-reinforced or block concrete and has a door that contains a multiple-position combination lock or the equivalent, a relocking device or equivalent, and a steel plate with a thickness of at least one-half inch.

(54) "Wholesaler" means a marijuana wholesaler licensed by the Commission.

Stat. Auth.: Sec 2, Ch 614, OL 2015

Stats. Implemented: Sec 1, 2, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1030

Application Process

(1) On or after 8:30 a.m. Pacific Time January 4, 2016, a person may submit an application to the Commission, on a form prescribed by the Commission, for a marijuana producer, processor, wholesaler, retail, or laboratory license.

(2) An application for a license and all documentation required in the application instructions and in section (4) of this rule must be submitted electronically, via the Commission's website. The application fee specified in OAR 845-025-1060 must also be paid through the Commission's on-line payment system at the time of application.

(3) An application must include the names and other required information for all individuals who are applicants as described in OAR 845-025-1045 and who are not applicants but who have a "financial interest" in the business, as defined in 845-025-1015.

(4) In addition to submitting the application form the following must be submitted:

(a) For an individual listed as an applicant:

(A) Information or fingerprints for a criminal background check in accordance with OAR 845-025-1080;

(B) An Individual History Form and any information identified in the form that is required to be submitted; and

(C) Proof of residency documented by providing:

(i) Oregon full-year resident tax returns for the last two years; or

(ii) Utility bills, rental receipts, mortgage statements or similar documents that contain the name and address of the applicant dated at least two years prior to the date of application and from the most recent month.

(b) For an individual listed as a person with a financial interest who holds or controls an interest of ten percent or greater in the business proposed to be licensed, or an individual who is a partner, member or corporate officer of a legal entity with a financial interest in the business proposed to be licensed:

(A) Information or fingerprints for a criminal background check in accordance with OAR 845-025-1080;

(B) An Individual History Form and any information identified in the form that is required to be submitted; and

(c) A map or sketch of the premises proposed for licensure, including the defined boundaries of the premises and the location of any primary residence located on the same tax lot or parcel as the licensed premises;

(d) A floor or plot plan sketch of all enclosed areas with clear identification of walls, partitions, counters, windows, all areas of ingress and egress, and all limited access areas;

(e) Proof of lawful possession of the premises proposed for licensure;

(f) An operating plan that demonstrates at a minimum, how the applicant's proposed premises

and business will comply with the applicable laws and rules regarding:

- (A) Security;
- (B) Employee qualifications and training;
- (C) Transportation of product;
- (D) Preventing minors from entering the licensed premises; and
- (E) Preventing minors from obtaining or attempting to obtain marijuana items.

(g) For producers:

- (A) The proposed canopy size and tier as described in OAR 845-025-2040 and a designation of the canopy area within the license premises.
- (B) A report describing the applicant's electrical and water usage, on a form prescribed by the Commission. The report must describe the estimated water usage taking into account all portions of the premises and expected requirements of the operation.
- (C) A description of the growing operation including growing media, a description of equipment to be used in the production, and whether production will be indoor, outdoor or both.
- (D) A water right permit or certificate number; a statement that water is supplied from a public or private water provider, along with the name and contact information of the water provider; or proof from the Oregon Water Resources Department that the water to be used for production is from a source that does not require a water right.

(h) For processors:

(A) On a form prescribed by the Commission, the proposed endorsements as described in OAR 845-025-3210.

(B) A description of the type of products to be processed, a description of equipment to be used, including any solvents, gases, chemicals or other compounds used to create extracts or concentrates.

(5) In addition to submitting the application form and the items described in (4) of this rule the Commission may require the following to be submitted:

(a) For an individual listed as a person with a financial interest, who holds or controls an interest of less than ten percent in the business proposed to be licensed:

(A) Information or fingerprints for a criminal background check in accordance with OAR 845-025-1080;

(B) An Individual History Form and any information identified in the form that is required to be submitted; and

(b) Any additional information if there is a reason to believe that the information is needed to determine the merits of the license application.

(6) The Commission must review an application to determine if it is complete. An application will be considered incomplete if an application form is not complete, the full application fee has not been paid, or some or all of the additional information required under section (4) of this rule is not submitted.

(7) An applicant may submit a written request for reconsideration of a decision that an application is incomplete. Such a request must be received by the Commission within ten days of the date the incomplete notice was mailed to the applicant. The Commission shall give the applicants the opportunity to be heard if an application is rejected. A hearing under this subsection is not subject to the requirements for contested case proceedings under ORS 183.310 to 183.550.

(8) If, prior to an application being acted upon by the Commission, there is a change with regard to who is an applicant or who is a person with a financial interest in the proposed business, the new applicant or person with a financial interest must submit a form, prescribed by the Commission, that:

(a) Identifies the individual or person;

(b) Describes the individual's or person's financial interest in the business proposed for licensure; and

(c) Includes any additional information required by the Commission, including but not limited to information and fingerprints required for a criminal background check.

(9) Failure to comply with subsection (6) of this rule may result in an application being denied.

Stat. Auth.: Sec 2, Ch 614, OL 2015

Stats. Implemented: Sections 7, 8, 11, 12, 14, 15, 16, 93 Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1045

Qualifications of an Applicant

(1) The following are considered applicants for purposes of these rules:

(a) Any individual that has a financial interest in the business for which licensure is sought and who is directly involved in controlling the ordinary course of business for the business that is proposed to be licensed; and

(b) Any legal entity that has a financial interest in the business for which licensure is sought and is directly involved in controlling the ordinary course of business for the business that is proposed to be licensed;

(2) If an applicant is an individual the individual must also:

(a) Be at least 21 years of age; and

(b) Until January 1, 2020, have been a resident of Oregon for at least two consecutive years prior to the date the initial or renewal application was submitted.

(3) If a legal entity is designated as an applicant, the following individuals must also be listed as applicants on an application:

(a) All partners in a limited partnership;

(b) All members of a limited liability company; and

(c) All directors and principal officers of a corporate entity.

(d) Any individual who owns or controls at least 10% of the legal entity.

(4) At least one applicant or the sum of applicants listed on a license application must be a legitimate owner of the business proposed to be licensed or subject to renewal.

(5) An individual or legal entity will not be considered by the Commission to be directly involved in the ordinary course of business for the business proposed to be licensed solely by virtue of:

(a) Being a shareholder, director, member or limited partner;

(b) Being an employee or independent contractor; or

(c) Participating in matters that are not in the ordinary course of business such as amending organizational documents of the business entity, making distributions, changing the entity's corporate structure, or approving transactions outside of the ordinary course of business as specified in the entity's organizational documents.

(6) An applicant will be considered by the Commission to be a legitimate owner of the business if:

(a) The individual applicant or legal entity applicant owns at least 51% of the business proposed to be licensed; or

(b) One or more individual applicants in sum own at least 51% of the business proposed to be licensed.

(7) The following factors, in and of themselves, do not constitute ownership:

(a) Preferential rights to distributions based on return of capital contribution;

(b) Options to purchase an ownership interest that may be exercised in the future;

(c) Convertible promissory notes; or

(d) Security interests in an ownership interest.

(8) For purposes of this rule, "ownership" means direct or indirect ownership of the shares, membership interests, or other ownership interests of the business proposed to be licensed.

(9) The Commission may consider factors other than those listed in this rule when determining whether an individual or legal entity is directly involved in the operation or management of the business proposed to be licensed or licensed, or is a legitimate owner.

(10) An individual listed as an applicant on an initial or renewal application, or identified by the Commission as an applicant must maintain Oregon residency while the business is licensed.

Stat. Auth.: Sec 2, Ch 614, OL 2015

Stats. Implemented: Sec 8, 12, 14, 15, 16, 93 Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16 **-63-**

845-025-1060**Fees**

(1) At the time of initial license or certificate application an applicant must pay a \$250 non-refundable application fee.

(2) If the Commission approves an application and grants an annual license, the following fees must be paid, prorated for an initial license that is issued for six months or less:

(a) Producers:

(A) Tier I \$3,750;

(B) Tier II \$5,750.

(b) Processors: \$4,750;

(c) Wholesalers: \$4,750;

(d) Retailers: \$4,750;

(e) Laboratories: \$4,750.

(3) At the time of license or certificate application renewal, an applicant must pay a \$250 non-refundable application fee. If the Commission approves an application and grants a research certificate, the fee shall be \$4,750 for a three-year term.

(4) If the Commission approves a renewal application the renewal license or certificate fees must be paid in the amounts specified in subsections (2) and (3) of this rule.

(5) If the Commission approves an initial or renewal application and grants a marijuana handler permit, the individual must pay a \$100 permit fee.

(6) The Commission shall charge the following fees:

(a) Criminal background checks: \$50 per individual (if the background check is not part of an initial or renewal application).

(b) Change of ownership review: \$1000 per license.

(c) Change in business structure review: \$1000 per license.

(d) Transfer of location of premises review: \$1000 per license.

(e) Packaging preapproval: \$100.

(f) Labeling preapproval: \$100.

Stat. Auth.: Sec 2, Ch 614, OL 2015

Stats. Implemented: Sections 2, 12, 14, 15, 16, 20, 93, 102, 104, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1070**Late Renewal Fees**

(1) If the Commission receives a completed license, permit or certificate renewal application less than 20 days before the date the existing license, permit or certificate expires, the Commission will charge a late renewal fee of \$150 for licenses and certificates and \$50 for marijuana handler permits.

(2) If the Commission receives a completed license, permit or certificate renewal application within 30 days after the date the existing license, permit or certificate expires, the Commission will charge a late renewal fee equal to \$300 for licenses and certificates and \$100 for marijuana handler permits.

Stat. Auth.: Sec 2, Ch 614, OL 2015

Stats. Implemented: Sec 2, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1080**Criminal Background Checks**

(1) If an individual is required by the Commission to undergo a criminal background check, the individual must provide to the Commission:

(a) A criminal background check request form, prescribed by the Commission that includes but is not limited to:

- (A) First, middle and last name;
 - (B) Any aliases;
 - (C) Date of birth;
 - (D) Driver's license information; and
 - (E) Address and recent residency information.
- (b) Fingerprints in accordance with the instructions on the Commission's webpage.
- (2) The Commission may request that an applicant disclose his or her Social Security Number if notice is provided that:
- (a) Indicates the disclosure of the Social Security Number is voluntary; and
 - (b) That the Commission requests the Social Security Number solely for the purpose of positively identifying the applicant during the criminal records check process.
- (3) An applicant's criminal history must be evaluated by the Commission in accordance with ORS 670.280 and section 29(2) and (3), chapter 1, Oregon Laws 2015.
- (4) The Commission may conduct a criminal background checks in accordance with this rule every year at the time of application renewal.
- (5) Records concerning criminal background checks must be kept and handled by the Commission in accordance with ORS 181.534(15).

Stat. Auth.: Sec 2, Ch 614, OL 2015

Stats. Implemented: Sec 10, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1090

Application Review

- (1) Once the Commission has determined that an application is complete it must review the application to determine compliance with chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2015, and these rules.
- (2) The Commission:
- (a) Must, prior to acting on an application, request a land use compatibility statement from the city or county that authorizes land use in the city or county in which the applicant's proposed premises is located or request verification that a land use compatibility statement submitted by an applicant is valid and accurate
 - (b) May, in its discretion, prior to acting on an application:
 - (A) Contact any applicant or individual with a financial interest and request additional documentation or information; and
 - (B) Verify any information submitted by the applicant.
- (3) The Commission must inspect the proposed premises prior to issuing a license.
- (4) If during an inspection the Commission determines the applicant is not in compliance with these rules, the applicant will be provided with a notice of the failed inspection and the requirements that have not been met.
- (a) An applicant that fails an inspection will have 15 calendar days from the date the notice was sent to submit a written response that demonstrates the deficiencies have been corrected.
 - (b) An applicant may request in writing one extension of the 15-day time limit in subsection (a) of this section, not to exceed 30 days.
- (5) If an applicant does not submit a timely plan of correction or if the plan of correction does not correct the deficiencies in a manner that would bring the applicant into compliance, the Commission may deny the application.
- (6) If the plan of correction appears, on its face, to correct the deficiencies, the Commission will schedule another inspection.
- (7) If an applicant fails a second inspection, the Commission may deny the application unless the applicant shows good cause for the Commission to perform additional inspections.

Stat. Auth.: Sec 2, Ch 614, OL 2015

Stats. Implemented: Sec 8, 30, 34, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1100**Approval of Application and Issuance of License**

(1) If, after the application review and inspection, the Commission determines that an applicant is in compliance with sections 3 to 70, chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2015 and these rules, the Commission must notify the applicant in writing that the application has been approved and after payment by the applicant of the license fee, provide the applicant with proof of licensure that includes a unique license number, the effective date of the license, date of expiration, and a description of premises for which the license was issued.

(2) A licensee:

(a) May not operate until on or after the effective date of the license.

(b) Must display proof of licensure in a prominent place on the premises.

(c) May not use the Commission name or logo on any signs at the premises, on the business' website, or in any advertising or social media, except to the extent that information is contained on the proof of licensure.

(3) Licensure is only valid for the premises indicated on the license and is only issued to the individuals or entities listed on the application or subsequently approved by the Commission.

(4) A license may not be transferred except as provided in OAR 845-025-1160.

Stat. Auth.: Sec 2, Ch 614, OL 2015

Stats. Implemented: Sec 5, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1115**Denial of Application**

(1) The Commission must deny an initial or renewal application if:

(a) An applicant is under the age of 21 or, until January 1, 2020, has not been a resident or Oregon for at least two years. If the Commission determines that an applicant is a non-resident the Commission will hold that application under review until 30 days after the 2016 Oregon Legislature adjourns.

(b) The applicant's land use compatibility statement shows that the proposed land use is prohibited in the applicable zone.

(c) The proposed licensed premises is located:

(A) On federal property.

(B) At the same physical location or address as a:

(i) Medical marijuana grow site registered under ORS 475.304, unless the grow site is also licensed under section 116, chapter 614, Oregon laws 2015;

(ii) Medical marijuana processing site registered under section 85, chapter 614, Oregon Laws 2015; or

(iii) Medical marijuana dispensary registered under ORS 475.314.

(C) At the same physical location or address as a liquor licensee licensed under ORS chapter 471 or as a retail liquor agent appointed by the Commission.

(d) The proposed licensed premises of a producer applicant is:

(A) On public land; or

(B) On the same tax lot or parcel as another producer licensee under common ownership.

(e) The proposed licensed premises of a processor who has applied for an endorsement to process extracts is located in an area that is zoned exclusively for residential use.

(f) The proposed licensed premises of a retail applicant is located:

(A) Within 1,000 feet of:

(i) A public elementary or secondary school for which attendance is compulsory under ORS 339.020; or

(ii) A private or parochial elementary or secondary school, teaching children as described in ORS 339.030.

(B) In an area that is zoned exclusively for residential use.

(g) The proposed licensed premises of a wholesaler applicant is in an area zoned exclusively for residential use.

(h) A city or county has prohibited the license type for which the applicant is applying, in accordance with sections 133 or 134, chapter 614, Oregon Laws 2015.

(2) The Commission may deny an initial or renewal application, unless the applicant shows good cause to overcome the denial criteria, if it has reasonable cause to believe that:

(a) The applicant:

(A) Is in the habit of using alcoholic beverages, habit-forming drugs, marijuana, or controlled substances to excess.

(B) Has made false statements to the Commission.

(C) Is incompetent or physically unable to carry on the management of the establishment proposed to be licensed.

(D) Is not of good repute and moral character.

(E) Does not have a good record of compliance with sections 3 to 70, chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2015, or these rules, prior to or after licensure including but not limited to:

(i) The giving away of marijuana items as a prize, premium or consideration for a lottery, contest, game of chance or skill, or competition of any kind, in violation of section 49, chapter 614, Oregon Laws 2015;

(ii) Providing marijuana items to an individual without checking that the individual is 21 or older;

(iii) Unlicensed transfer of marijuana items for financial consideration; or

(iv) Violations of local ordinances adopted under section 33, chapter 614, Oregon Laws 2015, pending or adjudicated by the local government that adopted the ordinance.

(F) Is not possessed of or has not demonstrated financial responsibility sufficient to adequately meet the requirements of the business proposed to be licensed.

(G) Is unable to understand the laws of this state relating to marijuana or these rules, including but not limited to ORS 475.300 to 475.346 and sections 91 to 99, chapter 614, Oregon Laws 2015. Inability to understand laws and rules of this state related to marijuana may be demonstrated by violations documented by the Oregon Health Authority.

(b) Any individual listed on the application has been convicted of violating a general or local law of this state or another state, or of violating a federal law, if the conviction is substantially related to the fitness and ability of the applicant to lawfully carry out activities under the license, except as specified in Section 29(3), chapter 1, Oregon Laws 2015.

(c) Any applicant is not the legitimate owner of the business proposed to be licensed, or other persons have an ownership interest in the business have not been disclosed to the Commission.

(3) The Commission may refuse to issue a license to any license applicant or refuse to renew the license of any licensee when conditions exist in relation to any person having a financial interest in the business or in the place of business which would constitute grounds for refusing to issue a license or for revocation or suspension of a license if such person were the license applicant or licensee. However, in cases where the financial interest is held by a corporation, only the officers and directors of the corporation, any individual or combination of individuals who own a controlling financial interest in the business shall be considered persons having a financial interest within the meaning of this subsection.

(4) The Commission will not deny an application under subsections (1) (c) (B) of this rule if the applicant surrenders the registration issued by the Authority prior to being issued an OLCC license.

(5) If the Commission denies an application because an applicant submitted false or misleading information to the Commission, the Commission may prohibit the applicant from re-applying for five years.

(6) A notice of denial must be issued in accordance with ORS 183.

Stat. Auth.: Sec 2, Ch 614, OL 2015

Stats. Implemented: Sec 7, 8, 12, 14, 15, 16, 34, 93, 133, 134, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1130

Withdrawal of Application

An applicant may withdraw an initial or renewal application at any time prior to the Commission

acting on the application unless the Commission has determined that the applicant submitted false or misleading information in which case the Commission may refuse to accept the withdrawal and may issue a notice of proposed denial in accordance with OAR 845-025-1115.

Stat. Auth.: Sec 2, Ch 614, OL 2015
 Stats. Implemented: Sec 8, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1145

Communication With Commission

(1) If an applicant or licensee is required to or elects to submit anything in writing to the Commission, unless there is a more specific rule that states otherwise, the applicant or licensee may submit the writing to the Commission via:

- (a) Mail;
- (b) In-person delivery;
- (c) Facsimile; or
- (d) E-mail.

(2) If a written notification must be submitted by a particular deadline it must be received, regardless of the method used to submit the writing, by 5:00 p.m. Pacific Time.

Stat. Auth.: Sec 2, Ch 614, OL 2015
 Stats. Implemented: Sec 2, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1160

Notification of Changes

(1) An applicant or licensee must notify the Commission in writing within 10 calendar days of any of the following:

- (a) A change in any contact information for anyone listed in an application or subsequently identified as an applicant or an individual with a financial interest;
- (b) The arrest or conviction for any misdemeanor or felony of an individual listed in an application or subsequently identified as an applicant, licensee or individual with a financial interest;
- (c) A disciplinary proceeding or licensing enforcement action by another governmental entity that may affect the licensee's business;
- (d) The filing of bankruptcy;
- (e) The closure of bank accounts or credit cards by a financial institution;
- (f) The temporary closure of the business for longer than 30 days; or
- (g) The permanent closure of the business.

(2) A licensee must notify the Commission as soon as reasonably practical and in no case more than 24 hours from the theft of marijuana items or money from the licensed premises.

(3) Changes in Financial Interest or Business Structure. A licensee that proposes to change its corporate structure, ownership structure or change who has a financial interest in the business must submit a form prescribed by the Commission, and any information identified in the form to be submitted, to the Commission, prior to making such a change.

(a) The Commission must review the form and other information submitted under subsection (1) of this rule, and will approve the change if the change would not result in an initial or renewal application denial under OAR 845-025-1115, or serve as the basis of a license suspension or revocation.

(b) If the Commission denies the change but the licensee proceeds with the change the licensee must surrender the license or the Commission will propose to suspend or cancel the license.

(c) The Commission will not accept a form for a change in corporate structure or financial interest if the license is expiring in less than 90 days, the licensee is under investigation by the Commission, or has been issued a Notice by the Commission following an alleged violation and the alleged violation has not been resolved.

(d) If a licensee has a change in ownership that is 51% or greater, a new application must be submitted in accordance with OAR 845-025-1030.

(4) Change of Location. A licensee who wishes to change the location of the licensed premises

must submit an application form and the fee specified in OAR 845-025-1060 but does not need to submit information and fingerprints required for a criminal background check or individual history forms if there are no changes to the individuals listed on the initial application.

(a) A licensee must submit an operating plan as described in OAR 845-025-1030 if the business operations will change at the proposed new location.

(b) The Commission must approve any change of location prior to licensee beginning business operations in the new location.

Stat. Auth.: Sec 2, Ch 614, OL 2015

Stats. Implemented: Sec 5, 7, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1175

Changing, Altering, or Modifying Licensed Premises

(1) A licensee may not make any physical changes to the licensed premises that materially or substantially alter the licensed premises or the usage of the licensed premises from the plans originally approved by the Commission without the Commission's prior written approval.

(2) A licensee who intends to make any material or substantial changes to the licensed premises must submit a form prescribed by the Commission, and submit any information identified in the form to be submitted, to the Commission, prior to making any such changes.

(3) The Commission must review the form and other information submitted under subsection (2) of this rule, and will approve the changes if the changes would not result in an initial or renewal application denial under OAR 845-025-1115.

(4) If the Commission denies the change the licensee must not make the proposed changes. If the licensee makes the proposed changes, the licensee must surrender the license or the Commission will propose to suspend or cancel the license.

(5) For purposes of this rule a material or substantial change requiring approval includes, but is not limited to:

(a) Any increase or decrease in the total physical size or capacity of the licensed premises;

(b) The sealing off, creation of or relocation of a common entryway, doorway, passage or other such means of public ingress or egress, when such common entryway, doorway or passage alters or changes limited access areas, such as the areas in which cultivation, harvesting, processing, or sale of marijuana items occurs within the licensed premises; or

(c) Any physical change that would require the installation of additional video surveillance cameras or a change in the security system.

(d) Any addition or change of location of a primary residence located on the same tax lot or parcel as a licensed premises.

Stat. Auth.: Sec 2, Ch 614, OL 2015

Stats. Implemented: Sec 12, 14, 15, 16, 93 Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1190

License Renewal

Renewal Applications:

(1) Any licensee who files a completed renewal application with the Commission at least 20 days before the date the license expires may continue to operate as if the license were renewed, pending a decision by the Commission;

(2) Any licensee who does not file a completed renewal application at least 20 days before the existing license expires must stop engaging in any licensed activity when the license expires. However:

(a) If the Commission receives a completed license renewal application less than 20 days before the date the existing license expires, the Commission will, upon receipt of the appropriate late renewal fee in OAR 845-025-1070, issue a letter of authority to operate beyond the expiration of the license, pending a decision by the Commission;

(b) A licensee must not engage in any licensed activity after the license expires. If the Commission receives a completed license renewal application within 30 days after the date the existing license expires, the Commission will, upon receipt of the appropriate late renewal fee in OAR 845-025-1070, issue a letter of authority to resume operation, pending a decision by the Commission.

(3) The Commission will not renew a license if the Commission receives the renewal application

more than 30 days after the license expires. A person who wants to resume licensed activity in this circumstance:

(a) Must submit a completed new application, including the documents and information required by the Commission; and

(b) Must not engage in any licensed activity unless and until they receive authority to operate from the Commission after submitting the completed new application.

(4) A person relicensed under section (1)(c) of this rule who engaged in any activity that would require a license while not licensed in violation of section (1)(b)(B) of this rule may be subject to administrative and criminal sanctions.

(5) A person who engages in any activity that requires a license but is not licensed may be subject to criminal prosecution.

(6) For purposes of this rule, a completed application:

(a) Is considered filed when received by the Commission; and

(b) Is one that is completely filled out, is signed by all applicants and includes the appropriate fee.

Stat. Auth.: Sections 2, 12, 14, 15, 16, 93, Ch 614, OL 2015

Stats. Implemented: Sec 7, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1200

Financial and Business Records

In addition to any other recordkeeping requirements in these rules, a marijuana licensee must have and maintain records that clearly reflect all financial transactions and the financial condition of the business. The following records must be kept and maintained for a three-year period and must be made available for inspection if requested by an employee of the Commission:

(1) Purchase invoices and supporting documents for items and services purchased for use in the production, processing, research, testing and sale of marijuana items that include from whom the items were purchased and the date of purchase;

(2) Bank statements for any accounts relating to the licensed business;

(3) Accounting and tax records related to the licensed business;

(4) Documentation of all financial transactions related to the licensed business, including contracts and agreements for services performed or received that relate to the licensed business; and

(5) All employee records, including training.

Stat. Auth.: Sec 2, 12, 14, 15 and 16, Ch 614, OL 2015

Stats. Implemented: Sec 46, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1215

Standardized Scales

A licensee must use an Oregon Department of Agriculture licensed weighing device of appropriate size and capacity as defined in ORS chapter 618 and OAR 603, Division 27:

(1) Whenever marijuana items are bought and sold by weight;

(2) Whenever marijuana items are packaged for sale by weight; and

(3) Whenever marijuana items are weighed for entry into CTS.

Stat. Auth.: Sec 2, 12, 14, 15 and 16, Ch 614, OL 2015

Stats. Implemented: Sections 12, 14, 15 and 16, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1230

Licensed Premises Restrictions and Requirements

(1) A licensed premises may not be located:

(a) On federal property; or

(b) At the same physical location or address as a:

(A) Medical marijuana grow site registered under ORS 475.304, unless the grow site is also licensed under section 116, chapter 614, Oregon Laws 2015;

(B) Medical marijuana processing site registered under section 85, chapter 614, Oregon Laws 2015; or

(C) Medical marijuana dispensary registered under ORS 475.314.

(D) Liquor licensee licensed under ORS Chapter 471 or as a retail liquor agent appointed by the Commission.

(2) The licensed premises of a producer applicant may not be on:

(a) Public land; or

(b) The same tax lot or parcel as another producer licensee under common ownership.

(3) The licensed premises of a retailer may not be located:

(a) Within 1,000 feet of:

(A) A public elementary or secondary school for which attendance is compulsory under ORS 339.020; or

(B) A private or parochial elementary or secondary school, teaching children as described in ORS 339.030.

(b) In an area that is zoned exclusively for residential use.

(4) The licensed premises of a processor who has an endorsement to process extracts may not be located in an area that is zoned exclusively for residential use.

(5) The licensed premises of a processor, wholesaler, laboratory and retailer must be enclosed on all sides by permanent walls and doors.

(6) A licensee may not permit:

(a) Any minor on a licensed premises except as described in section (7) and (8) of this rule; or

(b) On-site consumption of a marijuana item, alcohol, or other intoxicant by any individual, except that an employee who has a current registry identification card issued under ORS 475.309 may consume marijuana during his or her work shift on the licensed premises as necessary for his or her medical condition, if the employee is alone, in a closed room and not visible to others outside the room. An employee who consumes a marijuana item as permitted under this subsection may not be intoxicated while on duty.

(7) Notwithstanding section (6)(a) of this rule, a minor, other than a licensee's employee, who has a legitimate business purpose for being on the licensed premises, may be on the premises for a limited period of time in order to accomplish the legitimate business purpose. For example, a minor plumber may be on the premises in order to make a repair.

(8) Notwithstanding section (6)(a) of this rule, a minor who resides on the tax lot or parcel where a marijuana producer is licensed may be present on those portions of a producer's licensed that do not contain usable marijuana or cut and drying marijuana plants.

(9) A licensee must clearly identify all limited access areas in accordance with OAR 845-025-1245.

(10) A licensee must keep a daily log of all employees, contractors and licensee representatives who perform work on the licensed premises. All employees, contractors and licensee representatives must wear clothing or a badge issued by the licensee that easily identifies the individual as an employee, contractor or licensee representative.

(11) The general public is not permitted in limited access areas on a licensed premises, except for the licensed premises of a retailer and as provided by section (14) of this rule. In addition to licensee representatives, the following individuals are permitted to be present in limited access areas on a licensed premises, subject to the requirements in section (12) of this rule:

(a) Laboratory personnel, if the laboratory is licensed by the Commission;

(b) A contractor, vendor or service provider authorized by a licensee representative to be on the licensed premises;

(c) Another licensee or that licensee's representative;

(d) Up to seven invited guests per week subject to requirements of section (12) of this rule; or

(e) Tour groups as permitted under section (14) of this rule.

(12) Prior to entering a licensed premises all visitors permitted by section (11) of this rule must be documented and issued a visitor identification badge from a licensee representative that must remain visible while on the licensed premises. A visitor badge is not required for government officials. All visitors described in subsection (11) of this rule must be accompanied by a licensee

representative at all times.

(13) A licensee must maintain a log of all visitor activity. The log must contain the first and last name and date of birth of every visitor and the date they visited.

(14) A marijuana producer or research certificate holder may offer tours of the licensed premises, including limited access areas, to the general public if the licensee submits a control plan in writing and the plan is approved by the Commission.

(a) The plan must describe how conduct of the individuals on the tour will be monitored, how access to usable marijuana will be limited, and what steps the licensee will take to ensure that no minors are permitted on the licensed premises.

(b) The Commission may withdraw approval of the control plan if the Commission finds there is poor compliance with the plan. Poor compliance may be indicated by, for example, individuals on the tour not being adequately supervised, an individual on the tour obtaining a marijuana item while on the tour, a minor being part of a tour, or the tours creating a public nuisance.

(15) Nothing in this rule is intended to prevent or prohibit Commission employees or contractors, or other state or local government officials that have jurisdiction over some aspect of the licensed premises or licensee from being on the licensed premises.

(16) A licensee may not sublet any portion of a licensed premises.

(17) A licensed premises may receive marijuana items only from a marijuana producer, marijuana processor, or marijuana wholesaler for whom a premises has been licensed by the Commission.

(18) A licensed wholesaler or retailer who sells or handles food, as that term is defined in ORS 616.695, or cannabinoid edibles must also be licensed by the Oregon Department of Agriculture under ORS 616.706.

Stat. Auth.: Sec 2, 12, 14, 15, 16, Ch 614, OL 2015

Stats. Implemented: Sec 52 and 54, Chapter 1, OL 2015; Sec 14, 15, 16, 25, 35, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1245

Signage

(1) A licensee must post:

(a) At every licensed premises signs that read:

(A) "No Minors Permitted Anywhere on This Premises"; and

(B) "No On-Site Consumption of Marijuana"; and

(b) At all areas of ingress or egress to a limited access area a sign that reads: "Do Not Enter — Limited Access Area — Access Limited to Licensed Personnel and Escorted Visitors."

(2) All signs required by this rule must be:

(a) Legible, not less than 12 inches wide and 12 inches long, composed of letters not less than one-half inch in height;

(b) In English and Spanish; and

(c) Posted in a conspicuous location where the signs can be easily read by individuals on the licensee's premises.

Stat. Auth.: Sec 2, 12, 14, 15, 16, Ch 614, OL 2015

Stats. Implemented: Sec 25, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1260

Standards for Authority to Operate a Licensed Business as a Trustee, a Receiver, a Personal Representative or a Secured Party

(1) The Commission may issue a temporary authority to operate a licensed business to a trustee, the receiver of an insolvent or bankrupt licensed business, the personal representative of a deceased licensee, or a person holding a security interest in the business for a reasonable period of time to allow orderly disposition of the business.

(a) The trustee, receiver or personal representative must provide the Commission with the following information:

(A) Proof that the person is the legal trustee, receiver or personal representative for the business; and

(B) A written request for authority to operate as a trustee, receiver or personal representative, listing the address and telephone number of the trustee, receiver or personal representative.

(b) The secured party must provide the Commission with the following information:

(A) Proof of a security interest in the licensed business;

(B) Proof of the licensee's default on the secured debt;

(C) Proof of legal access to the real property; and

(D) A written request for authority to operate as a secured party listing the secured party's address and telephone number.

(2) The Commission may cancel or refuse to issue or extend authority for the trustee, receiver, personal representative, or secured party to operate:

(a) If the trustee, receiver, personal representative or secured party does not propose to operate the business immediately or does not begin to operate the business immediately upon receiving the temporary authority;

(b) For any of the reasons that the Commission may cancel or refuse to issue or renew a license;

(c) If the trustee, receiver, personal representative or secured party operates the business in violation of chapters 1 and 614, Oregon Laws 2015, or these rules; or

(d) If a reasonable time for disposition of the business has elapsed.

(3) No person or entity described in section (1) of this rule may operate the business until a certificate of authority has been issued under this rule, except that the personal representative of a deceased licensee may operate the business for up to 10 days after the death provided that the personal representative submits the information required in section (1)(a) of this rule and obtains a certificate of authority within that time period.

(4) A certificate of authority under this rule is initially issued for a 60-day period and may be extended as reasonably necessary to allow for the disposition of the business.

Stat. Auth.: Sec 2, Ch 614, OL 2015

Stats. Implemented: Sec 5, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1275

Closure of Business

(1) A license expires upon death of a licensee unless the Commission issues an order as described in subsection (2) of this rule.

(2) The Commission may issue an order providing for the manner and condition under which:

(a) Marijuana items left by a deceased, insolvent or bankrupt person or licensee, or subject to a security interest, may be foreclosed, sold under execution or otherwise disposed.

(b) The business of a deceased, insolvent or bankrupt licensee may be operated for a reasonable period following the death, insolvency or bankruptcy.

(3) A secured party, as defined in ORS 79.0102, may continue to operate a business for which a license has been issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015 for a reasonable period after default on the indebtedness by the debtor.

(4) If a license is canceled the Commission must address in its order the manner and condition under which marijuana items held by the licensee may be transferred or sold.

(5) If a license is surrendered or expires the Commission may address by order the manner and condition under which marijuana items held by the licensee may be transferred or sold.

Stat. Auth.: Sec 2, Ch 614, OL 2015

Stats. Implemented: Sec 5, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1290

Licensee Responsibility

A licensee is responsible for:

(1) The violation of any administrative rule of the Commission; sections 3 to 70, chapter 1, Oregon Laws 2015; chapter 614, Oregon Laws 2015; or chapter 699, Oregon Laws 2015 affecting the licensee's license privileges.

(2) Any act or omission of a licensee representative in violation of any administrative rule of the Commission; sections 3 to 70, chapter 1, Oregon Laws 2015; chapter 614, Oregon Laws 2015; or chapter 699, Oregon Laws 2015 affecting the licensee's license privileges.

Stat. Auth.: Sec 2, Ch 614, OL 2015

Stat. Auth.: Sec 2, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1295

Local Ordinances

The Commission may impose a civil penalty, suspend or cancel any licensee for failure to comply with an ordinance adopted by a city or county pursuant to section 34, chapter 614, Oregon Laws 2015 if the city or county:

(1) Has provided the licensee with due process substantially similar to the due process provided to a licensee under the Administrative Procedures Act, ORS 183.413 to 183.470; and

(2) Provides the Commission with a final order that is substantially similar to the requirements for a final order under ORS 183.470 that establishes that the licensee has violated the local ordinance.

Stat. Auth.: Sections 2, 12, 14, 15, 16, Ch 614, OL 2015

Stats. Implemented: Sec 33, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1300

Licensee Prohibitions

(1) A licensee may not:

(a) Import into this state or export from this state any marijuana items;

(b) Give marijuana items as a prize, premium or consideration for a lottery, contest, game of chance or game of skill, or competition of any kind;

(c) Sell, give or otherwise make available any marijuana items to any person who is visibly intoxicated;

(d) Make false representations or statements to the Commission in order to induce or prevent action by the Commission;

(e) Maintain a noisy, disorderly or insanitary establishment or supply adulterated marijuana items;

(f) Misrepresent any marijuana item to a customer or to the public;

(g) Sell any marijuana item through a drive-up window;

(h) Deliver marijuana to any consumer off the licensed premises except as permitted by OAR 845-025-2880;

(i) Sell or offer to sell a marijuana item that does not comply with the minimum standards prescribed by the statutory laws of this state; or

(j) Use or allow the use of a mark or label on the container of a marijuana item that is kept for sale if the container does not precisely and clearly indicate the nature of the container's contents or in any way might deceive a customer as to the nature, composition, quantity, age or quality of the marijuana item.

(2) No licensee or licensee representative may be under the influence of intoxicants while on duty.

(a) For purposes of this rule "on duty" means:

(A) The beginning of a work shift that involves the handling or sale of marijuana items, checking identification or controlling conduct on the licensed premises, to the end of the shift including coffee and meal breaks;

(B) For an individual working outside a scheduled work shift, the performance of acts on behalf of the licensee that involve the handling or sale of marijuana items, checking identification or controlling conduct on the licensed premises, if the individual has the authority to put himself or herself on duty; or

(C) A work shift that includes supervising those who handle or sell marijuana items, check identification or control the licensed premises.

(b) Whether a person is paid or scheduled for work is not determinative of whether the person is considered "on duty" under this subsection.

Stat. Auth.: Sections 2, 12, 14, 15, 16, Ch 614, OL 2015
 Stats. Implemented: Sections 48, 49, 50, 51, 52, 53, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

Security

845-025-1400

Security Plans

(1) A licensee may, in writing, request that the Commission waive one or more of the security requirements described in OAR 845-025-1400 to 845-025-1470 by submitting a security plan for Commission approval. The security plan must include:

- (a) The specific rules and subsections of a rule that is requested to be waived;
- (b) The reason for the waiver;
- (c) A description of an alternative safeguard the licensee can put in place in lieu of the requirement that is the subject of the waiver;
- (d) An explanation of how and why the alternative safeguard accomplishes the goals of the security rules, specifically public safety, prevention of diversion, accountability, and prohibiting access to minors.

(2) The Commission may, in its discretion and on a case by case basis, approve the security plan if it finds:

- (a) The reason the licensee is requesting the waiver is because another state or local law prohibits the particular security measure that is required; or
- (b) The licensee cannot, for reasons beyond the licensee's control or because the security measure is cost prohibitive, comply with the particular security measure that is required; and
- (c) The alternative safeguard that is proposed meets the goals of the security rules.

(3) The Commission must notify the licensee in writing whether the security plan has been approved. If the security plan is approved the notice must specifically describe the alternate safeguards that are required and, if the security plan is time limited, must state the time period the security plan is in effect.

(4) The Commission may withdraw approval of the security plan at any time upon a finding that the previously-approved alternative measures are not sufficient to accomplish the goals of the security rules. If the Commission withdraws its approval of the security plan, the licensee will be given a reasonable period of time to come into compliance with the security requirement that was waived.

Stat. Auth.: Sections 2, 12, 14, 15, 16, Ch 614, OL 2015
 Stats. Implemented: Sec 2, 12, 14, 15 and 16, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1410

Security Requirements

(1) A licensee is responsible for the security of all marijuana items on the licensed premises, including providing adequate safeguards against theft or diversion of marijuana items and records that are required to be kept.

(2) The licensee must ensure that commercial grade, non-residential door locks are installed on every external door of a licensed premises where marijuana items are present.

(3) During all hours when the licensee is not operating a licensee must ensure that:

(a) All entrances to and exits from a licensed premises are securely locked and any keys or key codes to the enclosed area remain in the possession of the licensee, licensee representative, or authorized personnel;

(b) All marijuana items on a licensed retailer's premises are kept in a safe or vault as those terms are defined in OAR 845-025-1015; and

(c) All marijuana items on the licensed premises of a licensee other than a retailer are kept in a locked, enclosed area within the licensed premises that is secured with a door that contains a multiple-position combination lock or the equivalent and a relocking device or the equivalent.

(4) A licensee must:

(a) Have an encrypted network infrastructure;

(b) Have an electronic back-up system for all electronic records; and **75-**

(c) Keep all video recordings and archived required records not stored electronically in a locked storage area. Current records may be kept in a locked cupboard or desk outside the locked storage area during hours when the licensed business is open.

Stat. Auth.: Sections 2, 12, 14, 15, 16, Ch 614, OL 2015
 Stats. Implemented: Sec 2, 12, 14, 15 and 16, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1420

Alarm System

(1) A licensed premises must have a fully operational security alarm system, activated at all times when the licensed premises is closed for business on all:

- (a) Entry or exit points to and from the licensed premises; and
- (b) Perimeter windows, if applicable.

(2) The security alarm system for the licensed premises must:

- (a) Be able to detect movement within any indoor area on the licensed premises;
- (b) Be programmed to notify a security company that will notify the licensee, licensee representative or authorized personnel in the event of a breach or if unavailable, law enforcement; and
- (c) Have at least two operational "panic buttons" located inside the licensed premises that are linked with the alarm system that immediately notifies a security company and law enforcement.

(3) Upon request, licensees shall make all information related to security alarm systems, monitoring and alarm activity available to the Commission.

Stat. Auth.: Sections 2, 12, 14, 15, 16, Ch 614, OL 2015
 Stats. Implemented: Sec 2, 12, 14, 15 and 16, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1430

Video Surveillance Equipment

(1) A licensed premises must have a fully operational video surveillance recording system.

(2) Video surveillance equipment must, at a minimum:

(a) Consist of:

- (A) Digital or network video recorders;
- (B) Cameras capable of meeting the requirements of OAR 845-025-1450 and this rule;
- (C) Video monitors;
- (D) Digital archiving devices;
- (E) A minimum of one monitor on premise capable of viewing video; and
- (F) A printer capable of producing still photos.

(b) Be equipped with a failure notification system that provides, within one hour, notification to the licensee or an authorized representative of any prolonged surveillance interruption or failure; and

(c) Have sufficient battery backup to support a minimum of one hour of recording time in the event of a power outage.

(3) A licensee's video surveillance system must be capable of recording all pre-determined surveillance areas in any lighting conditions.

(4) All video surveillance equipment and recordings must be stored in a locked secure area that is accessible only to the licensee, licensee representatives, or authorized personnel, and the Commission.

(5) In limited access areas, as that term is defined in OAR 845-025-1015, all cameras shall have minimum resolution of 1280 x 720 px and record at 10 fps (frames per second).

(6) In exterior perimeter and non-limited access area, cameras shall have a minimum resolution of 1280 x 720 px and record at least 5 fps, except where coverage overlaps any limited access areas such as entrances or exits and in those overlap areas cameras must record at 10 fps.

Stat. Auth.: Sections 2, 12, 14, 15, 16, Ch 614, OL 2015
 Stats. Implemented: Sec 2, 12, 14, 15 and 16, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1440

Required Camera Coverage and Camera Placement

- (1) A licensed premises must have camera coverage, as applicable, for:
- (a) All limited access areas as that term is defined in OAR 845-025-1015;
 - (b) All point of sale areas;
 - (c) All points of entry to or exit from limited access areas; and
 - (d) All points of entry to or exit from the licensed premises.
- (2) A licensee must ensure that cameras are placed so that they capture clear and certain images of any individual and activity occurring:
- (a) Within 15 feet both inside and outside of all points of entry to and exit from the licensed premises; and
 - (b) Anywhere within secure or limited access areas on the licensed premises.

Stat. Auth.: Sections 2, 12, 14, 15, 16, Ch 614, OL 2015

Stats. Implemented: Sec 2, 12, 14, 15 and 16, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1450

Video Recording Requirements for Licensed Facilities

- (1) A licensee must have cameras that continuously record, 24 hours a day, in all areas with marijuana items on the licensed premises.
- (2) A licensee must:
- (a) Use cameras that record at a minimum resolution of 1280 x 720 px;
 - (b) Keep all surveillance recordings for a minimum of 30 calendar days and in a format approved by the Commission that can be easily accessed for viewing and easily reproduced;
 - (c) Have a surveillance system that has the capability to produce a still photograph from any camera image;
 - (d) Have the date and time embedded on all surveillance recordings without significantly obscuring the picture;
 - (e) Archive video recordings in a format that ensures authentication of the recording as a legitimately-captured video and guarantees that no alterations of the recorded image has taken place;
 - (f) Keep surveillance recordings for periods exceeding 30 days upon request of the Commission and make video surveillance records and recordings available immediately upon request to the Commission for the purpose of ensuring compliance with the Act and these rules; and
 - (g) Immediately notify the Commission of any equipment failure or system outage lasting 30 minutes or more.
- (3) Failure to comply with subsections (2)(e) or (f) of this rule is a Category I violation and may result in license revocation.

Stat. Auth.: Sections 2, 12, 14, 15, 16, Ch 614, OL 2015

Stats. Implemented: Sec 2, 12, 14, 15 and 16, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-1460

Location and Maintenance of Surveillance Equipment

- (1) A licensee must:
- (a) Have the surveillance room or surveillance area in a limited access area; and
 - (b) Have the surveillance recording equipment housed in a designated, locked, and secured room or other enclosure with access limited to:
 - (A) The licensee, licensee representatives, and authorized personnel
 - (B) Employees of the Commission;

(B) Washing hands thoroughly in an adequate hand-washing area before starting work, prior to having contact with a marijuana item and at any other time when the hands may have become soiled or contaminated;

(c) Provide hand-washing facilities adequate and convenient, furnished with running water at a suitable temperature and provided with effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying device;

(d) Properly remove all litter and waste from the licensed premises and maintain the operating systems for waste disposal in an adequate manner so that they do not constitute a source of contamination in areas where marijuana items are exposed;

(e) Provide employees with adequate and readily accessible toilet facilities that are maintained in a sanitary condition and good repair; and

(f) Hold marijuana items that can support pathogenic microorganism growth or toxic formation in a manner that prevents the growth of these pathogenic microorganism or formation toxins.

(2) For purposes of this rule "communicable disease" includes but is not limited to: diphtheria, measles, Salmonella enterica serotype Typhi infection, shigellosis, Shiga-toxigenic Escherichia coli (STEC) infection, hepatitis A, and tuberculosis.

Stat. Auth.: Sections 2, 12, 14, 15, 16, Ch 614, OL 2015

Stats. Implemented: Sec 51, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

Recreational Marijuana Producers

845-025-2000

Definitions

As used in OAR 845-025-2000 to 845-025-2080:

(1) "Canopy" means the surface area utilized to produce mature marijuana plants calculated in square feet and measured using the outside boundaries of any area that includes mature marijuana plants including all of the space within the boundaries.

(2) "Indoor production" means producing marijuana in any manner:

(a) Utilizing artificial lighting on mature marijuana plants; or

(b) Other than "outdoor production" as that is defined in this rule.

(3) "Outdoor production" means producing marijuana:

(a) In an expanse of open or cleared ground; or

(b) In a greenhouse, hoop house or similar non-rigid structure that does not utilize any artificial lighting on mature marijuana plants, including but not limited to electrical lighting sources.

Stat. Auth.: Sections 2, 12, 14, 15, 16, Ch 614, OL 2015

Stats. Implemented: Sections 2, 12, 14, 15, 16, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-2020

Producer Privileges

(1) A producer may only plant, cultivate, grow, harvest and dry marijuana in the manner approved by the Commission and consistent with chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2015 and these rules.

(2) A producer may engage in indoor or outdoor production of marijuana, or a combination of the two.

(3) A producer may sell or deliver:

(a) Usable marijuana to the licensed premises of a marijuana processor, wholesaler, retailer, laboratory, or research certificate holder;

(b) Dried mature marijuana plants that have been entirely removed from any growing medium to the licensed premises of a marijuana processor or research certificate holder; or

(c) Immature marijuana plants and seeds to the licensed premises of a marijuana producer, wholesaler, retailer or research certificate holder.

(4) A producer may not sell a mature marijuana plant other than as provided in section (3)(b) of this rule.

(5) A producer may provide a sample of usable marijuana to a marijuana wholesaler, retailer or processor licensee for the purpose of the licensee determining whether to purchase the product. The sample product may not be consumed on a licensed premises. Any sample provided to another licensee must be recorded in CTS.

Stat. Auth.: Sections 2, 12, 13, Ch 614, OL 2015
 Stats. Implemented: Sec 12, 13, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-2030

Licensed Premises of Producer

(1) The licensed premises of a producer authorized to cultivate marijuana indoors includes all public and private enclosed areas used in the business operated at the location and any areas outside of a building that the Commission has licensed.

(2) The licensed premises of a producer authorized to cultivate marijuana outdoors includes the entire lot or parcel, as defined in ORS 92.010, that the licensee owns, leases or has the right to occupy.

(3) A producer may not engage in any privileges of the license within a primary residence.

(4) The licensed premises of a producer may not be located at the same physical location or address as a marijuana grow site registered under ORS 475.304 unless the producer is also a person responsible for a marijuana grow site and has been issued a license by the Commission in accordance with section 116, chapter 614, Oregon Laws 2014, and OAR 845-025-1100.

Stat. Auth.: Sections 2, 12, ,Ch 614, OL 2015
 Stats. Implemented: Sec 12, 116, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-2040

Production Size Limitations

(1) Cultivation Batches and Cultivate Batch Sizes.

(a) A producer must establish cultivation batches and assign each cultivation batch a unique identification number.

(b) A cultivation batch may not have more than 100 immature plants.

(c) A producer may have an unlimited number of cultivation batches at any one time.

(2) Canopy Size Limits.

(a) Indoor Production.

(A) Tier I: Up to 5,000 square feet.

(B) Tier II: 5,001 to 10,000 square feet.

(b) Outdoor production.

(A) Tier I: Up to 20,000 square feet.

(B) Tier II: 20,001 to 40,000 square feet.

(c) Mixed production. If a producer intends to have a mixture of indoor and outdoor production the Commission will determine the producer's tiers and canopy sizes by applying the ratio in section (4) of this rule.

(d) For purposes of this section, square footage of canopy space is measured starting from the outermost point of the furthest mature flowering plant in a designated growing space and continuing around the outside of all mature flowering plants located within the designated growing space.

(e) A producer may designate multiple grow canopy areas at a licensed premises but those spaces must be separated by a physical boundary such as an interior wall or by at least 10 feet of open space.

(f) If a local government adopts an ordinance that would permit a producer to have a higher canopy size limit than is permitted under this rule, the local government may petition the Commission for an increase in canopy size limits for that jurisdiction. If the Commission grants such a petition, the Commission may amend this rule in addition to considering changes to the license fee schedule.

(g) On an annual basis, the Commission will evaluate market demand for marijuana items, the number of person applying for producer licenses or licensed as producers and whether the

availability of marijuana items in this state is commensurate with the market demand. Following this evaluation the Commission may amend this rule as needed.

(3) Canopy Size Limit — Designation and Increases.

(a) A producer must clearly identify designated canopy areas and proposed canopy size in the initial license application. A producer may change a designated canopy area within a production type at any time with prior written notice to Commission, but a producer may only change canopy tiers at the time of renewal in accordance with subsection (b) of this section.

(b) A producer may submit a request to change canopy tiers at the time the producer submits an application for renewal of the license. The Commission will grant a request to increase the canopy tier for the producer's next licensure term if:

(A) The producer's renewal application is otherwise complete;

(B) There are no bases to deny or reject the producer's renewal application;

(C) The producer has not already reached the applicable maximum canopy size set forth in section (2) of this rule; and

(D) During the preceding year of licensure, the producer has not been found to be in violation, and does not have any pending allegations of violations of chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2015, or these rules.

(c) The Commission shall give a producer an opportunity to be heard if a request is rejected under this section.

(4) Mixed cultivation methods.

(a) A producer may produce marijuana indoors and outdoors at the same time on the same licensed premises. The Commission must be notified of a producer's plan to engage in the indoor and outdoor production of marijuana at the time of initial licensure or at renewal, and not at any other time. A producer who utilizes mixed production may only change designated canopy areas from one production type to another at the time the producer submits a renewal application.

(b) The Commission must approve the canopy size applicable to each method.

(c) The Commission will use a 4:1 ratio, for outdoor and indoor respectively, to allocate canopy size limits under this section, not to exceed the sum canopy size limits set forth in section (2) of this rule. For example, if a Tier II producer in the first year of licensure has 5,000 square feet of indoor canopy space, then the producer may have up to 20,000 square feet of outdoor canopy space at the same time.

(5) Violations. An intentional violation of this rule is a Category I violation and may result in license revocation. All other violations are Category III violations.

Stat. Auth.: Sections 2, 12, 13 Ch 614, OL 2015

Stats. Implemented: Sec 13, 116, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-2050

Operating Procedures

(1) A producer must:

(a) Establish written standard operating procedures for the production of marijuana. The standard operating procedures must, at a minimum, include when, and the manner in which, all pesticide and or other chemicals are to be applied during the production process; and

(b) Maintain a copy of all standard operating procedures on the licensed premises.

(2) If a producer makes a material change to its standard operating procedures it must document the change and revise its standard operating procedures accordingly. Records detailing the material change must be maintained on the licensed premises by the producer.

Stat. Auth.: Sections 2, 12, Ch 614, OL 2015

Stats. Implemented: Sec 12, 116, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-2060

Start-up Inventory

(1) Marijuana producers may not receive immature marijuana plants or seeds from any source other than from another licensee, except that between January 1, 2016 and December 31, 2016, a marijuana producer may receive immature marijuana plants and seeds from any source within Oregon for up to 90 days following initial licensure by the Commission.

(2) The marijuana producer shall, through CTS, report receipt of the number of immature marijuana plants or seeds received under this section within 48 hours of the plants or seeds arriving at the licensed premises. A producer does not have to document the source of the immature plants or seeds during the 90 day start-up period.

(3) Failure to comply with this rule is a Category I violation and could result in license revocation.

Stat. Auth.: Sections 2, 12, Ch 614, OL 2015

Stats. Implemented: Sec 12, 23, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-2070

Pesticides, Fertilizers and Agricultural Chemicals

(1) Pesticides. A producer may only use pesticides in accordance with ORS chapter 634 and OAR 603, Division 57.

(2) Fertilizers, Soil Amendments, Growing Media. A producer may only use fertilizer, agricultural amendments, agricultural minerals and lime products in accordance with ORS Chapter 633.

(3) A producer may not treat or otherwise adulterate usable marijuana with any chemical, biologically active drug, plant, substance, including nicotine, or other compound that has the effect or intent of altering the usable marijuana's color, appearance, weight or smell.

(4) In addition to other records required by these rules, a producer must maintain, at all times and on the licensed premises:

(a) The material safety data sheet (MSDS) for all pesticides, fertilizers or other agricultural chemicals used by the producer in the production of marijuana;

(b) The original label or a copy thereof for all pesticides, fertilizers or other agricultural chemicals used by the producer in the production of marijuana; and

(c) A log of all pesticides, fertilizers or other agricultural chemicals used by the producer in the production of marijuana. The log must include:

(A) The information required to be documented by a pesticide operator in ORS 634.146; and

(B) The unique identification tag number of the cultivation batch or individual mature marijuana plant to which the product was applied, or if applied to all plants on the licensed premises a statement to that effect.

(5) A producer may maintain the records required under this rule in electronic or written form. If electronic, a producer shall maintain a backup system or sufficient data storage so that records are retained for no less than two years after harvest of any marijuana on which documented products were used. If written, a producer shall ensure that the records are legible and complete, shall keep them in a safe and secure location, and shall retain the records for no less than two years after harvest of any marijuana on which documented products were used.

(6) A producer must make the records required under this rule immediately available during an premises inspection by a Commission regulatory specialist. If the Commission requests copies of the records at any time other than during a premises inspection, a producer shall produce the records upon request.

(7) A violation of sections (1) to (4) of this rule is a Category 1 violation and could result in license revocation.

(8) A failure to keep complete records as required by this rule is a Category III violation. A failure to keep records on the licensed premises, or failure to timely produce records, is a Category III violation.

Stat. Auth.: Sections 2, 12, Ch 614, OL 2015

Stats. Implemented: Sec 12, 76 Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-2080

Harvest Lot Segregation

(1) A producer must, within 45 days of harvesting a harvest lot, physically segregate the harvest lot from other harvest lots, place the harvest lot in a receptacle or multiple receptacles and assign a UID tag to each receptacle that is linked to each plant that was harvested.

(2) A producer may not combine harvest lots that are of a different strain, were produced using different growing practices or harvested at a different time.

Stat. Auth.: Sections 2, 12 Ch 614, OL 2015

Stats. Implemented: Sec 12, 23 Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

Medical Marijuana Opt-In**845-025-2400****Medical Marijuana Grow Site Opt-In**

(1) For purposes of this rule:

(a) "Grower" means a person responsible for a marijuana grow site as that term is defined in OAR 333-008-0010.

(b) "Grow site" has the meaning given that term in OAR 333-008-0010.

(c) "Patient" has the same meaning given that term in OAR 333-008-0010.

(2) A grower may apply for a producer license to produce marijuana at the same location as a grow site only if all growers producing marijuana at that address are listed on the application.

(3) In addition to the requirements of OAR 845-025-1030, the applicants must provide proof that each patient for whom the applicants are producing marijuana at the grow site proposed to be licensed has granted permission for the applicants to apply for a license and sell excess usable marijuana and immature plants to licensees of the Commission.

(4) If the Commission approves the application and issues a producer license, the licensees may not possess more than the amount of usable marijuana or marijuana plants permitted under ORS 475.300 to 475.346 unless the licensed premises ceases to be registered as a grow site with the Oregon Health Authority (OHA).

(5) If the licensed premises ceases to be registered as a grow site with the Oregon Health Authority, the licensee must notify the Commission within 5 days and provide proof that no growers or patients are registered by OHA at the licensed premises.

(6) A licensee licensed under this rule must record in CTS within five days of initial licensure, all mature and immature marijuana plants and usable marijuana on the licensed premises.

(7) A producer, licensed under this rule:

(a) Is subject to these rules with the exception of OAR 845-025-2060;

(b) Must comply with the duties, functions and powers of a grower under ORS 475.300 to 475.346 and any rule adopted thereunder, except that a grower is not subject to OHA's requirements related to the reporting or tracking of mature marijuana plants and usable marijuana;

(c) May sell usable marijuana or immature plants in excess of amounts produced for a patient, to other licensees, in accordance with these rules; and

(d) May, notwithstanding section 6, chapter 614, Oregon Laws 2015, transfer marijuana and usable marijuana to other registrants under ORS 475.300 to 475.346 in accordance with any rules adopted by the OHA.

Stat. Auth.: Sec 116, Ch 614, OL 2015

Stats. Implemented: Sec 116, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

Marijuana Retailers**845-025-2800****Retailer Privileges**

A retailer is the only licensee that is authorized to sell a marijuana item to a consumer 21 years of age or older.

Stat. Auth.: Sections 2, 16 Ch 614, OL 2015

Stats. Implemented: Sec 12, 16 Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-2820**Retailer Operational Requirements**

(1) A retailer may:

(a) Only receive marijuana items from a producer, wholesaler, processor or laboratory;

(b) Only sell marijuana items to a consumer from the licensed premises, unless sale is made pursuant to a bona fide order as described in OAR 845-025-2880;

(c) Only sell up to the following amounts at any one time to a consumer within one day:

- (A) One ounce of usable marijuana;
- (B) 16 ounces of a cannabinoid product in solid form;
- (C) 72 ounces of a cannabinoid product in liquid form;
- (D) Five grams of cannabinoid extracts or concentrate, whether sold alone or contained in an inhalant delivery system;
- (E) Four immature marijuana plants; and
- (F) Ten marijuana seeds;
- (d) Refuse to sell marijuana items to a consumer; and
- (e) Only sell to consumers between the hours of 7:00 a.m. and 10 p.m. local time.
- (2) A retailer may not:
 - (a) Provide free samples of a marijuana item to a consumer;
 - (b) Sell or give away pressurized containers of butane or other materials that could be used in the home production of marijuana extracts;
 - (c) Require a consumer to purchase other products or services as a condition of purchasing a marijuana item or receiving a discount on a marijuana item;
 - (d) Sell a marijuana item for less than the cost of acquisition;
 - (e) Provide coupons or offer discounts, except that uniform volume discounts are permitted;
 - (f) Permit consumers to be present on the licensed premises or sell to a consumer between the hours of 10:00 p.m. and 7:00 a.m. local time the following day; or
 - (g) Sell any product derived from industrial hemp, as that is defined in ORS 571.300, that is intended for human consumption, ingestion, or inhalation, unless it has been tested, labeled and packaged in accordance with these rules.
- (3) A retailer's pricing on marijuana items must remain consistent during each day.
- (4) Prior to completing the sale of a marijuana item to a consumer, a retailer must verify that the consumer has a valid, unexpired government-issued photo identification and must verify that the consumer is 21 years of age or older by viewing the consumer's:
 - (a) Passport;
 - (b) Driver license, whether issued in this state or by any other state, as long as the license has a picture of the person;
 - (c) Identification card issued under ORS 807.400;
 - (d) United States military identification card; or
 - (e) Any other identification card issued by a state that bears a picture of the person, the name of the person, the person's date of birth and a physical description of the person.
- (5) Marijuana items offered for sale by a retailer must be stored in such a manner that the items are only accessible to authorized representatives until such time as the final sale to the consumer is completed.
- (6) For purposes of this rule, "coupon" means any coupon, ticket, certificate token or any other material that a person may use to obtain a price reduction or rebate in connection with the acquisition or purchase of a marijuana item.

Stat. Auth.: Sections 2, 16 Ch 614, OL 2015

Stats. Implemented: Sec 15, Ch 1, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-2840

Retailer Premises

- (1) The licensed premises of a retailer:
 - (a) May not be located in an area that is zoned exclusively for residential use.
 - (b) May not be located within 1,000 feet of:
 - (A) A public elementary or secondary school for which attendance is compulsory under ORS 339.020; or

(B) A private or parochial elementary or secondary school, teaching children as described in ORS 339.030.

(c) Must be enclosed on all sides by permanent walls and doors.

(2) A retailer must post in a prominent place signs at every:

(a) Point of sale that read:

(A) "No Minors Permitted Anywhere on the Premises"; and

(B) "No On-Site Consumption".

(b) Exit from the licensed premises that reads: "Marijuana or Marijuana Infused Products May Not Be Consumed In Public".

(3) A retailer must designate a consumer sales area on the licensed premises where consumers are permitted. The area shall include the portion of the premises where marijuana items are displayed for sale to the consumer and sold and may include other contiguous areas such as a lobby or a restroom. The consumer sales area is the sole area of the licensed premises where consumers are permitted.

(4) All inventory must be stored on the licensed premises.

(5) For purposes of determining the distance between a retailer and a school referenced in subsection (1)(b) of this rule, "within 1,000 feet" means a straight line measurement in a radius extending for 1,000 feet or less in any direction from the closest point anywhere on the boundary line of the real property comprising a school to the closest point of the licensed premises of a retailer. If any portion of the licensed premises is within 1,000 feet of a school as described subsection (1)(b) of this rule an applicant will not be licensed.

Stat. Auth.: Sections 2, 16 Ch 614, OL 2015

Stats. Implemented: Sec 6 & 16, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-2860

Consumer Health and Safety Information

A retailer must:

(1) Post at the point of sale the following posters prescribed by the Commission, measuring 22 inches high by 17 inches wide that can be downloaded at www.oregon.gov/olcc/marijuana:

(a) A Pregnancy Warning Poster; and

(b) A Poisoning Prevention Poster.

(2) Post at the point of sale a color copy of the "Educate Before You Recreate" flyer measuring 22 inches high by 17 inches wide that can be downloaded at WHATSLEGALOREGON.COM.

(3) Distribute to each individual at the time of sale, a Marijuana Information Card, prescribed by the Commission, measuring 3.5 inches high by 5 inches long that can be downloaded at www.oregon.gov/olcc/marijuana.

Stat. Auth.: Sections 2, 16 Ch 614, OL 2015

Stats. Implemented: Sec 6 & 16, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-2880

Delivery of Marijuana Items by Retailer

(1) A marijuana retailer may deliver a marijuana item to a residence in Oregon subject to compliance with this rule. For purposes of this rule, "residence" means a dwelling such as a house or apartment but does not include a dormitory, hotel, motel, bed and breakfast or similar commercial business.

(2) Delivery Approval Process.

(a) The retailer must request approval from the Commission prior to undertaking delivery service of marijuana items, on a form prescribed by the Commission that includes a statement that the retailer:

(A) Understands and will follow the requirements for delivery listed in this rule; and

(B) Has taken steps to ensure the personal safety of delivery personnel, including providing any necessary training.

(b) The retailer must receive written approval from the Commission prior to making any deliveries.

(c) The Commission may refuse to review any request for approval that is not complete and accompanied by the documents or disclosures required by the form.

(d) If the Commission denies approval the Commission shall give a retailer the opportunity to be heard.

(e) The Commission may withdraw approval for delivery service at any time if the Commission finds that the retailer is not complying with this rule, the personal safety of delivery personnel is at risk, the retailer's delivery service has been the target of theft, or the delivery service is creating a public safety risk.

(3) Bona Fide Orders.

(a) A bona fide order must be received by an approved retailer from the individual requesting delivery, before 4:00 p.m. on the day the delivery is requested.

(b) The bona fide order must contain:

(A) The individual requestor's name, date of birth, the date delivery is requested and the address of the residence where the individual would like the items delivered;

(B) A document that describes the marijuana items proposed for delivery and the amounts; and

(C) A statement that the marijuana is for personal use and not for the purpose of resale.

(4) Delivery Requirements.

(a) Deliveries must be made before 9:00 p.m. local time and may not be made between the hours of 9:00 p.m. and 8:00 a.m. local time.

(b) The marijuana retailer may only deliver to the individual who placed the bona fide order and only to individuals who are 21 years of age or older.

(c) At the time of delivery the individual performing delivery must check the identification of the individual to whom delivery is being made in order to determine that it is the same individual who submitted the bona fide order, that the individual is 21 years of age or older, and must require the individual to sign a document indicating that the items were received.

(d) A marijuana retailer may not deliver a marijuana item to an individual who is visibly intoxicated at the time of delivery.

(e) Deliveries may not be made more than once per day to the same physical address or to the same individual.

(f) Marijuana items delivered to an individual's residence must:

(A) Comply with the packaging rules in OAR 845-025-7000 to 845-025-7060; and

(B) Be placed in a larger delivery receptacle that has a label that reads: "Contains marijuana: Signature of person 21 years of age or older required for delivery".

(g) A retailer may not carry or transport at any one time more than a total of \$100 in retail value worth of marijuana items designated for retail delivery.

(h) All marijuana items must be kept in a lock-box securely affixed inside the delivery vehicle.

(i) A manifest must be created for each delivery or series of deliveries and the individual doing the delivery may not make any unnecessary stops between deliveries or deviate substantially from the manifest route.

(5) Documentation Requirements. A marijuana retailer must document the following regarding deliveries:

(a) The bona fide order and the date and time it was received by the retailer;

(b) The date and time the marijuana items were delivered;

(c) A description of the marijuana items that were delivered, including the weight or volume and price paid by the consumer;

(d) Who delivered the marijuana items; and

(e) The name of the individual to whom the delivery was made and the delivery address.

(6) A retailer is only required to maintain the name of an individual to whom a delivery was made for one year.

(7) Prohibitions.

(a) A retailer may deliver marijuana items only to a location within:

- (A) The city in which the licensee is licensed, if a licensee is located within a city; or
- (B) Unincorporated areas of the county in which the licensee is licensed, if a licensee is located in an unincorporated city or area within the county.
- (b) A retailer may not deliver marijuana items to a residence located on publicly-owned land.
- (8) Sanction. A violation of any section of this rule that is not otherwise specified in OAR 845-025-8590 is a Category III violation.

Stat. Auth.: Sections 2, 16 Ch 614, OL 2015
 Stats. Implemented: Sec 6 & 16, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-2890

Collection of Taxes

- (1) A retailer must collect, at the point of sale, the tax imposed on the consumer under section 2, chapter 699, Oregon Laws 2015, and remit the tax to the Oregon Department of Revenue in accordance Department of Revenue rules.
- (2) A violation of this rule is a Category III violation.
- (3) An intentional violation of this rule is a Category I violation.

Stat. Auth.: Sections 2, 16 Ch 614, OL 2015
 Stats. Implemented: Sec 6 & 16, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

Retail Marijuana Processors

845-025-3200

Definitions

For purposes of OAR 845-025-3200 to 845-025-3290:

- (1) "Cannabinoid topical" means a cannabinoid product intended to be applied to skin or hair.
- (2) "Food" means a raw, cooked, or processed edible substance, or ingredient used or intended for use or for sale in whole or in part for human consumption, or chewing gum.

Stat. Auth.: Sec 2 & 14, Ch 614, OL 2015
 Stats. Implemented: Sec 2 & 14, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-3210

Endorsements

- (1) A marijuana processor may only process and sell cannabinoid products, concentrates or extracts if the processor has received an endorsement from the Commission for that type of processing activity. Endorsements types are:
- (a) Cannabinoid edible processor;
- (b) Cannabinoid topical processor;
- (c) Cannabinoid concentrate processor; and
- (d) Cannabinoid extract processor.
- (2) An applicant must request an endorsement upon submission of an initial application but may also request an endorsement at any time following licensure.
- (3) In order to apply for an endorsement an applicant or processor licensee must submit a form prescribed by the Commission that includes a description of the type of products to be processed, a description of equipment to be used, and any solvents, gases, chemicals or other compounds proposed to be used to create extracts or concentrates.
- (4) Only one application and license fee is required regardless of how many endorsements an applicant or licensee requests or at what time the request is made.
- (5) An individual processor licensee may hold multiple endorsements.
- (6) For the purposes of endorsements any cannabinoid product that is intended to be consumed orally is considered a cannabinoid edible.
- (7) If a processor is no longer going to process the product for which the processor is endorsed the processor must notify the Commission in writing and provide the date on which the processing

of that product will cease.

(8) The Commission may deny a processor's request for an endorsement if the processor cannot or does not meet the requirements in OAR 845-025-3200 to 845-025-3290 for the endorsement that is requested. If the Commission denies approval the processor has a right to a hearing under the procedures of ORS chapter 183.

Stat. Auth.: Sec 2 & 14, Ch 614, OL 2015
 Stats. Implemented: Sec 14 & 18, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-3220

General Processor Requirements

(1) A processor must:

(a) Use equipment, counters and surfaces for processing that are food-grade and do not react adversely with any solvent being used.

(b) Have counters and surface areas that are constructed in a manner that reduce the potential for development of microbials, molds and fungi and that can be easily cleaned.

(c) Maintain the licensed premises in a manner that is free from conditions which may result in contamination and that is suitable to facilitate safe and sanitary operations for product preparation purposes.

(d) Store all marijuana items not in use in a locked area, including products that require refrigeration in accordance with OAR 845-025-1410.

(e) Assign every process lot a unique identification number and enter this information into CTS.

(2) A processor may provide a sample of a cannabinoid product, concentrate or extract to a marijuana wholesaler or retailer for the purpose of the wholesaler or retailer licensee determining whether to purchase the product but the product may not be consumed on a licensed premises. Any sample provided to another licensee must be recorded in CTS.

(3) A processor may not process or sell a marijuana item:

(a) That by its shape and design is likely to appeal to minors, including but not limited to:

(A) Products that are modeled after non-cannabis products primarily consumed by and marketed to children; or

(B) Products in the shape of an animal, vehicle, person or character.

(b) That is made by applying cannabinoid concentrates or extracts to commercially available candy or snack food items.

Stat. Auth.: Sec 2 & 14, Ch 614, OL 2015
 Stats. Implemented: Sec 14, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-3230

Processor Policies and Procedures

A processor must create and maintain written, detailed standard policies and procedures that include but are not limited to:

(1) Instructions for making each cannabinoid concentrate, extract or product.

(2) The ingredients and the amount of each ingredient for each process lot;

(3) The process for making each product;

(4) The number of servings in a process lot;

(5) The intended amount of THC per serving of the product;

(6) The process for making each process lot homogenous;

(7) If processing a cannabinoid concentrate or extract:

(a) Conducting necessary safety checks prior to commencing processing;

(b) Purging any solvent or other unwanted components from a cannabinoid concentrate or extract;

(8) Procedures for cleaning all equipment, counters and surfaces thoroughly;

- (9) Procedures for preventing growth of pathogenic organisms and toxin formation;
- (10) Proper handling and storage of any solvent, gas or other chemical used in processing or on the licensed premises in accordance with material safety data sheets and any other applicable laws;
- (11) Proper disposal of any waste produced during processing in accordance with all applicable local, state and federal laws, rules and regulations;
- (12) Quality control procedures designed to maximize safety and minimize potential product contamination;
- (13) Appropriate use of any necessary safety or sanitary equipment; and
- (14) Emergency procedures to be followed in case of a fire, chemical spill or other emergency.

Stat. Auth.: Sec 2 & 14, Ch 614, OL 2015
 Stats. Implemented: Sec 14, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-3240

Processor Training Requirements

- (1) A processor must have a comprehensive training program that includes, at a minimum, the following topics:
 - (a) The standard operating policies and procedures;
 - (b) The hazards presented by all solvents or other chemicals used in processing and on the licensed premises as described in the material safety data sheet for each solvent or chemical; and
 - (c) Applicable Commission statutes and rules.
- (2) At the time of hire and prior to engaging in any processing, and once yearly thereafter, each employee involved in the processing of a cannabinoid concentrate, extract or product must be trained in accordance with the processor's training program.

Stat. Auth.: Sec 2 & 14, Ch 614, OL 2015
 Stats. Implemented: Sec 14, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-3250

Cannabinoid Edible Processor Requirements

- (1) A cannabinoid edible processor may only process in a food establishment licensed by the Oregon Department of Agriculture (ODA) and must comply with the applicable provisions of OAR 603, Division 21, Division 22, Division 24, Division 25, with the exception of OAR 603-025-0020(17) and Division 28.
- (2) A cannabinoid edible processor may not:
 - (a) Engage in processing in a location that is operating as a restaurant, seasonal temporary restaurant, intermittent temporary restaurant, limited service restaurant, single-event temporary restaurant, commissary, mobile unit, bed or breakfast, or warehouse licensed under ORS 624;
 - (b) Share a food establishment with a person not licensed and endorsed by the Commission as a cannabinoid edible processor;
 - (c) Process food intended for commercial sale that does not contain cannabinoids, at the licensed premises; or
 - (d) Use a cannabinoid concentrate or extract to process food unless that concentrate or extract was made by a processor licensed by the ODA under ORS 616.706.
- (3) A cannabinoid edible processor may share a food establishment with another cannabinoid edible processor if:
 - (a) The schedule, with specific hours and days that each processor will use the food establishment, is prominently posted at the entrance to the food service establishment and has been approved by the Commission:
 - (A) The schedule must be submitted to the Commission in writing and will be approved if it demonstrates that use of a shared food establishment by multiple cannabinoid edible processors does not create an increased compliance risk.
 - (B) A processor licensee may only change the schedule with prior written approval from the Commission.

(F) Have an emergency eye-wash station in any room in which cannabinoid extract is being processed; and

(G) Have all applicable material safety data sheets readily available to personnel working for the processor.

(3) Cannabinoid Concentrates. A processor with an endorsement to make cannabinoid concentrates:

(a) May not:

(A) Use denatured alcohol.

(B) If using carbon dioxide, apply high heat or pressure.

(b) Must only use or store dry ice in a well-ventilated room to prevent against the accumulation of dangerous levels of CO₂.

(c) May use:

(A) A mechanical extraction process;

(B) A chemical extraction process using a nonhydrocarbon-based or other solvent, such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol; or

(C) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, provided that the process does not involve the use heat over 180 degrees or pressure.

Stat. Auth.: Sec 2 & 14, Ch 614, OL 2015

Stats. Implemented: Sec 14, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-3280

Cannabinoid Topical Processor

A processor with a cannabinoid topical endorsement may not engage in processing in a location that is operating as a restaurant, seasonal temporary restaurant, intermittent temporary restaurant, limited service restaurant or single-event temporary restaurant licensed under ORS 624.

Stat. Auth.: Sec 2 & 14, Ch 614, OL 2015

Stats. Implemented: Sec 14, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-3290

Recordkeeping

(1) A processor must keep records documenting the following:

(a) How much marijuana is in each process lot;

(b) If a product is returned by a licensee, how much product is returned and why;

(c) If a defective product was reprocessed, how the defective product was reprocessed; and

(d) Each training provided in accordance with OAR 845-025-3240, the names of employees who participated in the training, and a summary of the information provided in the training.

(2) A processor must obtain a material safety data sheet for each solvent used or stored on the licensed premises and maintain a current copy of the material safety data sheet and a receipt of purchase for all solvents used or to be used in an extraction process on the licensed premises.

(3) If the Commission requires a processor to submit or produce documents to the Commission that the processor believes falls within the definition of a trade secret as defined in ORS 192.501, the processor must mark each document "confidential" or "trade secret".

Stat. Auth.: Sec 2 & 14, Ch 614, OL 2015

Stats. Implemented: Sec 14, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

Recreational Marijuana Wholesaler

845-025-3500

Wholesale License Privileges; Prohibitions

(1) License Privileges. A wholesale licensee may:

(a) Purchase marijuana items from a producer, processor or wholesaler licensee.

(b) Sell, including sale by auction:

(A) Any type of marijuana item to a retail, wholesale or research certificate holder.

(B) Only immature marijuana plants and seeds to a producer licensee.

(C) Only usable marijuana to a processor licensee.

(c) Transport and store marijuana items on behalf of other licensees, pursuant to the requirements of OAR 845-025-7500 to OAR 845-025-7590.

(d) Provide a sample of usable marijuana or a cannabinoid product, concentrate or extract to a marijuana wholesaler, retailer or processor licensee for the purpose of the licensee determining whether to purchase the product. The product may not be consumed on a licensed premises. Any sample provided to another licensee must be recorded in CTS.

(2) Prohibited Conduct. A wholesale licensee may not:

(a) Receive marijuana items from any source other than a producer, processor or wholesale licensee.

(b) Sell or otherwise transfer a marijuana item to consumers or any entity other than a licensee of the Commission.

(3) For purposes of this rule, "marijuana item" does not include a mature marijuana plant.

Stat. Auth.: Sec 2 & 15, Ch 614, OL 2015

Stats. Implemented: Sec 15 & 23 Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

Marijuana Testing Laboratories

845-025-5000

Laboratory License Privileges

A licensed marijuana testing laboratory may:

(1) Obtain samples of marijuana items from licensees for purposes of performing testing as provided in these rules and OAR 333-007-0300 to 333-007-0490;

(2) Transport and dispose of samples as provided in these rules; and

(3) Perform testing on marijuana items in a manner consistent with the laboratory's accreditation by the Oregon Health Authority, these rules and OAR 333-007-0300 to 333-007-0490.

Stat. Auth.: Sec 93, Ch 614, OL 2015

Stats. Implemented: Sec 93, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-5030

Laboratory Licensing Requirements

(1) General Requirements

(a) A laboratory that intends to test marijuana items for producer, processor, wholesale or retail licensees must be licensed by the Commission.

(b) An applicant for a license under this rule must comply with all applicable application requirements in OAR 845-025-1030 and pay the required application and license fees, except that a laboratory licensee is not subject to any residency requirements.

(c) A laboratory application is subject to the same application review procedures as other applicants.

(d) In addition to the denial criteria in OAR 845-025-1115, the Commission may refuse to issue a laboratory license for any violation of sections 91 to 99, chapter 614, Oregon Laws 2015, sections 3 to 70, chapter 1, Oregon Laws 2015, or these rules.

(e) Laboratory application and license fees are established in OAR 845-025-1060.

(2) Accreditation by the Oregon Health Authority

(a) In addition to the requirements listed in section (1) of this rule, an applicant for a laboratory license must be accredited by the Authority with a scope of accreditation that includes the sampling and testing analysis required in OAR 333-007-0300 to 333-007-0490 prior to exercising the licensed privileges in 845-025-5000.

(b) An applicant for a license under this rule may apply for licensure prior to receiving accreditation, but the Commission will not issue a license until proof of accreditation is received.

(c) The Commission may make efforts to verify or check on an applicant's accreditation status during the licensing process, but an applicant bears the burden of taking all steps needed to secure accreditation and present proof of accreditation to the Commission.

(d) In addition to the denial criteria in OAR 845-025-1115, the Commission may consider an application incomplete if the applicant does not obtain accreditation from the Authority within six months of applying for a license. The Commission shall give an applicant an opportunity to be heard if an application is declared incomplete under this section, but an applicant is not entitled to a contested case proceeding under ORS chapter 183. An applicant whose application is declared incomplete may reapply at any time.

(e) A licensed laboratory must maintain accreditation by the Authority at all times while licensed by the Commission. If a laboratory's accreditation lapses, is canceled or is suspended at any time for any reason while licensed by the Commission, the laboratory may not engage in any activities permitted under the license until accreditation is reinstated.

(f) Exercising license privileges while accreditation is suspended or canceled is a Category I violation and could result in license cancellation.

(3) Renewal.

(a) A laboratory must renew its license annually and pay the required renewal fees in accordance with OAR 845-025-1190.

(b) A laboratory renewal application may be denied for any violation of sections 91 to 99, chapter 614, Oregon Laws 2015, sections 3 to 70, chapter 1, Oregon Laws 2015, or these rules.

Stat. Auth.: Sec 93, Ch 614, OL 2015
 Stats. Implemented: Sec 93, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-5045

Laboratory Tracking and Reporting

(1) A laboratory licensee is required to utilize CTS and follow all requirements established by OAR 845-025-7500 to OAR 845-025-7590.

(2) A laboratory licensee is responsible for tracking and entering the following information into CTS:

(a) Receipt of samples for testing, including:

(A) Size of the sample;

(B) Name of licensee from whom the sample was obtained;

(C) Date the sample was collected; and

(D) UID tag information associated with the harvest or process lot from which the sample was obtained.

(b) Tests performed on samples, including:

(A) Date testing was performed;

(B) What samples were tested for;

(C) Name of laboratory responsible for testing; and

(D) Results of all testing performed.

(c) Disposition of any testing sample material.

Stat. Auth.: Sec 93, Ch 614, OL 2015
 Stats. Implemented: Sec 93, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-5060

Laboratory Transportation and Waste Disposal

(1) A laboratory licensee must follow all rules regarding transportation of marijuana items established in OAR 845-025-7700.

(2) A laboratory licensee must follow all rules regarding disposal of samples from marijuana items established in OAR 845-025-7750.

Stat. Auth.: Sec 93, Ch 614, OL 2015
 Stats. Implemented: Sec 93, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-5075

Laboratory Licensee Prohibited Conduct

(1) In addition to the prohibitions set forth in OAR 845-025-8520, a laboratory licensee may not:

- (a) Perform any required marijuana testing using any testing methods or equipment not permitted under the laboratory's accreditation through the Authority;
- (b) Perform any required marijuana testing for any licensed marijuana producer, processor, wholesaler or retailer in which the laboratory licensee has a financial interest; or
- (c) Engage in any activity that violates any provision of chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2015, OAR 333-007-0300 through 333-007-0490 or OAR 333, Division 64 as applicable or these rules.

(2) The Commission may suspend or cancel a laboratory license for any violation of sections 91 to 99, chapter 614, Oregon Laws 2015, or these rules. The licensee has a right to a hearing under the procedures of ORS chapter 183; OAR chapter 137, division 003; and OAR chapter 845, division 003.

(3) A violation of this rule is a Category I violation and could result in license revocation.

Stat. Auth.: Sec 93, Ch 614, OL 2015

Stats. Implemented: Sec 93, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

Research Certificate

845-025-5300

Application for Marijuana Research Certificate

(1) The Commission shall issue Marijuana Research Certificates to qualifying public and private researchers who present research proposals that demonstrate:

- (a) The proposed research would benefit the state's cannabis industry, medical research or public health and safety; and
- (b) The proposed operation and methodology complies with all applicable laws and administrative rules governing marijuana licensees and licensee representatives.

(2) The process for applying for, receiving and renewing a certificate shall be the same as the process for applying for, receiving and renewing a marijuana license under OAR 845-025-1030 to 845-025-1115 except that an applicant for a Marijuana Research Certificate is not subject to the residency requirements in OAR 845-025-1045(2)(b).

(3) In addition to the application requirements in OAR-025-1030 the applicant must also provide:

- (a) A clear description of the research proposal;
- (b) A description of the researchers' expertise in the scientific substance and methods of the proposed research;
- (c) An explanation of the scientific merit of the research plan, including a clear statement of the overall benefit of the applicant's proposed research to Oregon's cannabis industry, medical research, or to public health and safety;
- (d) Descriptions of key personnel, including clinicians, scientists, or epidemiologists and support personnel who would be involved in the research, demonstrating they are adequately trained to conduct this research;
- (e) A clear statement of the applicant's access to funding and the estimated cost of the proposed research;
- (f) A disclosure of any specific conflicts of interest that the researcher or other key personnel have regarding the research proposal;
- (g) A description of the research methods demonstrating an unbiased approach to the proposed research; and
- (h) If the applicant intends to research the use of pesticides, an experimental use permit issued by Oregon Department of Agriculture pursuant to OAR 603-057-0160.

(4) Research certificates will be granted for up to a three-year term.

(5) The Commission may request that the research certificate holder submit information and fingerprints required for a criminal background check at any time within the research certificate

term.

(6) A certificate holder may, in writing, request that the Commission waive one or more of these rules. The request must include the following information:

(a) The specific rule and subsection of a rule that is requested to be waived;

(b) The reason for the waiver;

(c) A description of an alternative safeguard the licensee can put in place in lieu of the requirement that is the subject of the waiver, or why such a safeguard is not necessary; and

(d) An explanation of how and why the alternative safeguard or waiver of the rule protects public health and safety, prevents diversion of marijuana, and provides for accountability.

(7) The Commission may, in its discretion, and on a case-by-case basis, grant the waiver in whole or in part if it finds:

(a) The reason the certificate holder is requesting the waiver is because another state or local law prohibits compliance; or

(b) The certificate holder cannot comply with the particular rule, for reasons beyond the certificate holder's control or compliance with the rule is cost prohibitive; or

(c) Because of the nature of the research, the Commission finds that compliance with a particular rule is not necessary and that even with the waiver public health and safety can be protected, there is no increased opportunity for diversion of marijuana, and the certificate holder remains accountable.

(8) The Commission must notify the certificate holder in writing whether the request has been approved. If the request is approved the notice must specifically describe any alternate safeguards that are required and, if the waiver is time limited, must state the time period the waiver is in effect.

(9) The Commission may withdraw approval of the waiver at any time upon a finding that the previously approved waiver is not protecting public health and safety or the research certificate holder has other issues with compliance. If the Commission withdraws its approval of the waiver the certificate holder will be given a reasonable period of time to come into compliance with the requirement that was waived.

Stat. Auth.: Sec 113, Ch 614, OL 2015

Stats. Implemented: Sec 113, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-5350

Marijuana Research Certificate Privileges and Prohibitions

(1) A certificate holder may receive marijuana items from a licensee or a registrant under ORS 475.300 to 475.346.

(2) A certificate holder may not sell or otherwise transfer marijuana items to any other person except when disposing of waste pursuant to OAR 845-025-7750, or transferring to another certificate holder.

(3) A certificate holder may not conduct any human subject research related to marijuana unless the certificate holder has received approval from an institutional review board that has adopted the Common Rule, 45 CFR Part 46.

(4) All administrative rules adopted by Commission for the purpose of administering and enforcing chapter 1, Oregon Laws 2015; chapter 614, Oregon Laws 2015; and any rules adopted thereunder with respect to licensees and licensee representatives apply to certificate holders except for those which are inconsistent with this rule.

Stat. Auth.: Sec 113, Ch 614, OL 2015

Stats. Implemented: Sec 113, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

Marijuana Handler Permits

845-025-5500

Marijuana Handler Permit and Retailer Requirements

(1) A marijuana handler permit is required for any individual who performs work for or on behalf of a marijuana retailer if the individual participates in:

(a) The possession, securing or selling of marijuana items at the premises for which the license has been issued;

(b) The recording of the possession, securing or selling of marijuana items at the premises for which the license has been issued;

(c) The verification of any document described in section 16, chapter 1, Oregon Laws 2015; or

(d) The direct supervision of a person described in subsections (a) to (c) of this section.

(2) An individual who is required by section (1) of this rule to hold a marijuana handler permit must carry that permit on his or her person at all times when performing work on behalf of a marijuana retailer.

(3) A person who holds a marijuana handler permit must notify the Commission in writing within 10 days of any conviction for a misdemeanor or felony.

(4) A marijuana retailer must verify that an individual has a valid marijuana handler permit issued in accordance with OAR 845-025-5500 to 845-025-5590 before allowing the individual to perform any work at the licensed premises.

Stat. Auth.: Sec 19 & 20, Ch 614, OL 2015

Stat. Auth.: Sec 19 & 20, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-5520

Marijuana Handler Applications

(1) In order to obtain a marijuana handler permit an individual must submit an application on a form prescribed by the Commission. The application must contain the applicant's:

(a) Name;

(b) Mailing address;

(c) Date of birth;

(d) Signature; and

(e) Response to conviction history questions.

(2) In addition to the application an applicant must submit:

(a) A copy of a driver's license or identification card issued by one of the fifty states in the United States of America or a passport;

(b) The applicable fee as specified in OAR 845-025-1060; and

(c) Proof of having completed a marijuana handler education course and passed the examination.

(3) If an application does not contain all the information requested or if the information and fee required in section (2) of this rule is not provided to the Commission, the application will be returned to the individual as incomplete, along with the fee.

(4) If an application is returned as incomplete, the individual may reapply at any time.

Stat. Auth.: Sec 19 & 20, Ch 614, OL 2015

Stat. Auth.: Sec 19 & 20, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-5540

Marijuana Handler Permit Denial Criteria

(1) The Commission must deny an initial or renewal application if the applicant:

(a) Is not 21 years of age or older; or

(b) Has not completed the marijuana handler education course and passed the examination.

(2) The Commission may deny a marijuana handler permit application, unless the applicant shows good cause to overcome the denial criteria, if the applicant:

(a) Has been convicted of a felony, except for a felony described in section 20(4)(a), chapter 614, Oregon Laws 2015;

(b) Has violated a provision of sections 3 to 70, chapter 1, Oregon Laws 2015, or these rules; or

(c) Makes a false statement to the Commission.

(3) If the Commission denies an application under subsection (2)(b) or (c) of this rule the individual may not reapply within two years of the date the Commission received the application.

(4) A Notice of Denial must be issued by the Commission in accordance with ORS 183.

Stat. Auth.: Sec 19 & 20, Ch 614, OL 2015
 Stat. Auth.: Sec 19 & 20, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-5560

Marijuana Handler Course Education and Examination Requirements

(1) An individual must, prior to applying for a marijuana handler permit, complete an approved marijuana handler education course, pass the required examination, and pay the fee specified in OAR 845-025-1060.

(2) An individual must score at least 70 percent on the marijuana handler course examination in order to pass.

(a) An individual who does not pass the examination may retake the examination up to two times within 90 days of the date the individual took the course.

(b) If the individual fails to pass both retake examinations, the individual must retake the handler education course.

(3) An individual must take a marijuana handler education course at least every five years prior to applying for renewal of a marijuana handler permit.

(4) The Commission may require additional education or training for permit holders at any time, with adequate notice to permit holders.

Stat. Auth.: Sec 19 & 20, Ch 614, OL 2015
 Stat. Auth.: Sec 19 & 20, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-5580

Marijuana Handler Renewal Requirements

(1) An individual must renew his or her marijuana handler permit every five years by submitting a renewal application, on a form prescribed by the Commission and the applicable fee specified in OAR 845-025-1060.

(2) Renewal applications will be reviewed in accordance with OAR 845-025-5520 and 845-025-5540.

Stat. Auth.: Sec 19 & 20, Ch 614, OL 2015
 Stat. Auth.: Sec 19 & 20, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-5590

Suspension or Revocation

(1) The Commission may suspend or cancel the permit of any marijuana handler if the handler:

(a) Has been convicted of a felony, except for a felony described in section 20, chapter 614, Oregon Laws 2015(4)(a);

(b) Has violated a provision of sections 3 to 70, chapter 1, Oregon Laws 2015, or these rules; or

(c) Makes a material false statement to the Commission.

(2) If an individual's permit is canceled under sections (1)(b) or (c) of this rule the individual may not reapply within two years from the date a final order of revocation is issued.

(3) A notice of suspension or revocation must be issued by the Commission in accordance with ORS 183.

Stat. Auth.: Sec 19 & 20, Ch 614, OL 2015
 Stat. Auth.: Sec 19 & 20, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

Testing

845-025-5700

Licensee Testing Requirements

(1) Licensees are required to test marijuana items in accordance with OAR 333-007-0300 to 333-007-0490.

(2) A licensee may not sell or transfer a marijuana item:

(a) That is required to be tested before being sold or transferred unless the required testing has been performed by a licensed laboratory; or

(b) That is from a batch that has failed a test and the batch has not been retested in accordance with OAR 333-007-0460 and subsequently passed the required testing.

(3) A violation of this rule is a Category I violation.

Stat. Auth.: Sec 91 & 92, Ch 614, OL 2015

Stat. Auth.: Sec 91 & 92, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-5720

Labeling, Storage, and Security of Pre-Tested Marijuana Items

(1) Following samples being taken from a harvest or process lot a licensee must:

(a) Label the harvest or process lot with the following information:

(A) The laboratory doing the samples;

(B) The test batch samples numbers, once known;

(C) The date the samples were taken;

(D) The harvest or process lot number;

(E) The licensee's license number; and

(F) In bold, capital letters, no smaller than 12 point font, "PRODUCT NOT TESTED".

(b) Store and secure the harvest or process lot in a manner that prevents the product from being tampered with or sold prior to test results being reported.

(2) A harvest or process lot may be stored in more than one receptacle as long as the labeling requirements are met.

(3) If the samples pass testing the product may be sold in accordance with the applicable Commission rules.

(4) If the samples do not pass testing the licensee must comply with OAR 845-025-5740.

Stat. Auth.: Sec 91 & 92, Ch 614, OL 2015

Stat. Auth.: Sec 91 & 92, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-5740

Failed Test Samples

(1) If a sample fails any initial test the licensee may have samples retested in accordance with OAR 333-007-0460.

(2) Failed microbiological contaminant testing.

(a) If a sample from a batch of usable marijuana fails microbiological contaminant testing the batch may be used to make a cannabinoid concentrate or extract if the processing method effectively sterilizes the batch such as a method using a hydrocarbon-based solvent or a CO2 closed loop system.

(b) If a sample from a batch of a cannabinoid concentrate or extract fails microbiological contaminant testing the batch may be further processed if the processing method effectively sterilizes the batch such as a method using a hydrocarbon-based solvent or a CO2 closed loop system.

(c) A batch that is sterilized in accordance with subsection (a) or (b) of this section must be resampled and retested in accordance with OAR 333-007-0460 and must be tested, if not otherwise required for that product, for microbiological contaminants, solvents and pesticides.

(3) Failed solvent testing.

(a) If a sample from a batch fails solvent testing the batch may be re-processed using procedures that would reduce the concentration of solvents to less than the action level.

(b) A batch that is re-processed in accordance with subsection (a) of this section must be resampled and retested in accordance with OAR 333-007-0460 and must be tested, if not otherwise required for that product, for microbiological contaminants, solvents and pesticides.

(4) Failed water activity testing.

(a) If a sample from a batch of usable marijuana fails for water activity, the batch from which the sample was taken may continue to dry or cure.

(b) A batch that undergoes additional drying or curing as described in subsection (a) of this section must be resampled and retested in accordance with OAR 333-007-0460.

(5) Failed pesticide testing. If a sample from a batch fails pesticide testing the batch must be destroyed, in accordance with OAR 845-025-7750, or re-tested in accordance with OAR 333-007-0460.

(6) If a sample fails a retest required under sections (2), (3) and (5) of this rule for microbiological contaminants, solvents or pesticides a licensee must destroy or dispose of the batch.

(7) A regulatory specialist must witness the destruction or disposal of a batch if destruction or disposal is required by this rule.

(8) A licensee must inform a laboratory prior to samples being taken that the batch is being resampled and retested after an initial failed test.

(9) A licensee must, as applicable:

(a) Have detailed procedures for sterilization processes to remove microbiological contaminants and for reducing the concentration of solvents or pesticides; and

(b) Document, in CTS, all resampling, retesting, sterilization, re-processing, remediation and destruction or disposal.

Stat. Auth.: Sec 91 & 92, Ch 614, OL 2015

Stat. Auth.: Sec 91 & 92, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-5760

Audit Testing or Compliance Testing

(1) The Commission may require a licensee to have samples from a harvest or process lot submitted to a laboratory for testing in order to determine whether the licensee is in compliance with OAR 333-007-0300 to 333-007-0490 and these rules, at the licensee's expense.

(2) Audit testing must comply with OAR 333-007-0300 to 333-007-0490 and any applicable Oregon Environmental Laboratory Accreditation Program rules.

(3) The Commission may initiate an investigation of a licensee upon receipt of a tentatively identified compounds report from a laboratory, reported in accordance with OAR 333-064-0100 and may require the licensee to submit samples for additional testing, including testing for analytes that are not required by OAR 333-007-0300 to 333-007-0490, at the licensee's expense.

Stat. Auth.: Sec 91 & 92, Ch 614, OL 2015

Stat. Auth.: Sec 91 & 92, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

Packaging and Labeling

845-025-7000

Definitions

For the purposes of OAR 845-025-7000 to 845-025-7060:

(1) "Attractive to minors" means packaging, labeling and marketing that features:

(a) Cartoons;

(b) A design, brand or name that resembles a non-cannabis consumer product of the type that is typically marketed to minors;

(c) Features symbols or celebrities that are commonly used to market products to minors.

(2) "Cannabinoid" means any of the chemical compounds that are the active constituents of marijuana.

(3) "Cannabinoid concentrate or extract" means a substance obtained by separating cannabinoids from marijuana by a mechanical, chemical or other process.

(4) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate or extract or the dried leaves or flowers of marijuana have been incorporated.

(5)(a) "Cannabinoid product" means a cannabinoid edible or any other product intended for human consumption or use, including a product intended to be applied to a person's skin or hair, that contains cannabinoids or the dried leaves or flowers of marijuana.

(b) "Cannabinoid product" does not include:

(A) Usable marijuana by itself;

(B) A cannabinoid concentrate or extract by itself; or

(C) Industrial hemp, as defined in ORS 571.300.

(6) "Cartoon" means any drawing or other depiction of an object, person, animal, creature or any similar caricature that satisfies any of the following criteria:

(a) The use of comically exaggerated features;

(b) The attribution of human characteristics to animals, plants or other objects, or the similar use of anthropomorphic technique; or

(c) The attribution of unnatural or extra-human abilities, such as imperviousness to pain or injury, X-ray vision, tunneling at very high speeds or transformation.

(7) "Child resistant" means packaging that is:

(a) Designed or constructed to be significantly difficult for children under five years of age to open and not difficult for adults to use properly as defined by 16 CFR 1700.20 (1995); and

(b) Resealable for any cannabinoid concentrate or extract, or cannabinoid product, intended for more than a single use or containing multiple servings.

(8) "Consumer":

(a) Has the meaning given that term in section 1, chapter 614, Oregon Laws 2015; or

(b) Means a patient or designated primary caregiver receiving a transfer from a medical marijuana dispensary.

(9) "Container" means a sealed, hard or soft-bodied receptacle in which a marijuana item is placed prior to being sold to a consumer.

(10) "Exit Package" means a sealed container provided at the retail point of sale in which any marijuana items already within a container are placed.

(11) "Licensee" has the meaning given that term in OAR 845-025-1015.

(12) Marijuana.

(a) "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

(b) "Marijuana" does not include industrial hemp, as defined in ORS 571.300.

(13) "Marijuana item" means marijuana, usable marijuana, a cannabinoid product or a cannabinoid concentrate or extract.

(14) "Processing" means the compounding or conversion of marijuana into cannabinoid products or cannabinoid concentrates or extracts.

(15) "Producing" means:

(a) Planting, cultivating, growing, trimming or harvesting marijuana; or

(b) Drying marijuana leaves and flowers.

(16) "Registrant" means a person registered with the Authority under ORS 475.304, 475.314, or section 85, chapter 614, Oregon Laws 2015.

(17) Usable Marijuana.

(a) "Usable marijuana" means the dried leaves and flowers of marijuana.

(b) "Usable marijuana" does not include:

(A) The seeds, stalks and roots of marijuana; or

(B) Waste material that is a by-product of producing or processing marijuana.

Stat. Auth.: Sec 103, Ch 614, OL 2015

Stat. Auth.: Sec 103 & 100 Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-7020

Packaging for Sale to Consumer

-100-

(1) The purpose of this rule is to set the minimum standards for the packaging of marijuana items that are sold to the consumer, applicable to:

(a) A licensee; or

(b) On and after April 1, 2016, a registrant who is not exempt from the labeling requirements.

(2) Containers or packaging for marijuana items must protect a marijuana item from contamination and must not impart any toxic or deleterious substance to the marijuana item.

(3) Marijuana items for ultimate sale to a consumer must:

(a) Be packaged in a container that is child-resistant;

(b) Not be packaged or labeled in a manner that is attractive to minors; and

(c) Be labeled in accordance with OAR 333-007-0010 to 333-007-0100.

(4) Packaging may not contain any text that makes an untruthful or misleading statement.

(5) Nothing in this rule:

(a) Prevents the re-use of packaging that is capable of continuing to be child-resistant, as permitted by rules established by the Commission or the Authority; or

(b) Prohibits the Commission or the Authority from imposing additional packaging requirements in their respective rules governing licensees and registrants.

Stat. Auth.: Sec 103, Ch 614, OL 2015

Stat. Auth.: Sec 12, 14, 15, 16 103 Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-7040

Wholesaler and Retailer Packaging and Labeling Compliance Requirements

(1) If a wholesaler or a retailer receives a marijuana item that is not packaged or labeled in accordance with OAR 845-025-7000 to 845-025-7060 or 333-007-0010 to 333-007-0100, the wholesaler or retailer must notify the Commission and return the marijuana item to the licensee who transferred the wholesaler or retailer the marijuana item. The wholesaler or retailer must document the return and the reason for the return in the tracking system.

(2) Sale of a marijuana item that is not packaged and labeled in accordance with OAR 845-025-7000 to 845-025-7060 and 333-007-0010 to 333-007-0100 is a category III violation.

Stat. Auth.: Sec 103, Ch 614, OL 2015

Stat. Auth.: Sec 15, 16 103 Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-7060

Packaging and Labeling Pre-approval Process

(1) Prior to a marijuana item being sold to a consumer, a licensee or a registrant, if pre-approval is required by the Authority, packaging marijuana items for ultimate sale to a consumer must submit a prototype of the packaging complete with labels affixed to the package for pre-approval by the Commission, subject to the exceptions in sections (6) to (8) of this rule, the packaging and labels must be accompanied by the following:

(a) A fee as specified in OAR 845-025-1060; and

(b) Information including but not limited to:

(A) The licensee's license number or the registrant's registration number; and

(B) A picture of and description of the item to be placed in the package.

(2) The Commission will evaluate the packaging and label in order to determine whether:

(a) The packaging:

(A) Is child resistant.

(B) Is marketed in a manner attractive to minors.

(C) Contains untruthful or misleading content.

(D) If the packaging is for a cannabinoid edible or other cannabinoid products, is attractive to minors.

(b) The label complies with the Authority's labeling rules, OAR 333-007-0010 to 333-007-0100.

(3) The Commission must review the packaging and labeling and notify the licensee or registrant whether the packaging and labeling is approved, and if not approved, a description of the packaging or labeling deficiencies.

(4) If a licensee or registrant's packaging or labeling is deficient it must correct the deficiencies and resubmit the packaging for pre-approval, but the licensee or registrant is not required to submit an additional fee unless the packaging is found deficient for a second time in which case the licensee must resubmit the packaging or labeling in accordance with subsection (1) of this rule.

(5) If the label affixed to the package is not compliant with OAR 333-007-0010 to 333-007-0100 the package will not be approved.

(6) Packages and labels that have been previously approved do not need to be resubmitted if the only changes to the packaging or label are:

(a) Changes in the:

(A) Harvest or processing date;

(B) Strain;

(C) Test results;

(D) Net weight or volume; or

(E) Harvest or process lot numbers.

(b) The deletion of any non-mandatory label information.

(c) The addition, deletion or change in the:

(A) UPC barcodes or 2D mobile barcodes (QR codes); or

(B) Website address, phone number, fax number, or zip code of the licensee or registrant.

(d) The repositioning of any label information on the package.

(7) The Commission must publish a list of previously-approved commercially available packaging. Packaging identified on this list as approved for certain product types does not need to be submitted for approval if used for the type of product for which it is approved and the packaging does not contain any graphics, pictures or logos.

(8) Labels for marijuana items do not require pre-approval if they contain only the information required by OAR 333-007-0010 to 333-007-0100 and have no graphics, pictures or logos.

(9) Notwithstanding any provisions of this rule, the Commission may permit or require electronic submission of labels and packaging for approval.

Stat. Auth.: Sec 102 & 104, Ch 614, OL 2015

Stat. Auth.: Sec 102 & 104, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

Seed-To-Sale Tracking

845-025-7500

CTS Requirements

(1) A licensee must:

(a) Use CTS as the primary inventory and recording keeping system.

(b) Have a CTS account activated and functional prior to operating or exercising any privileges of the license and must maintain an active account while licensed.

(2) A licensee must have at least one license holder who is a CTS administrator and a licensee may authorize additional license holders or licensee representatives to obtain Administrator accounts.

(3) In order to obtain a CTS administrator account, a license holder must attend and successfully complete all required CTS training. The Commission may also require additional ongoing, continuing education for an individual to retain his or her CTS administrator account.

(4) A licensee may designate licensee representatives as CTS users. A designated user must be trained by a CTS administrator in the proper and lawful use of CTS.

(5) A licensee must:

(a) Maintain an accurate and complete list of all CTS administrators and CTS users for each licensed premises and must update the list when a new CTS user is trained.

(b) Train and authorize any new CTS users before those users are permitted to access CTS or input, modify, or delete any information in CTS.

(c) Cancel any CTS administrator or user from an associated CTS account if that individual is no longer a licensee representative or the administrator or user has violated OAR 845-025-7500 to 845-025-7590.

(d) Correct any data that is entered into CTS in error.

(6) A licensee is accountable for all actions licensee representatives take while logged into CTS or otherwise conducting inventory tracking activities.

(7) Nothing in this rule prohibits a licensee from using secondary separate software applications to collect information to be used by the business including secondary inventory tracking or point of sale systems. Secondary software applications must use CTS data as the primary source of data and must be compatible with updating to CTS. If a licensee uses a separate software application it must get approval from the vendor contracting with the Commission to provide CTS and the software application must:

(a) Accurately transfer all relevant CTS data to and from CTS for the purposes of reconciliations with any secondary systems.

(b) Preserve original CTS data when transferred to and from a secondary application.

(8) If at any point a licensee loses access to CTS for any reason, the licensee must keep and maintain comprehensive records detailing all tracking inventory activities that were conducted during the loss of access.

(a) Once access is restored, all inventory tracking activities that occurred during the loss of access must be entered into CTS.

(b) A licensee must document when access to the system was lost and when it was restored.

(c) A licensee may not transport any marijuana items to another licensed premises until such time as access is restored and all information is recorded into CTS.

Stat. Auth.: Sec 2, 12, 14, 15, 16 & 93 , Ch 614, OL 2015

Stat. Auth.: Sec 23 Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-7520

Unique Identification (UID) Tags

A licensee must:

(1) Use UID tags issued by a Commission-approved vendor that is authorized to provide UID tags for CTS. Each licensee is responsible for the cost of all UID tags and any associated vendor fees.

(2) Have an adequate supply of UID tags at all times.

(3) Properly tag all inventory that is required to have a UID tag.

(4) Place tags in a position that can be clearly read by an individual standing next to the item and the tag must be kept free from dirt and debris.

Stat. Auth.: Sec 2, 12, 14, 15, 16 & 93 , Ch 614, OL 2015

Stat. Auth.: Sec 23 Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-7540

CTS User Requirements

(1) A licensee and any designated CTS administrator or user shall enter data into CTS that fully and transparently accounts for all inventory tracking activities.

(2) A licensee is responsible for the accuracy of all information entered into CTS.

(3) An individual entering data into the CTS system may only use that individual's CTS account. Each CTS administrator and CTS user must have a unique log-on and password, which may not be used by any other person.

(4) A violation of this rule is a Category III violation. Intentional misrepresentation of data entered into the CTS system is a Category I violation.

Stat. Auth.: Sec 2, 12, 14, 15, 16 & 93 , Ch 614, OL 2015

Stat. Auth.: Sec 23 Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16 **103-**

(D) The date of transport and approximate time of departure;

(E) Arrival date and estimated time of arrival;

(F) Delivery vehicle make and model and license plate number; and

(G) Name and signature of the licensee's representative accompanying the transport.

(4) A licensee or licensee representative may transport marijuana items from an originating location to multiple licensed premises as long as each transport manifest correctly reflects specific inventory in transit and each recipient licensed premises provides the licensee with a printed receipt for marijuana items delivered

(5) All marijuana items must be packaged in shipping containers and labeled in accordance with OAR 845-025-2880 prior to transport.

(6) A licensee must provide a copy of the transport manifest to each licensed premises receiving the inventory described in the transport manifest, but in order to maintain transaction confidentiality, may prepare a separate manifest for each receiving licensed premises.

(7) A licensee must provide a copy of the printed transport manifest and any printed receipts for marijuana items delivered to law enforcement officers or other representatives of a government agency if requested to do so while in transit.

(8) A licensee must contact the Commission immediately, or as soon as possible under the circumstances, if a vehicle transporting marijuana items is involved in any accident that involves product loss.

(9) Upon receipt of inventory a receiving licensee must ensure that the marijuana items received are as described in the transport manifest.

(10) A receiving licensee must separately document any differences between the quantity specified in the transport manifest and the quantities received. Such documentation shall be made in CTS and in any relevant business records.

(11) A licensee must provide temperature control for perishable marijuana items during transport.

(12) Any vehicle transporting marijuana items must travel directly from the shipping licensee to the receiving licensee and must not make any unnecessary stops in between except to other licensed premises receiving inventory.

(13) A licensee may transport marijuana for other licensees if the transporting licensee holds a wholesale license.

Stat. Auth.: Sec 2, 12, 14, 15, 16, Ch 614, OL 2015

Stat. Auth.: Sec 2, 12, 14, 15, 16, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

Waste Management

845-025-7750

Waste Management

(1) A licensee must:

(a) Store, manage and dispose of solid and liquid wastes generated during marijuana production and processing in accordance with applicable state and local laws and regulations which may include but are not limited to:

(A) Solid waste requirements in ORS 459 and OAR 340 Divisions 93 to 96;

(B) Hazardous waste requirements in ORS 466 and OAR 340, Divisions 100 to 106; and

(C) Wastewater requirements in ORS 468B and OAR 340, Divisions 41 to 42, 44 to 45, 53, 55 and 73.

(b) Store marijuana waste in a secured waste receptacle in the possession of and under the control of the licensee.

(2) A licensee may give or sell marijuana waste to a producer, processor or wholesale licensee or research certificate holder. Any such transaction must be entered into CTS pursuant to OAR 845-025-7500.

(3) In addition to information required to be entered into CTS pursuant to OAR 845-025-7500, a licensee must maintain accurate and comprehensive records regarding waste material that accounts for, reconciles, and evidences all waste activity related to the disposal of marijuana.

Stat. Auth.: Sections 2, 12, 14, Ch 614, OL 2015

Stats. Implemented: Sections 12, 14, 15, 23, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

Advertising

845-025-8000

Purpose and Application of Rules

(1) The Commission serves the interests of the citizens of Oregon by regulating and prohibiting advertising marijuana items in a manner:

- (a) That is attractive to minors;
- (b) That promotes excessive use;
- (c) That promotes activity that is illegal under Oregon law; or
- (d) That otherwise presents a significant risk to public health and safety.

(2) The Commission also serves the interests of Oregonians by allowing advertising for the purpose of informing the public of the availability and characteristics of marijuana.

(3) All marijuana advertising by a licensee must conform to these rules.

Stat. Auth.: Sec 2, Ch 614, OL 2015

Stats. Implemented: Sec 2, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-8020

Definitions

As used in OAR 845-025-8000 through 845-025-8080:

(1) "Advertising" is publicizing the trade name of a licensee together with words or symbols referring to marijuana or publicizing the brand name of marijuana or a marijuana product.

(2) "Handbill" is a flyer, leaflet, or sheet that advertises marijuana.

(3) "Radio" means a system for transmitting sound without visual images, and includes broadcast, cable, on-demand, satellite, or internet programming. Radio includes any audio programming downloaded or streamed via the internet.

(4) "Television" means a system for transmitting visual images and sound that are reproduced on screens, and includes broadcast, cable, on-demand, satellite, or internet programming. Television includes any video programming downloaded or streamed via the internet.

Stat. Auth.: Sec 2, Ch 614, OL 2015

Stats. Implemented: Sec 2, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-8040

Advertising Restrictions

(1) Marijuana advertising may not:

- (a) Contain statements that are deceptive, false, or misleading;
- (b) Contain any content that can reasonably be considered to target individuals under the age of 21, including but not limited to cartoon characters, toys, or similar images and items typically marketed towards minors;
- (c) Specifically encourages the transportation of marijuana items across state lines;
- (d) Assert that marijuana items are safe because they are regulated by the Commission or have been tested by a certified laboratory or otherwise make claims that any government agency endorses or supports marijuana;
- (e) Make claims that recreational marijuana has curative or therapeutic effects;
- (f) Display consumption of marijuana items;
- (g) Contain material that encourages the use of marijuana because of its intoxicating effect; or
- (h) Contain material that encourages excessive or rapid consumption.

(2) A marijuana retailer may not make any deceptive, false, or misleading assertions or statements on any product, any sign, or any document provided to a consumer.

(3) A licensee must include the following statement on all advertising: **106-**

(a) "Do not operate a vehicle or machinery under the influence of this drug".

(b) "For use only by adults twenty-one years of age and older."

(c) "Keep out of the reach of children."

Stat. Auth.: Sec 2, Ch 614, OL 2015
Stats. Implemented: Sec 2, Ch 614, OL 2015
Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-8060

Advertising Media, Coupons, and Promotions

(1) The Commission prohibits advertising through handbills that are posted or passed out in public areas such as parking lots and publicly owned property.

(2) A licensee may not utilize television, radio, print media or internet advertising unless the licensee has reliable evidence that no more than 30 percent of the audience for the program, publication or internet web site in or on which the advertising is to air or appear is reasonably expected to be under the age of 21.

(3) A licensee may not engage in advertising via marketing directed towards location-based devices, including but not limited to cellular phones, unless the marketing is a mobile device application installed on the device by the owner of the device who is 21 years of age or older and includes a permanent and easy opt-out feature.

Stat. Auth.: Sec 2, Ch 614, OL 2015
Stats. Implemented: Sec 2, Ch 614, OL 2015
Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-8080

Removal of Objectionable and Non-Conforming Advertising

(1) A licensee must remove any sign, display, or advertisement if the Commission finds it violates these rules.

(2) The Commission will notify the licensee and specify a reasonable time period for the licensee to remove any sign, display or advertisement that the Commission finds objectionable.

Stat. Auth.: Sec 2, Ch 614, OL 2015
Stats. Implemented: Sec 2, Ch 614, OL 2015
Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

Investigation and Enforcement

845-025-8500

Responsibility of Licensee, Responsibility for Conduct of Others

Each licensee is responsible for violations of any provision of chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2014, or chapter 699, Oregon Laws 2015, affecting the licensed privileges, or these rules and for any act or omission of a licensee representative that violates any law, administrative rule, or regulation affecting the licensed privileges.

Stat. Auth.: Sec 2, Ch 614, OL 2015
Stats. Implemented: Sec 2, Ch 614, OL 2015
Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-8520

Prohibited Conduct

(1) Sale to a Minor. A licensee or permittee may not sell, deliver, transfer or make available any marijuana item to a person under 21 years of age.

(a) Violation of this section for an intentional sale to a minor by a licensee, permittee or license representative is a Category II violation.

(b) Violation of this section for other than intentional sales is a Category III violation.

(2) Identification. A licensee or license representative must require a person to produce identification as required by Section 24, chapter 614, Oregon Laws 2015 before selling or providing a marijuana item to that person. Violation of this section is a Category IV violation.

(3) Access to Premises. A licensee or permittee may not:

(a) During regular business hours for the licensed premises, refuse to admit or fail to promptly admit a Commission regulatory specialist who identifies him or herself and who enters or wants to

enter a licensed premises to conduct an inspection to ensure compliance with chapter 1, Oregon Laws 2015; chapter 614, Oregon Laws 2014; chapter 699, Oregon Laws 2015 affecting the licensed privileges; or these rules;

(b) Outside of regular business hours or when the premises appear closed, refuse to admit or fail to promptly admit a Commission regulatory specialist who identifies him or herself and requests entry on the basis that there is a reason to believe a violation of chapter 1, Oregon Laws 2015; chapter 614, Oregon Laws 2014; chapter 699, Oregon Laws 2015 affecting the licensed privileges; or these rules is occurring; or

(c) Once a regulatory specialist is on the licensed premises, ask the regulatory specialist to leave until the specialist has had an opportunity to conduct an inspection to ensure compliance with chapter 1, Oregon Laws 2015; chapter 614, Oregon Laws 2014; chapter 699, Oregon Laws 2015 affecting the licensed privileges; or these rules.

(d) Violation of this section is a Category II violation.

(4) Use or Consumption of Intoxicants on Duty and Under the Influence on Duty.

(a) No licensee, licensee representative, or permittee may consume any intoxicating substances while on duty, except for employees as permitted under OAR 845-025-1230(5)(b). Violation of this subsection is a Category III violation.

(b) No licensee, licensee representative, or permittee may be under the influence of intoxicating substances while on duty. Violation of this subsection is a Category II violation.

(c) Whether a person is paid or scheduled for a work shift is not determinative of whether the person is considered "on duty."

(d) As used in this section:

(A) "On duty" means:

(i) From the beginning to the end of a work shift for the licensed business, including any and all coffee, rest or meal breaks; or

(ii) Performing any acts on behalf of the licensee or the licensed business outside of a work shift if the individual has the authority to put himself or herself on duty.

(B) "Intoxicants" means any substance that is known to have or does have intoxicating effects, and includes alcohol, marijuana, or any other controlled substances.

(5) Permitting Use of Marijuana at Licensed Premises. A licensee or permittee may not permit the use or consumption of marijuana, or any other intoxicating substance, anywhere in or on the licensed premises, or in surrounding areas under the control of the licensee, except for employees as permitted under OAR 845-025-1230(5)(b). Violation of this section is a Category III violation.

(6) Import and Export. A licensee or permittee may not import marijuana items into this state or export marijuana items out of this state. Violation of this section is a Category I violation and could result in license or permit revocation.

(7) Permitting, Disorderly or Unlawful Conduct. A licensee or permittee may not permit disorderly activity or activity that is unlawful under Oregon state law on the licensed premises or in areas adjacent to or outside the licensed premises under the control of the licensee.

(a) If the prohibited activity under this section results in death or serious physical injury, or involves unlawful use or attempted use of a deadly weapon against another person, or results in a sexual offense which is a Class A felony such as first degree rape, sodomy, or unlawful sexual penetration, the violation is a Category I violation and could result in license or permit revocation.

(b) If the prohibited activity under this section involves use of a dangerous weapon against another person with intent to cause death or serious physical injury, it is a Category II violation.

(c) As used in this section:

(A) "Disorderly activities" means activities that harass, threaten or physically harm oneself or another person.

(B) "Unlawful activity" means activities that violate the laws of this state, including but not limited to any activity that violates a state criminal statute.

(d) The Commission does not require a conviction to establish a violation of this section except as section 13(1)(f), chapter 614, Oregon Laws 2015 requires.

(8) Marijuana as a Prize, Premium or Consideration. No licensee or permittee may give or permit the giving of any marijuana item as a prize, premium, or consideration for any lottery, contest, game of chance or skill, exhibition, or any competition of any kind on the licensed premises.

(9) Visibly Intoxicated Persons. No licensee or permittee may ~~sell, give,~~ or otherwise make

available any marijuana item to any person who is visibly intoxicated. Violation of this section is a Category III violation.

(10) Additional Prohibitions. A licensee or permittee may not:

(a) Sell or deliver any marijuana item through a drive-up window.

(b) Sell or offer for sale any marijuana item for a price per item that is less than the licensee's cost for the marijuana item;

(c) Use any device or machine that both verifies the age of the consumer and delivers marijuana to the consumer; or

(d) Deliver marijuana to a consumer off the licensed premises, except that retail licensees may provide delivery as set forth in OAR 845-025-2880.

(e) Violation of this subsection is a Category III violation.

Stat. Auth.: Sections 2, 12, 14, 15 & 16, Ch 614, OL 2015

Stats. Implemented: Sections 12, 14, 15, 16, 48, 49 & 50, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-8540

Dishonest Conduct

(1) False Statements. A licensee or permittee may not:

(a) Make a false statement or representation to the Commission or law enforcement in order to induce or prevent action or investigation by the Commission or law enforcement. Violation of this subsection is a Category II violation.

(b) If the Commission finds that the false statement or representation was intentional, the Commission may charge the violation as a Category I violation and could result in license or permit revocation.

(2) Marijuana Item Misrepresentations.

(a) A licensee or permittee may not misrepresent any marijuana item to a consumer, licensee, or the public, including:

(A) Misrepresenting the contents of a marijuana item;

(B) Misrepresenting the testing results of a marijuana item;

(C) Misrepresenting the potency of a marijuana item; or

(D) Making representations or claims that the marijuana item has curative or therapeutic effects.

(b) A licensee may not treat or otherwise adulterate usable marijuana with any chemical, biologically active drug, plant, substance, including nicotine, or other compound that has the effect or intent of altering the usable marijuana's color, appearance, weight or smell in violation of OAR 845-025-1300.

(c) A knowing or intentional violation of this section is a Category I violation and could result in license or permit revocation.

(d) Violation of this section in any manner other than knowing or intentional is a Category II violation.

(3) Supply of Adulterated Marijuana Items.

(a) A licensee may not supply adulterated marijuana items.

(b) Violation of this section is a Category I violation and could result in license revocation.

(4) Evidence. A licensee or permittee may not:

(a) Intentionally destroy, damage, alter, remove or conceal potential evidence, or attempt to do so, or ask or encourage another person to do so. Violation of this subsection is a Category I violation and could result in license cancellation.

(b) Destroy, damage, alter, remove or conceal potential evidence, or attempt to do so, or ask or encourage another person to do so, in any manner other than intentional. Violation of this subsection is a Category II violation.

(c) Refuse to give, or fail to promptly give, a Commission regulatory specialist or law enforcement officer evidence when lawfully requested to do so. Violation of this subsection is a Category II violation.

Stats. Implemented: Sec 51, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-8560

Inspections

(1) The Commission may conduct:

(a) A complaint inspection at any time following the receipt of a complaint that alleges a licensee or permittee is in violation of chapter 1, Oregon Laws 2015, chapter 614, Oregon Laws 2015, chapter 699, Oregon Laws 2015, or these rules;

(b) An inspection at any time if it believes, for any reason, that a licensee or permittee is in violation of chapter 1, Oregon Laws 2015; chapter 614, Oregon Laws 2015; chapter 699, Oregon Laws 2015; or these rules; or

(c) Compliance transactions in order to determine whether a licensee or permittee is complying with chapter 1, Oregon Laws 2015; chapter 614, Oregon Laws 2015; chapter 699, Oregon Laws 2015; or these rules.

(2) A licensee, licensee representative, or permittee must cooperate with the Commission during an inspection.

(3) If licensee, licensee representative or permittee fails to permit the Commission to conduct an inspection the Commission may seek an investigative subpoena to inspect the premises and gather books, payrolls, accounts, papers, documents or records.

Stat. Auth.: Sections 2, 12, 14, 15 & 16, Ch 614, OL 2015
 Stats. Implemented: Sec 30 & 108, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-8580

Suspended Licenses: Posting of Suspension Notice Sign, Activities Allowed During Suspension

(1) Before 7:00 a.m. on the date a license suspension goes into effect, and until the suspension is completed, Commission staff must ensure that a suspension notice sign is posted on each outside entrance or door to the licensed premises.

(2) The suspension notice sign must be posted in a way that allows any person entering the premises to read it. Licensees must use the suspension notice sign provided by the Commission. The sign will state that the license has been suspended by order of the Commission due to violations of the recreational marijuana laws (statutes or administrative rule) of Oregon. If there are multiple licenses at the location, the sign will specify which license privileges have been suspended.

(3) During the period of license suspension, the licensee is responsible for ensuring:

(a) Compliance with all applicable laws and rules; and

(b) That the suspension notice sign is not removed, altered, or covered.

(4) A licensee or licensee representative may not allow the sale, delivery to or from, or receipt of marijuana items at the licensed premises during the period of time that the license is under suspension. During a period of time that the license is under suspension, a recreational marijuana licensee may operate the business provided there is no sale, delivery to or from, or receipt of a marijuana item.

(5) Sanction:

(a) A violation of section (4) of this rule is a Category I violation.

(b) A violation of sections (2) or (3)(b) of this rule is a Category IV violation.

Stat. Auth.: Sec 2, Ch 614, OL 2015
 Stats. Implemented: Stats. Implemented: Sec 29 & 108, Ch 614, OL 2015
 Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-8590

Suspension, Cancellation, Civil Penalties, Sanction Schedule

(1) The Commission may suspend or cancel:

(a) A license under section 9, chapter 614, Oregon Laws, 2015.

(b) A marijuana handlers permit under section 20, chapter 614, Oregon Laws, 2015.

(c) A research certificate under section 113, chapter 614, Oregon Laws, 2015.

(2) The Commission may impose a civil penalty not to exceed \$5,000 under section 29, chapter 614, Oregon Laws 2015. Civil penalties will be calculated by multiplying:

(a) The number of days in a suspension, if suspension could be or is being imposed, by \$165 for licensees or certificate holders; or

(b) The number of days in a suspension, if suspension could be or is being imposed, by \$25 for permittees.

(3) Violation Categories:

(a) The Commission has the following violation categories:

(A) Category I — Violations that make licensee ineligible for a license;

(B) Category II — Violations that create a present threat to public health or safety;

(C) Category III — Violations that create a potential threat to public health or safety;

(D) Category IV — Violations that create a climate conducive to abuses associated with the sale or manufacture of marijuana items;

(E) Category V — Violations inconsistent with the orderly regulation of the sale or manufacture of marijuana items.

(b) A proposed sanction schedule for the first and subsequent violations within a two-year period within each violation category is listed in Exhibit 1, incorporated by reference.

(c) If the Commission finds aggravating or mitigating circumstances, it may assess a greater or lesser sanction from the proposed sanctions listed in Exhibit 1. Mitigating and aggravating circumstances include but are not limited to:

(A) Good faith efforts by a licensee, permittee or certificate holder to prevent a violation;

(B) Extraordinary cooperation from the licensee, permittee or certificate holder during the violation investigation that shows the licensee, permittee, or certificate holder accepts responsibility;

(C) A prior warning about compliance problems;

(D) Repeated failure to comply with laws;

(E) Efforts to conceal a violation;

(F) The violation involved more than one customer or employee;

(G) The violation involved an individual under the age of 18; or

(H) The violation resulted in injury or death.

(d) The Commission may always increase or decrease a sanction to prevent inequity or to take account of particular circumstances in the case.

(6) The Commission increases sanctions based on successive violations in the same category within a two-year period. For example, if a licensee, permittee, or certificate holder who has committed one Category III violation and one Category IV violation within the past two years commits another Category III violation, the Commission assesses the sanction at the second level for the pending Class III violation. Numerous violations within the two-year period, regardless of the type, may indicate such a disregard for the law or failure to control the premises so as to warrant cancellation of the license, permit or certificate.

(7) A licensee may not avoid the sanction for a violation or the application of the provision for successive violations by changing the corporate structure for example, by adding or dropping a partner or converting to another form of legal entity when the individuals who own, operate, or control the business are substantially similar.

Stat. Auth.: Sec 2, Ch 614, OL 2015

Stats. Implemented: Stats. Implemented: Sec 9, 29,93 & 108, Ch 614, OL 2015

Hist.: OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

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CITY OF DUNDEE
ORDINANCE NO. 545-2016

**AN ORDINANCE AMENDING THE DUNDEE DEVELOPMENT CODE TO ADD
REGULATIONS FOR MARIJUANA FACILITIES**

WHEREAS, the Oregon Legislature enacted four bills during the 2015 legislative session related to the Oregon Medical Marijuana Act and Measure 91: House Bill (HB) 3400 was the omnibus bill covering recreational marijuana and modifications to the medical marijuana program; HB 2014 addressed taxes on the sale of recreational marijuana; SB 460 related to limited retail sales of marijuana from medical marijuana dispensaries; and SB 844 enacted a task force to research the medical and public health properties of cannabis. In addition, the Oregon Liquor Control Commission adopted temporary Oregon Administrative Rules (OAR) in Chapter 845, Division 25 to govern the recreational marijuana program (final draft dated November 20, 2015), and the Oregon Health Authority adopted temporary OAR Chapter 333, Division 8 for revisions to the medical marijuana program (dated September 22, 2015).

WHEREAS, the City previously adopted rules for marijuana dispensaries, and now needs to adopt time, place, and manner regulations for medical marijuana growers and processors, and for recreational marijuana producers, processors, wholesalers, and retailers. This is a timely issue as the state will begin issuing licenses for medical marijuana growers and processors in March 2016, and for recreational marijuana growers and processors in April 2016. Licenses for recreational marijuana wholesalers and retailers are expected to be issued starting in July 2016.

WHEREAS, The proposed amendments would permit recreational marijuana facilities as well as medical marijuana dispensaries in the Commercial (C) and Central Business District (CBD) zones of Dundee. In addition, the proposed Development Code amendments outright and conditionally permit marijuana producers, processors, wholesalers, and testing laboratories in various zones in accordance with the new state laws found in OAR 845-025 and OAR 333-008.

WHEREAS, the Dundee Planning Commission held a public hearing on February 17, 2016, to consider the proposed Development Code amendments and adopted an Order of Recommendation recommending that City Council adopt the proposed regulations for marijuana facilities. After proper notice, the Dundee City Council held a public hearing on April 5, 2016, to consider the proposed Development Code amendments.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF DUNDEE HEREBY ORDAINS AS FOLLOWS:

1. The Dundee Development Code is hereby amended as follows. The following language will be included in the Development Code as shown. Proposed additions to the Code are shown as underlined, deletions are shown as ~~strikethrough~~.

Table 17.202.020: Zoning Use Table	P: Permitted Use; CU: Conditional Use; S: Special Use Requirements Apply; N: Not Permitted										
Uses	Residential			Commercial and Employment			Public and Agriculture				Special Use Requirements
	R-1	R-2	R-3	C	CBD	LI	P	PO	A	EFU	
<u>Marijuana Uses</u>											
<u>Marijuana Dispensary or Retail Facility</u>	N	N	N	<u>P/S</u>	<u>P/S</u>	N	N	N	N	N	DMC 17.203.250
<u>Marijuana Producer or Grow Site</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>CU</u> <u>+S</u>	<u>N</u>	<u>P/S</u>	<u>N</u>	<u>N</u>	<u>P/S</u>	<u>P/S</u>	<u>DMC 17.203.250</u>
<u>Marijuana Processor</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>CU</u> <u>+S</u>	<u>N</u>	<u>P/S</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>DMC 17.203.250</u>
<u>Marijuana Wholesaler</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>CU</u> <u>+S</u>	<u>N</u>	<u>P/S</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>DMC 17.203.250</u>
<u>Marijuana Testing Laboratory or Research Certificate</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>P/S</u>	<u>N</u>	<u>P/S</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>DMC 17.203.250</u>

17.203.250 Marijuana dispensary in a commercial zone facilities.

A. Purpose. The purpose of these standards are to add time, place, and manner regulations for marijuana facilities in accordance with OAR 845-025 and OAR 333-008. All terminology shall have the same meaning as found in the OAR.

B. Marijuana dispensaries dispensary and retail facilities are allowed in the C and CBD zones, provided all of the following are met:

A. 1. The dispensary Must be licensed or registered with the state of Oregon and must meet all provisions of Oregon law.

B. 2. The dispensary Must be located at least 1,000 feet from any park or a public or private elementary, secondary, or career school. elementary, secondary, or parochial school attended primarily by minors, or from another marijuana dispensary or retail facility.

3. Must be located on a lot or parcel with frontage along Oregon Highway 99W.

4. Drive-through service and walk-up service windows are prohibited.

5. Must be located in an enclosed permanent building. Marijuana or marijuana product shall not be visible from the public right-of-way.

6. The facility shall confine all marijuana odors and other objectionable odors to levels undetectable at the property line.

C. Non-Retail Marijuana Facilities: Producers and Grow Sites; Processors; Wholesalers; Testing Laboratories; Research Certificate Facilities. These facilities are permitted as listed in Table 17.202.020, and are subject to the following standards:

1. Outdoor production facilities shall not be located within 100 feet of a residential zone.
2. Processors with an endorsement to extract are prohibited from locating within a commercial zone.
3. Facilities shall confine all marijuana odors and other objectionable odors to levels undetectable at the property line.
4. The floor area for non-retail marijuana facilities located in a commercial zone shall not exceed 5,000 square feet.

17.501.020 Definitions

"Marijuana dispensary facility" means any facility licensed or registered by the state of Oregon and in compliance with all provisions of Oregon law, including medical marijuana dispensary, grower, and processor, and recreational marijuana producer, processor, wholesaler, and retailer, and marijuana testing laboratory or research certificate facility. All terminology and definitions mean the same as in OAR 845-025 and OAR 333-008.

2. The findings in support of these amendments, as shown in Exhibit "A", are hereby adopted and by this reference incorporated.
3. This ordinance shall take effect on May 5, 2016, thirty days after its enactment.

ADOPTED by the Dundee City Council this 5th day of April, 2016

Approved:

David Russ, Mayor

Attest:

Rob Daykin, City Administrator/Recorder

ATTACHMENTS

Exhibit "A": Findings

Exhibit “A”: Findings (LURA 16-01 – Marijuana Facilities)

Amendments are required to be consistent with all applicable local and state laws including the Dundee Comprehensive Plan and Statewide Planning Goals.

Dundee Comprehensive Plan

Economy. Goal: To maintain a level of economic development adequate to meet public need.

Objective (2): To assure that commercial and industrial developments preserve and enhance the aesthetic character and livability of Dundee.

Finding: The Development Code amendments would permit recreational marijuana facilities as well as medical marijuana dispensaries in the Commercial and Central Business District zones of Dundee. In addition, the proposed Development Code amendments outright and conditionally permit marijuana producers, processors, wholesalers, and testing laboratories in accordance with the new state laws found in OAR 845-025 and OAR 333-008. The proposed Development Code amendments contain time, place, and manner regulations as well as regulations intended to promote compatibility with surrounding uses. Therefore, Dundee is complying with the new state law permitting a variety of marijuana facilities, which could create new opportunities for economic development within the city.

Statewide Planning Goals

Goal 9: Economic Development (OAR 660-015-0000(9)) – To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon’s citizens.

Finding: Dundee’s Development Code currently only permits marijuana dispensaries. The proposed Development Code amendments would permit recreational and medical marijuana retail outlets/dispensaries, producers, processors, wholesalers, and testing laboratories in accordance with the new state laws found in OAR 845-025 and OAR 333-008. This would create an opportunity for an additional economic activity in the city of Dundee, therefore helping to promote economic development at the local level.

**CITY COUNCIL MEETING
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March 15, 2016**

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**City of Dundee
City Council Meeting Minutes
March 15, 2016**

Call to Order

Mayor Russ called the meeting to order at 7:00 P.M.

Council and Staff Attendance

Present: Mayor David Russ, Councilors Storr Nelson, Doug Pugsley, and Kristen Svicarovich.
Excused Absence: Councilors Jeannette Adlong, Ted Crawford and Tim Weaver. Staff members: Rob Daykin, City Administrator, Shelby Rihala, City Attorney, Greg Reid, City Engineer, John Stock, Fire Chief, Brandan McGarr, Firefighter, and Debra Manning, Assistant City Recorder.

Public Attendance

David Ford, Scott Salsberry, Lee Odell, CH2M, Dave Huber, Waste Management, Dean Kampfer, Waste Management, Ayla Zahler, Allen Holstein, Argyle Winery, Jackson Holstein, and Aaron DeLong.

Agenda Changes

Item 7.4 Change Order Number 4 to the C-More Pipe contract was added to Old Business.

Public Comment

None.

Presentation: Waste Management – Report on 2015 Operations

Dave Huber and Dean Kampfer, Waste Management (WM), briefly updated operations: six staff were laid off when the paper mill closed, WM is now offering all in one recycling for commercial customers allowing all recyclables in one pickup container, they converted to front load trucks, and provided Service Delivery Optimization training to their employees. Councilor Pugsley asked if glass is included in the all in one recycle. Huber replied it is provided for commercial customers; separate from the all in one. WM's community involvement includes: the Chehalem Valley Chamber of Commerce, the Newberg Old Fashioned Festival, providing an Economic Development grant to the City of Dundee, the Newberg Downtown Coalition and Newberg Rotary. 450 acres of the Riverbend Landfill is being made available for community projects. The next Hazardous Household Waste Collection event is May 21 from 9:00 A.M. to 1:00 P.M. at the Newberg Transfer Station with no charge to Dundee residents. Kampfer advised that WM will be looking at a rate adjustment which will be brought back to the Council. Councilor Nelson inquired what is driving an increase noting that fuel costs are down. Kampfer stated equipment and labor costs and that they currently are not receiving any value from recycle materials. Nelson questioned the capacity difference between the old and new trucks. Huber stated the old trucks had a six ton capacity while the new trucks have a ten ton capacity (57,500 pounds total gross vehicle weight). Councilor Pugsley inquired if WM noted an increase in the requests to downsize to a smaller collection container after the last rate increase. Kampfer responded they did not notice. Pugsley asked WM to consider offering their customers the option to contract for a smaller bin with the notice of a rate increase.

Consent Agenda

The motion was made and seconded to approve Consent Agenda items 6.1 City Council Minutes, March 1, 2016, 6.2 Financial Report Ending February 29, 2016, and 6.3 Fire Department 2015 Year-end Summary. **The motion** passed unanimously.

Old Business

Budget Committee Appointments

This item returns from the March 1st Council meeting with the request to interview the applicants who were not present at that meeting: Nick Jungwirth, Aaron DeLong, and David Ford.

There were no additional questions for Scott Salsberry who was present at the March 1st meeting. He shared that he is now the internal auditor for the local council of the Knights of Columbus.

Aaron DeLong relayed that he has twenty years of experience as an inventory controller and purchasing agent. He currently handles a fiscal plant budget of \$750,000. DeLong has previously applied for the Budget Committee. C. Pugsley asked what DeLong could contribute to a contentious meeting to help the committee work through issues. DeLong replied that a diplomatic solution should be able to be reached with the focus to produce a functional budget.

David Ford, was out of town during the March 1st Council meeting. He has been a Dundee resident for over two years, enjoys the community and wants to contribute. Ford has worked for large organizations managing large budgets and understands how to read financials and how budgeting operates. C. Pugsley asked what Ford could contribute to a contentious meeting to help the committee work through issues. Ford replied there is always contention working on budgets. He is a small business owner and serves on a couple of boards. He believes the best way to address contention is to ensure all perspectives are articulated and all views are listened to before working on a functional solution.

The motion was made and seconded to appoint Scott Salsberry to the Budget Committee with a term expiring December 31, 2018. Mayor Russ nominated David Ford to be appointed to the Budget Committee. **The Vote:** Mayor Russ-nay, C. Nelson-aye, C. Pugsley-aye, and C. Svicarovich-aye. **The motion** passed in favor three to one.

Resolution No. 2016-02, Water Master Plan

Lee Odell, CH2M, was present to answer any questions on the plan. Changes include the population estimates, the Capital Improvement Program and additional language for the recycled water policy. The State approved the plan without any changes. C. Pugsley questioned the changes to the population. Daykin referred to packet page 38 with the population spreadsheet used as a basis for the changes to the population forecasts to better reflect a likely growth pattern for the Riverfront District, to allow for additional non-city water users, and a break down by pressure zones. The current population is 3,335, including both inside and outside water users; the twenty year projection is 5,135. **The motion** was made and seconded to approve Resolution No. 2016-02, a resolution adopting a new Water System Master Plan. **The motion** passed unanimously.

Resolution No. 2016-03, Water SDC Methodology and Fee

The new methodology for the Water System Development charge and fees was compiled on the basis of the Water Master Plan Capital Improvement Plan. Based on the methodology used, this is the maximum amount we can impose as the fee; the Council can impose a lesser amount. Daykin referred to the letter handed out from the Home Builders Association of the Portland Metro area; who is asking to be involved in future changes. Councilor Svicarovich questioned the process to change the SDC rate in the future. Daykin stated the new methodology allows for incremental increases on July 1st of every year based on the Engineering News-Record index. New projects added to the Capital Improvement Plan that is used to modify the SDC fee would be an amendment to the plan with a hearing process. Recycled water is part of the SDC component; the person benefitting from a purple pipe/recycled water connection would pay the full SDC charge

on placement of a water meter. It is unknown but anticipated that the recycled water will have a separate meter with a separate meter charge dependent upon Council direction. Areas not benefiting from recycled water would have a reduced fee. The purpose of the fee is to pay for the pumping and storage facilities for the recycled water system. **The motion** was made and seconded to approve Resolution No. 2016-03, a resolution adopting a new methodology used to establish Water System Development Charges; adopting an updated Water System Development charge; repealing Resolution No. 98-12; and repealing Resolution No. 06-04. **The motion** passed unanimously.

Change Order Number 4 to the C-More Pipe Contract

Public Works received an emergency call for a blockage in the sewer line from Third to Fourth Street along Highway 99W. City of Newberg crews were asked to assist with the work as Dundee's equipment could not handle the issue. The line was blocked with a lot of gravel, but a lot of clear flow was noted. Since C-More pipe is already working on manholes at the location it appears prudent to video inspect the line.

Mayor Russ inquired the status of the Waste Water Treatment Plant (WWTP). Daykin advised that we again violated the permit on Sunday. We are not having the opportunity to complete a clean in place with the high flows and the permeability on the membranes cleaned is not returning to where it should be. We are not keeping up with 750,000 gallons per day (gpd), even though the plant was designed for 1.1 million gpd. Rental pumps were ordered and used to bypass treatment basins to direct the flows to Lagoon 4 with chlorination. Lagoon 4 discharges to the Willamette River.

Change order number four is the completion of C-More's work; a total contract price of \$34,412. Alder Terrace received a high flow notice and were advised they need to complete a video inspection of their system to determine the system's issues. They have not responded. Engineer Humm has been requested to send them another notice and if they do not respond to it they will be billed at double rates on April 1st. The other trailer park also seems to have high flows. **The motion** was made and seconded to approve change order number 4 to C-More Pipe in the amount of \$1,860.00. **The motion** passed unanimously.

New Business

Fire Station-Community Message Sign Proposals

Chief Stock advised that there is a grant from the Ford Family Foundation and a donation from the Rotary Club for a reader board. Four companies were invited to respond to a request for a proposal with an objective to tie in the architect of the station with the monument sign/reader board. Three replies were received from Bu-Kai Design, Salem Sign Company, Inc, and Meyer Sign Company. The proposed site for the sign was amended to the planter in the front area. Fire Department volunteers were invited to provide feedback and advised they did not care for the submission from Bu-Kai Design. They support the submission from Meyer Sign Company with the cedar posts removed. Meyer's proposal took the building architecture into consideration. Stock does not like the painted plastic, internally lit signage denoting Dundee Fire & Rescue. They can change this to solid aluminum with only the cut out Dundee Fire & Rescue lettering lit and remove the cedar pillars while remaining close to the same budget. Councilor Nelson expressed concern that the reader board is too close to the ground on the proposals from Salem and Meyer Sign. C. Svicarovich inquired if we were utilizing all reader board area we are allowed. Daykin confirmed Meyer has the larger reader board size; 7.03 square feet. Svicarovich suggested exchanging positions between the reader board and the Dundee Fire & Rescue and allowing the Dundee Fire & Rescue to flow across the bottom width of the sign. After further discussion Chief Stock will request an amended proposal from Meyer Sign Company to return to the Council for further consideration.

Fire Station-Indoor Quality Testing Proposal

Chief Stock relayed concerns for the health of the people working in and visiting the building. Testing would determine potential health hazards and help with litigation. He expressed concern for relocating the department, if required, while the issues are being fixed. Mayor Russ inquired if this has been discussed with our insurance representatives. This will be further considered in Executive Session. Daykin advised that recommendations will be made based on findings from the test. **The motion** was made and seconded to accept the proposal for indoor air quality testing from PBS Engineering & Environmental under the direction of Pinnell Busch, Inc. in the amount of \$2,585. **The motion** passed unanimously

Loan Refunding Options

C. A. Daykin referred to the letter of interest from US Bank and the additional worksheet distributed to the Council. It appears there would be substantial savings for the City to take a seven year loan to refund the IFA Water/Wastewater Program loan (4.04%); there is a difference between the current seventeen year term and a consolidation to seven or ten years. This will require large payments from the Water Fund. The report shows an accelerated prepayment of the current IFA loan with a pay off in 7.5 years. The net difference between the two loan options is a \$45,000 savings going with US Bank. Daykin noted that trying to internally fund the Charles Street storm water improvements (\$51,000) and the Seventh to Eighth Street storm water improvements in the line across Highway 99W (\$130,000) is not going to work; especially if there is a desire to make accelerated payments on the IFA loan from the Water Fund. He suggested increasing the US Bank loan by \$200,000 to include both the Charles Street and Seventh to Eighth Street projects. Loan documents will be brought back for consideration if Council accepts the proposal. The next step is for Bond Counsel to prepare a resolution and start the loan document process. There will not be any loan origination fee; the expectation is Dundee will establish a banking relationship with US Bank, including the rest of the City's banking services.

C. Nelson inquired if US Bank would be good with just the refinance of the IFA loan without the additional \$200,000. Daykin confirmed they would. **The motion** was made and seconded to direct the preparation of a resolution by Bond Counsel, Jim Shannon, authorizing the preparation of loan documents for a full faith and credit obligation of the City with US Bank for refunding of the IFA loan and potential other additional improvements. **The motion** passed unanimously. Staff will advise US Bank and Bond Counsel that we are interested and wait until the absent Council members have input at the April 5th meeting before moving forward.

Council Concerns and Committee Reports

C. Svicarovich relayed that the Parkway Committee meeting is Thursday at 7:30 A.M. It appears that ODOT will not apply for the next federal TIGER grant; this could be discussed at the meeting. Mayor Russ and Councilor Svicarovich will attend to request that ODOT use the opportunity to apply; since this will be the third application with a better chance to get a grant along with the fact that the Newberg/Dundee Corridor is on the Fast Act as a high priority corridor. The Mayor advised that the agenda appears to look to direct the lobbying efforts to get the State to purchase right-of-way (ROW) in Newberg for the future extension of the Bypass to Rex Hill. Councilor Crawford contacted Mayor Olson McMinnville, and Commissioner Primozych, Yamhill County, and also tried to make contact with the Confederated Tribe of Grand Ronde regarding the need for a fix for the fishhook.

Mayor's Report

None.

City Administrator's Report

C. A. Daykin referred back to the overflow event at the WWTP noting that when time and flows allow staff will start investigating MBR 1 to determine why the permeability is not coming back. A crane may have to be rented to pull the MBR cassettes for better cleaning during low flows in the summer. It is unknown whether or not the life of the MBRs is being shortened from the high flows and there are no funds set aside for their future replacement. Mayor Russ asked if pumping from the basins to create enough space for equalization would allow the MBRs to be removed sooner. Daykin advised no. Yesterday the basin gained a foot in an hour when the system was shut down.

An email was received from Rick Stevens, hired by Stu Lindquist to help prepare the Riverside District Zone. Staff met with Stevens several times and Stevens met with civil engineer Larry Anderson representing the Edward's property. Updated information was presented to Mr. Lindquist and his partner Dale Bernards. We have been advised that Stevens and Lindquist have parted ways and the work for the Riverside District Zone is on hold.

Public Comment

None.

The meeting was adjourned at 8:40 P.M.

David Russ
Mayor

Attest:

Debra L. Manning, MMC
Assistant City Recorder



OREGON LIQUOR CONTROL COMMISSION
LIQUOR LICENSE APPLICATION

Application is being made for:

LICENSE TYPES

- Full On-Premises Sales (\$402.60/yr)
 - Commercial Establishment
 - Caterer
 - Passenger Carrier
 - Other Public Location
 - Private Club
- Limited On-Premises Sales (\$202.60/yr)
- Off-Premises Sales (\$100/yr)
 - with Fuel Pumps
- Brewery Public House (\$252.60)
- Winery (\$250/yr)
- Other: _____

ACTIONS

- Change Ownership
- New Outlet
- Greater Privilege
- Additional Privilege
- Other _____

90-DAY AUTHORITY

Check here if you are applying for a change of ownership at a business that has a current liquor license, or if you are applying for an Off-Premises Sales license and are requesting a 90-Day Temporary Authority

APPLYING AS:

- Limited Partnership
- Corporation
- Limited Liability Company
- Individuals

CITY AND COUNTY USE ONLY

Date application received: _____

The City Council or County Commission: _____

(name of city or county)

recommends that this license be:

- Granted
- Denied

By: _____ (signature) _____ (date)

Name: _____

Title: _____

OLCC USE ONLY

Application Rec'd by: OLCC

Date: 3/12/2016

90-day authority: Yes No

1. Entity or Individuals applying for the license: [See SECTION 1 of the Guide]

① Quailhurst Vineyard Estate, LLC ③ _____
② _____ ④ _____

RECEIVED
OREGON LIQUOR CONTROL COMMISSION

2. Trade Name (dba): Quailhurst Vineyard Estate,

3. Business Location: 240 SE 5th St; Dundee, Yamhill OR 97115
(number, street, rural route) (city) (county) (state) (ZIP code)

SALEM REGIONAL OFFICE

4. Business Mailing Address: 16031 SW Pleasant Hill Rd Sherwood OR 97140
(PO box, number, street, rural route) (city) (state) (ZIP code)

5. Business Numbers: 503 330 0118
(phone) (fax)

6. Is the business at this location currently licensed by OLCC? Yes No

7. If yes to whom: Wine by Joe Type of License: Winery

8. Former Business Name: Quailhurst Vineyard Estate, LLC

9. Will you have a manager? Yes No Name: Sherry A Vosburg
(manager must fill out an Individual History form)

10. What is the local governing body where your business is located: Yamhill
(name of city or county)

11. Contact person for this application: Sherry A Vosburg 503 330 0118
(name) (phone number(s))
16031 SW Pleasant Hill Rd; Sherwood, OR 97140 sherry@quailhurstwines.com
(address) (fax number) (e-mail address)

I understand that if my answers are not true and complete, the OLCC may deny my license application.

Applicant(s) Signature(s) and Date:

① Sherry A Vosburg Date 2/26/16 ③ PDA Joseph Lu Date 2/26/16
② _____ Date _____ ④ _____ Date _____

OREGON LIQUOR CONTROL COMMISSION
LIMITED LIABILITY COMPANY QUESTIONNAIRE



Please Print or Type

LLC Name: Quailhurst Vineyard Estate, LLC Year Filed: 2015

Trade Name (dba): Quailhurst Vineyard Estate, LLC

Business Location Address: 240 SE 5th St

City: Dundee ZIP Code: 97115

List Members of LLC:

Percentage of Membership Interest:

1. Joseph Lu
(managing member)

100%

2. _____
(members)

3. _____

4. _____

5. _____

6. _____

(Note: If any LLC member is another legal entity, that entity must also complete an LLC, Limited Partnership or Corporation Questionnaire. If the LLC has officers, please list them on a separate sheet of paper with their titles.)

Server Education Designee: _____ DOB: _____

I understand that if my answers are not true and complete, the OLCC may deny my license application.

Signature: Sherry A Vosberg POA: Joseph Lu Date: 2/26/16
(name) (title)

1-800-452-OLCC (6522)

www.olcc.state.or.us

(rev.)



OREGON LIQUOR CONTROL COMMISSION
**ALCOHOL SERVER EDUCATION/LIQUOR LIABILITY
 INSURANCE EXEMPTION REQUEST**

Please Print or Type

Name: Sherry A Vosburg Date of birth: 9/7/60
mm dd yyyy

Licensee name (if different than above): Ouailhurst Vineyard Estate, LLC

Trade Name (dba): Ouailhurst Vineyard Estate License Type: Winery

Business Location Address: 240 SE 5th St

City: Dundee OR ZIP Code: 97115

This request form must be completed and signed by an OLCC licensee or license applicant. If the licensee or applicant is a corporation, limited liability company (LLC), or limited partnership, the application must be signed by a corporate officer or director (corporation), a member or managing member (LLC only) or a partner.

I am requesting: (check all that apply)

- Exemption from alcohol server education requirements for an individual licensee or license applicant.** In requesting this exemption, I hereby swear and affirm that: I will not engage in the sale or service of alcoholic beverages for consumption on OLCC-licensed premises, I will not directly manage or supervise persons who sell or serve alcohol for consumption on OLCC-licensed premises, and will not participate in establishing policies governing the sale or service of alcoholic beverages on any OLCC-licensed premises. I have a co-licensee or manager who meets this requirement.

 (name of co-licensee or manager)

 (date of birth)

- Exemption from alcohol server education and liquor liability insurance requirements for a business licensed with an OLCC winery, brewery, or grower sales privilege license.** In requesting this exemption, I hereby swear and affirm that the licensee(s) will not sell alcoholic beverages for consumption on the above-named premises, and will not allow the consumption of alcoholic beverages on the licensed premises.

 Initial here

By initialing and signing this application, I swear all of the information on this application is true and correct, and I understand that under Oregon law (ORS 162.075) false swearing is a Class A misdemeanor.

Applicant Signature: Sherry A Vosburg Date: 3/17/16

OLCC USE ONLY: Application <input checked="" type="checkbox"/> Approved by <u>C. [Signature]</u> Date <u>3/17/2016</u> <input type="checkbox"/> Denied
License No. _____ Premises No. _____



OREGON LIQUOR CONTROL COMMISSION
INDIVIDUAL HISTORY

1. Trade Name *Quailhurst Vineyard Estates 2. City Sherwood

3. Name Lu (Last) Joseph (First) (Middle)

4. Other names used (maiden, other) * Quailhurst Properties, LLC, an Oregon Limited Liability Co

5. *SSN: _____ 6. Place of Birth Taiwan 7. DOB 10 106 1953 8. Sex M F O
(State or Country) (mm) (dd) (yyyy)

*SOCIAL SECURITY NUMBER DISCLOSURE: As part of your application for an initial or renewal license, Federal and State laws require you to provide your Social Security Number (SSN) to the Oregon Liquor Control Commission (OLCC) for child support enforcement purposes (42 USC § 666(a)(13) & ORS 25.785). If you are an applicant or licensee and fail to provide your SSN, the OLCC may refuse to process your application. Your SSN will be used only for child support enforcement purposes unless you sign below.

Based on our authority under ORS 471.311 and OAR 845-005-0312(6), we are requesting your voluntary consent to use your SSN for the following administrative purposes only: to match your license application to your Alcohol Server Education records (where applicable), and to ensure your identity for criminal records checks. OLCC will not deny you any rights, benefits or privileges otherwise provided by law if you do not consent to use of your SSN for these administrative purposes (5 USC § 552(a)). If you consent to these uses, please sign here:

Applicant Signature: [Signature]

9. Driver License or State ID # _____ 10. State Or.

11. Residence Address 333 NW 9th Ave #1212 Portland, OR 97209
(number and street) (city) (state) (zip code)

12. Mailing Address (if different) _____
(number and street) (city) (state) (zip code)

13. Contact Phone 503 598-6659^{x111} 14. E-Mail address (optional) _____

15. Do you have a spouse or domestic partner? Yes No
If yes, list his/her full name: Mei Lu

16. If yes to #15, will this person work at or be involved in the operation or management of the business?
 Yes No

17. List all states, other than Oregon, where you have lived during the past ten years:
N/A

18. In the past 12 years, have you been **convicted** ("convicted" includes paying a fine) in Oregon or any other state of driving a car with a suspended driver's license or driving a car with no insurance?
 Yes No Unsure If yes, list the date(s), or approximate dates, and type(s) of convictions.
If unsure, explain. You may include the information on a separate sheet.

19. In the past 12 years, have you been **convicted** ("convicted" includes paying a fine) in Oregon or any other state of a misdemeanor or a felony? Yes No Unsure
If yes, list the date(s), or approximate dates, and type(s) of convictions. If unsure, explain. You may include the information on a separate sheet.

20. Trade Name Quailhurst Vineyard Estate 21. City Sherwood

22. Do you have any arrests or citations that have not been resolved? Yes No Unsure
If yes or unsure, explain here or include the information on a separate sheet.

23. Have you ever been in a drug or alcohol diversion program in Oregon or any other state? (A diversion program is where you are required, usually by the court or another government agency, to complete certain requirements in place of being convicted of a drug or alcohol-related offense.) Yes No Unsure
If yes, list the date(s), or approximate dates. If unsure, explain. You may include the information on a separate sheet.

24. Do you, or any legal entity that you are a part of, currently hold or have previously held a liquor license in Oregon or another US state? (Note: a service permit is not a liquor license.) Yes No Unsure
If yes, list the name(s) of the business, the city (or cities) and state (or states) where located, and the date(s) of the license(s). If unsure, explain. You may include the information on a separate sheet.

25. Have you, or any legal entity that you are a part of, ever had an application for a license, permit, or certificate denied or cancelled by the OLCC or any other governmental agency in the US?
 Yes No Unsure If yes, list the date(s), or approximate dates. If unsure, explain. You may include the information on a separate sheet.

Questions 26 and 27 apply if you, or any legal entity that you are part of, are applying for a Full On-Premises, Limited On-Premises, Off-Premises, or Brewery-Public House license. If you are not applying for one of those licenses, mark "N/A" on Questions 26 & 27.

26. Do you have any ownership interest in any other business that makes, wholesales, or distributes alcohol? N/A Yes No Unsure If yes, list the date(s), or approximate dates. If unsure, explain. You may include the information on a separate sheet.

27. Does, or will, a maker, wholesaler, or distributor of alcohol have any ownership interest in your business?
 N/A Yes No Unsure If yes or unsure, explain:

Question 28 applies if you, or any legal entity that you are part of, are applying for a Brewery, Brewery-Public House, Distillery, Grower Sales Privilege, Warehouse, Wholesale Malt Beverage & Wine, or Winery license. If you are not applying for one of those licenses, mark "N/A" on Question 28.

28. Do you, or any legal entity that you are part of, have any ownership interest in any other business that sells alcohol at retail in Oregon? N/A Yes No Unsure If yes or unsure, explain:

You must sign your own form (you can't have your attorney or a person with power of attorney sign your form).

I affirm that my answers are true and complete. I understand the OLCC will use the above information to check my records, including but not limited to, criminal history. I understand that if my answers are not true and complete, the OLCC may deny my license application.

Applicant Signature: [Signature] Date: 11-12-15



OREGON LIQUOR CONTROL COMMISSION
INDIVIDUAL HISTORY

1. Trade Name Quailhurst Vineyard Estate, LLC 2. City Sherwood
 3. Name Vosburg Sherry Annette
 (Last) (First) (Middle)
 4. Other names used (maiden, other) Sherry A Piper (Maiden) Sherry A Best
 5. *SSN _____ 6. Place of Birth Salem, OR 7. DOB 09 / 07 / 1960 8. Sex M F O
 (State or Country) (mm) (dd) (yyyy)

*SOCIAL SECURITY NUMBER DISCLOSURE: As part of your application for an initial or renewal license, Federal and State laws require you to provide your Social Security Number (SSN) to the Oregon Liquor Control Commission (OLCC) for child support enforcement purposes (42 USC § 666(a)(13) & ORS 25.785). If you are an applicant or licensee and fail to provide your SSN, the OLCC may refuse to process your application. Your SSN will be used only for child support enforcement purposes unless you sign below.

Based on our authority under ORS 471.311 and OAR 845-005-0312(6), we are requesting your voluntary consent to use your SSN for the following administrative purposes only: to match your license application to your Alcohol Server Education records (where applicable), and to ensure your identity for criminal records checks. OLCC will not deny you any rights, benefits or privileges otherwise provided by law if you do not consent to use of your SSN for these administrative purposes (5 USC § 552(a). If you consent to these uses, please sign here:

Applicant Signature: _____

9. Driver License or State ID # _____ 10. State Oregon
 11. Residence Address 10469 Crosby Rd NE Woodburn OR 97071
 (number and street) (city) (state) (zip code)
 12. Mailing Address (if different) _____
 (number and street) (city) (state) (zip code)
 13. Contact Phone 503 969 8849 14. E-Mail address (optional) vosburgs1@msn.com
 15. Do you have a spouse or domestic partner? Yes No
 If yes, list his/her full name: Scott Harrison Vosburg
 16. If yes to #15, will this person work at or be involved in the operation or management of the business?
 Yes No
 17. List all states, other than Oregon, where you have lived during the past ten years:
Washington
 18. In the past 12 years, have you been **convicted** ("convicted" includes paying a fine) in Oregon or any other state of driving a car with a suspended driver's license or driving a car with no insurance?
 Yes No Unsure If yes, list the date(s), or approximate dates, and type(s) of convictions.
 If unsure, explain. You may include the information on a separate sheet.

 19. In the past 12 years, have you been **convicted** ("convicted" includes paying a fine) in Oregon or any other state of a misdemeanor or a felony ? Yes No Unsure
 If yes, list the date(s), or approximate dates, and type(s) of convictions. If unsure, explain. You may include the information on a separate sheet.

20. Trade Name Quailhurst Vineyard Estate, LLC

21. City Sherwood

22. Do you have any arrests or citations that have not been resolved? Yes No Unsure
If yes or unsure, explain here or include the information on a separate sheet.

23. Have you ever been in a drug or alcohol **diversion program** in Oregon or any other state? (A diversion program is where you are required, usually by the court or another government agency, to complete certain requirements in place of being convicted of a drug or alcohol-related offense.) Yes No Unsure
If yes, list the date(s), or approximate dates. If unsure, explain. You may include the information on a separate sheet.

24. Do you, or any legal entity that you are a part of, **currently hold** or **have previously held** a liquor license in Oregon or another US state? (Note: a service permit is not a liquor license.) Yes No Unsure
If yes, list the name(s) of the business, the city (or cities) and state (or states) where located, and the date(s) of the license(s). If unsure, explain. You may include the information on a separate sheet.

25. Have you, or any legal entity that you are a part of, ever had an application for a license, permit, or certificate **denied or cancelled** by the OLCC or any other governmental agency in the US?
 Yes No Unsure If yes, list the date(s), or approximate dates. If unsure, explain. You may include the information on a separate sheet.

Questions 26 and 27 apply if you, or any legal entity that you are part of, are applying for a Full On-Premises, Limited On-Premises, Off-Premises, or Brewery-Public House license. If you are not applying for one of those licenses, mark "N/A" on Questions 26 & 27.

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27. Does, or will, a maker, wholesaler, or distributor of alcohol have any ownership interest in your business?
 N/A Yes No Unsure If yes or unsure, explain:

Question 28 applies if you, or any legal entity that you are part of, are applying for a Brewery, Brewery-Public House, Distillery, Grower Sales Privilege, Warehouse, Wholesale Malt Beverage & Wine, or Winery license. If you are not applying for one of those licenses, mark "N/A" on Question 28.

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You must sign your own form (you can't have your attorney or a person with power of attorney sign your form).

I affirm that my answers are true and complete. I understand the OLCC will use the above information to check my records, including but not limited to, criminal history. I understand that if my answers are not true and complete, the OLCC may deny my license application.

Applicant Signature: Sherry Adosburg Date: 2/23/16



OREGON LIQUOR CONTROL COMMISSION
BUSINESS INFORMATION

Please Print or Type

Applicant Name: Quailhurst Vineyard Estate, LLC Phone: 503-330-0118
Trade Name (dba): Quailhurst Vineyard Estate, LLC
Business Location Address: 16031 SW Pleasant Hill Rd
City: Sherwood ZIP Code: 97146

DAYS AND HOURS OF OPERATION

Business Hours:

Sunday 11:00 to 4:00
Monday to
Tuesday to
Wednesday to
Thursday to
Friday to
Saturday 11:00 to 4:00

Outdoor Area Hours:

Sunday 11:00 to 4:00
Monday to
Tuesday to
Wednesday to
Thursday to
Friday to
Saturday 11:00 to 4:00

The outdoor area is used for:

- Food service
Alcohol service Hours: 11:00 to 4:00
Enclosed, how

The exterior area is adequately viewed and/or supervised by Service Permittees.

(Investigator's Initials)

Seasonal Variations: Yes No If yes, explain: Outdoor area will be weather permitting

ENTERTAINMENT

Check all that apply:

- Live Music
Recorded Music
DJ Music
Dancing
Nude Entertainers
Karaoke
Coin-operated Games
Video Lottery Machines
Social Gaming
Pool Tables
Other:

3 times a year possible

DAYS & HOURS OF LIVE OR DJ MUSIC

Sunday to
Monday to
Tuesday to
Wednesday to
Thursday to
Friday to
Saturday 2:00 4:00

SEATING COUNT

Restaurant: Outdoor: 12
Lounge: Other (explain): Tasting room 20
Banquet: Total Seating: 32

OLCC USE ONLY
Investigator Verified Seating: (Y) (N)
Investigator Initials:
Date: 3/17/2016

I understand if my answers are not true and complete, the OLCC may deny my license application.

Applicant Signature: Sherry A Uoshung Date:

POA Joseph Lu 1-800-452-OLCC (6522) www.oregon.gov/olcc

REPORT

To: Mayor Russ and City Council
From: Rob Daykin, City Administrator
Date: March 31, 2016
Re: Fire Station – Community Message Sign

At the March 22 meeting the City Council reviewed proposals from three vendors for the construction and installation of a free-standing sign at the fire station, including an electronic message display board. Council directed staff to work with Meyer Sign Co. to implement changes that would improve the visibility of the electronic message board and reduce the amount of the internally lit panel that is visible during night time. Attached is the amended proposal. Due to these changes the price increased \$1,500, from \$21,986 to \$23,486. This price is still competitive with the other proposals for placement at the same location and size of message board:

Meyer Sign Co.	\$23,486
Bu-Kai Design	\$24,250 (includes \$1,500 to change location)
Salem Sign Co.	\$24,850 (Option B – 6.8 sq. ft. message board)

The proposal covers all cost, including permitting, fabrication, and installation. Grants from the Ford Family Foundation and the Newberg Rotary Club will cover the cost of this project.

Recommendation: Motion to award the Fire Station sign proposal to Meyer Sign Co. in the amount of \$23,486.

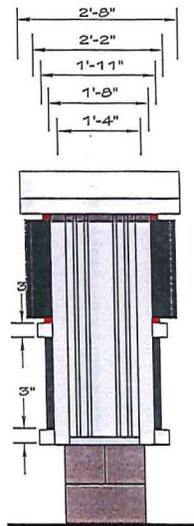


3/30/2016

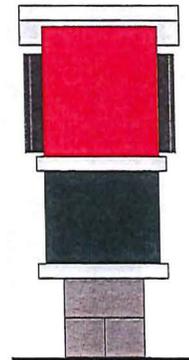
To: Dundee City Council
Fm: John Stock, Fire Chief
Re: Fire Station Monument Sign

Following the last meeting with Council I shared the change suggestions with Meyers Sign Company. They raised the reader board section nearly one foot, to avoid issues with the landscaping and illuminated the logo to which gives it "pop" when lit. The additional sheet metal work and LED lighting of the logo is \$1,500 (reflected in attached quote).

My Staff and I feel this monument sign ties in well with the Fire Station and will look great day or night. We support the attached rendition provided by Meyers Sign Company.



1.2 SIDE VIEW / DETAIL

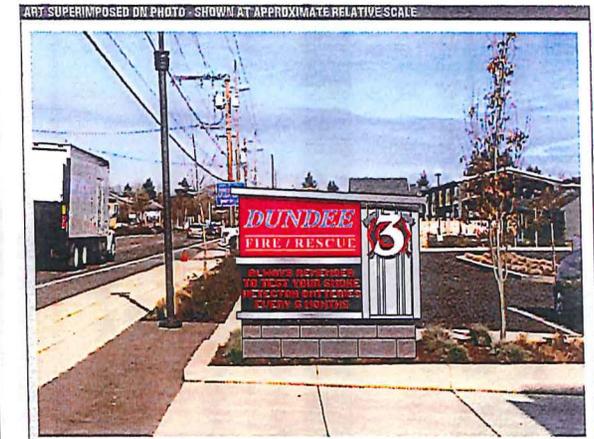
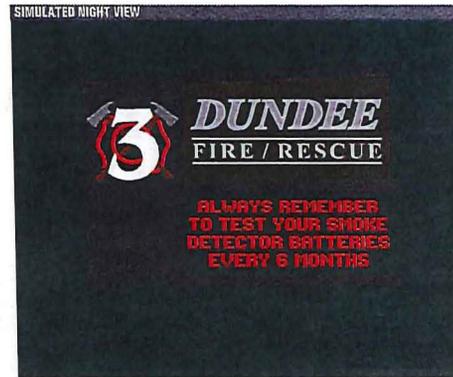


1.3 SIDE VIEW / DETAIL

FABRICATION/SPECIFICATIONS			
A SIDING ACCENT	MATERIAL	ALUMINUM (MATCH BUILDING)	
	PAINT	SILVER (MATCH BUILDING COLOR)	
	B PAN CHANNEL/LIGHTING	TYPE	WHITE LED
		FACE COLOR	WHITE ACRYLIC
	VINYL COLOR	DIGITAL PRINT	
TRIM CAP COLOR	BLACK		
RETURN COLOR	PRE-PAINTED BLACK		
C ROOF	MATERIAL	FABRICATED ALUMINUM	
	PAINT	SILVER (MATCH BUILDING COLOR)	
D CABINET	TYPE	DIF ILLUMINATED	
	PAINT COLOR	RED (MATCH 230-33 VINYL)	
E LETTERS	LIGHTING	WHITE LED ILLUMINATION	
	TYPE	1/2" CLEAR PLEX PUSH THRU	
F LETTERS	VINYL	2ND SURFACE WHITE DIFFUSOR	
	VINYL	1ST SURFACE 230-121 SILVER	
G LETTERS	TYPE	1/2" CLEAR PLEX PUSH THRU	
	VINYL	2ND SURFACE WHITE DIFFUSOR	
H LETTERS	VINYL	1ST SURFACE 230-1D WHITE	
	VINYL	1ST SURFACE WHITE DIFFUSOR	
I BOX REVEAL	PAINT COLOR	SILVER (MATCH BUILDING COLOR)	
H EMC	PIXEL SPACING	16mm	
	MATRIX SIZE	32 x 80	
	LED COLOR	RED MONOCHROME	
	TEXT HEIGHT	5.5" CHARACTERS (4 LINES)	
I CMU BLOCK	STYLE/COLOR	MATCH BUILDING BLOCK	

MONUMENT DISPLAY IS 20.2 SQUARE FEET, WHICH INCLUDES LOGO, DISPLAY CABINET, AND EMC ONLY.

1 D/F INTERNALLY ILLUMINATED MONUMENT DISPLAY SCALE: 1/4" = 1'-0"
QUANTITY: 1 MANUFACTURE & INSTALL



	sales@meyersignco.com	PROJECT: DUNDEE FIRE DEPARTMENT	ACCT. MGR: FRANK MOORE	DATE: 03.08.2016	BY:	REVISION #	DATE: 03.30.2016	BY:	CUSTOMER APPROVAL:	LANDLORD APPROVAL:	This is an original unpublished drawing created for Meyer Sign Company's customer and this project planned for the specific needs of Meyer Sign Customers. These drawings are not to be shown outside your organization nor used, copied, reproduced, or exhibited in any way unless authorized in writing by an officer of Meyer Sign Company of Oregon.	DRAWING#:		
	www.meyersignco.com	ADDRESS: 801 N. HWY 99	SHOP MGR:	REVISION #		REVISION #			DATE:	DATE:		SHEET	OF	
	phone: 503 620 - 8200	DUNDEE, OR	SCALE:	DATE: 02.26.2016	REVISION #		REVISION #							
	fax: 503 620 - 7074	DESIGNER: PAUL RULE			REVISION #		REVISION #							

-133-



15205 SW 74th Avenue - Tigard, OR - 97224

Phone: 503.620.8200 | www.meyersignco.com | CCB#: 64014

PROPOSAL

Attn: Rob Daykin	Date: 3-30-2016
Business Name: City of Dundee	Job Name: City of Dundee Fire Station
Billing Address: P.O. Box 220 Dundee, OR 97115	Job Address: 801 N. HWY 99 Dundee, OR 97115
	Account Executive: Frank Moore
Phone: 503-538-3922 X103	Phone: 503-620-8200
Email: Rob.Daykin@DundeeCity.org	Email: frank@meyersignco.com

We hereby submit specifications and estimates for:

Manufacture and Install:
 {1} 2'-2 3/4" x 4'-2 3/8" double sided monument sign cabinet with LED illuminated push-thru lettering reading DUNDEE FIRE / RESCUE and {1} 1'-8" x 4'-2 3/8" double sided Optec Displays 16mm illuminated Electronic Message Center cabinet at 6'-0" overall height and 6'-9" overall width.

Monument sign display ancillaries to include:

- CMU block base to match existing Fire Station building masonry.
- Aluminum siding accent to match existing Fire Station building siding.
- Slanted aluminum roof structure painted to match Fire Station building trim.
- {2} Fire Station #3 LED internally illuminated / contoured cabinet logos with digital print vinyl graphics to replicate existing Fire Station building logo.

All necessary sign engineering fees, sign and electrical permit fees and staff time to obtain permits INCLUDED.

Sub-Contractor electrical work to install underground electrical conduit and run primary wiring from the existing electrical source the length of the landscape area near the retaining wall parallel to HWY 99 and to bore under the existing concrete walkway to the new monument sign location and make final electrical connection INCLUDED.

One-day on-site software installation, set-up and training session for use of electronic message center with an Optec Displays representative INCLUDED.

Additional sign and electronic message center cabinet diagrams, cut-sheet specifications and warrantee information enclosed separately.

Total: **\$23,486.00**

Payment to be made as follows: Manufacture & Install projects per contract agreement, progress pay with final payment upon completion of Meyer Sign Co. Installation

50% DEPOSIT WITH SIGNED CONTRACT / BALANCE DUE UPON PROJECT COMPLETION

All material is guaranteed to be as specified. All work will be completed in a workmanlike manner according to standard practices. Any alteration or deviation from the above specifications involving additional or extra cost will be executed only upon written orders, and will become an extra charge over and above the estimate. In the event that payment is not made when due as agreed to the unpaid balance shall draw interest at the rate of 18% per annum from the date when due and if such nonpayment continues more than ten days, shall become due and we shall be entitled to a reasonable collection cost, including a reasonable attorney's fee. All Agreements contained herein are contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, wind and other necessary insurance. All our workers are fully covered by Workers' Compensation Insurance.

Acceptance of Proposal: The above prices, methods of payment specifications and conditions are satisfactory and are hereby agreed to. Payment will be made as outlined above. Purchaser grants a purchase money security interest in the products until the full price has been paid in full and agree to do all acts necessary to perfect and maintain said security interest. Purchaser hereby irrevocably appoints Company as its attorney in fact to execute any financing statements or other instruments or documents reasonably necessary or desirable to perfect and maintain said security interest in the products or proceeds. If payment is not received in accordance with payment schedule, Meyer Sign Co. may remove signage upon 24 hrs. written notice. Costs of removal, storage and reinstallation will be responsibility of customer and charged at standard rates.

Proposal Accepted by: (Print Name)	Title:
Signature:	Acceptance Date:
Meyer Sign Co. Acceptance: <i>Frank Moore</i> FRANK MOORE	Date: 3/30/2016

REPORT

To: Mayor Russ and City Council
From: Rob Daykin, City Administrator
Date: March 31, 2016
Re: Loan Refunding Options

At the March 15 meeting Council expressed interest in refunding the IFA loan with a loan through US Bank. The current principal balance of the IFA loan is \$716,953 and carries an interest rate of 4.04%. The IFA loan was used to fund the construction of the new water reservoir located off of Viewmont Drive and has a maturity date of December 1, 2032. US Bank offered terms for a loan with a 7 year length at 2.54%. The loan would be amortized on a 20-year basis, which means the minimum scheduled payment is less than the term of the loan with the fixed interest rate. To ensure the loan is paid up within the agreed term, the City would make additional prepayments. There is no prepayment fee and the "additional" principal payment could be set up on a set schedule. If at the end of the term there is still a balance remaining on the loan, then the City would have to negotiate a new loan term with a new interest rate for the balance of the unpaid principal or pay it off in full. This would need to be resolved several years in advance of the end of the term if it appears the City will not be able to pay off the loan within the original time period. My recommendation is to make sufficient payment to avoid having an unpaid loan balance at the end of the term. This approach provides more flexibility for the City if there are circumstances that require an adjustment in the prepayment amount from time to time. US Bank is also willing to forgo a loan origination fee with their proposal with the understanding that the City establishes a banking relationship with US Bank.

Since the US Bank Loan is expected to be paid off in seven years, I compared the repayment of the US Bank loan with an accelerated repayment schedule for the IFA loan matching the same annual debt service. Assuming a loan closing date of May 17 for paying off the IFA loan, the net estimated savings is just over \$32,000.

Analysis of IFA Modified - 4.04% vs. US Bank - 2.54%

IFA Modified Interest	134,349.70
US Bank Interest	73,985.51
Add: Payoff Interest	13,331.51
Add: Bond and Costs	<u>14,715.00</u>
Net US Bank Interest and Costs	102,032.02
Net Savings	32,317.68

Council also considered taking out additional loans to fund storm water improvement projects associated with Phase 1 of the TE sidewalk/streetscape project and repairs at Charles Street. The TE storm water project was originally to be financed with an interfund loan from the Water CIP Fund; however, with the refunding of the IFA loan on an accelerated repayment schedule, it is advisable to take out a separate loan for that work. Council had previously requested a funding plan for the work at Charles Street to resolve the recurring flooding at that location. The combined cost of these two projects is estimated at \$150,000. In addition to the storm water project, the cost of sewer collection system repairs (City responsibility) identified from the recent video inspection is estimated at \$75,000. We started the application process for a \$600,000 loan from DEQ last year for the purpose of completing sewer collection system repairs addressing I&I. However, since DEQ was still requiring additional engineering and environmental review for use of their funds it makes more sense to finance this work with the US Bank loan. In either case, we will not have sufficient resources to complete the I&I repairs this summer without a loan. The original offer from US Bank was for a \$948,000 loan, however, I discussed the additional sewer repair project with them and they agreed to modify the loan amount to cover that work. The following is a summary of the use of the loan proceeds.

Use of Loan Proceeds

IFA Loan Refunded - Principal	716,953.49
IFA Loan Refunded - Interest	13,331.51
Bond Counsel	12,500.00
Other Costs	2,215.00
Proceeds for Storm Water Projects	150,000.00
Proceeds for Sewer System Repairs	<u>75,000.00</u>
	970,000.00

Council directed the preparation of a resolution by Bond Counsel, Jim Shannon, authorizing the preparation of loan documents for a full faith and credit obligation of the City with US Bank for the refunding of the IFA loan. However, Council wanted to discuss the need for additional loan proceeds beyond the refunding of the IFA loan at the April 5 meeting since several councilors were absent at the prior meeting. Attached is a sample loan repayment schedule for the US Bank loan including the additional amounts for storm water improvements and sewer collection system I&I repairs. I will need direction from the Council regarding the amount of loan proceeds to be used in the authorizing resolution.

Semi-Annual Interest and Principal Payments - 7 Years/2.54%

Loan Proceeds 970,000.00

					Water Loan Refunding			Storm Water Improvement			Sewer System Improvements.		
	Principal	Interest	Total Due	Running Balance	Principal	Interest	Total Due	Principal	Interest	Total Due	Principal	Interest	Total Due
1	63,642.12	12,524.32	76,166.44	906,357.88	48,879.78	9,619.19	58,498.97	9,841.57	1,936.75	11,778.32	4,920.78	968.38	5,889.16
2	64,527.80	11,638.64	76,166.44	841,830.08	49,560.01	8,938.96	58,498.97	9,978.53	1,799.79	11,778.32	4,989.26	899.90	5,889.16
3	65,297.01	10,869.43	76,166.44	776,533.07	50,150.80	8,348.17	58,498.97	10,097.48	1,680.84	11,778.32	5,048.74	840.42	5,889.16
4	66,194.89	9,971.55	76,166.44	710,338.18	50,840.41	7,658.56	58,498.97	10,236.32	1,541.99	11,778.32	5,118.16	771.00	5,889.16
5	66,994.79	9,171.65	76,166.44	643,343.39	51,454.76	7,044.21	58,498.97	10,360.02	1,418.30	11,778.32	5,180.01	709.15	5,889.16
6	67,905.20	8,261.24	76,166.44	575,438.19	52,153.99	6,344.98	58,498.97	10,500.80	1,277.51	11,778.32	5,250.40	638.76	5,889.16
7	68,736.57	7,429.87	76,166.44	506,701.62	52,792.52	5,706.44	58,498.97	10,629.37	1,148.95	11,778.32	5,314.68	574.47	5,889.16
8	69,624.08	6,542.36	76,166.44	437,077.54	53,474.16	5,024.80	58,498.97	10,766.61	1,011.71	11,778.32	5,383.30	505.85	5,889.16
9	70,523.04	5,643.40	76,166.44	366,554.50	54,164.60	4,334.36	58,498.97	10,905.62	872.69	11,778.32	5,452.81	436.35	5,889.16
10	71,459.47	4,706.97	76,166.44	295,095.02	54,883.82	3,615.14	58,498.97	11,050.43	727.88	11,778.32	5,525.22	363.94	5,889.16
11	72,356.27	3,810.17	76,166.44	222,738.75	55,572.60	2,926.37	58,498.97	11,189.11	589.20	11,778.32	5,594.56	294.60	5,889.16
12	73,306.23	2,860.21	76,166.44	149,432.53	56,302.21	2,196.76	58,498.97	11,336.01	442.30	11,778.32	5,668.01	221.15	5,889.16
13	74,237.02	1,929.42	76,166.44	75,195.51	57,017.09	1,481.88	58,498.97	11,479.95	298.36	11,778.32	5,739.98	149.18	5,889.16
14	75,195.51	970.90	76,166.44	0.00	57,753.25	745.69	58,498.94	11,628.17	150.14	11,778.31	5,814.09	75.07	5,889.16
Totals		96,330.13	1,066,330.16		745,000.00	73,985.51	818,985.51	150,000.00	14,896.41	164,896.41	75,000.00	7,448.21	82,448.21



To: Dundee City Council

From: Greg Reid, City Engineer

Date: 3/31/2016

Re: Highway 99W, 10th Street Improvements - Change Order #2 due to Unforeseen Conditions (Storm Pipe Fix)

The following provides a summary of the Change Order #2 resulting from the unknown conditions related to the existing storm pipe in the highway and lack of flow through the outlet pipe and ditch. The first attachment (Existing Storm Line Fix) provided the initial change order costs provided by Weitman (\$40,506) with my proposed reductions to a cost of \$16,113. Weitman initially requested that we settle at \$20,501 but has agreed to settle at my proposed cost of \$16,113. See the attached email from Jim Weitman.

The final attachment (Plan Revisions) provides additional costs (\$5,760) that Weitman incurred due to the depth of the existing storm pipe being lower than anticipated. I questioned the cost of Item 30 - Added 1' Manhole Sections which appeared excessive and Weitman has not responded so this additional cost is being held until the cost of the manhole sections can be resolved.

Existing Storm Line Fix

Item 10 - During the excavation for the new sewer main across the highway, the excavation filled with water that first flowed from the unknown pipe extending from the Community Center and then up from the existing ODOT storm pipe that was found to be broken. Weitman had a sump and 2" pump running but could not keep up with inflow which eventually equalized with the water level in the ditch across from Lumpy's. Although the plans did not indicate the presence of high groundwater and obstructed flow in the ditch, these conditions existed (pipe in ditch was under water) during the bid and could have been identified prior to bid. Weitman claims that they assumed that the pipes and ditch were free flowing. I propose sharing this cost (50/50).

Item 15 - This is the cost to temporarily patch and plate the excavation for Item 10 which will have to be done again since the work was not completed. Shared cost (50/50).

Item 20 - Weitman then attempted to construct a poured in-place manhole over the ODOT pipe. The excavation filled with water again since the ODOT pipe was found to have settled over the years and has large gaps between pipe segments. Although the need for additional pumps and a means of preventing flow from coming back through the 24" pipe from the ditch was identified when the sewer excavation filled with water, Weitman did not have additional pumping capacity. They did try to divert the discharge further down the ditch but could not keep up with inflow and excavation eventually filled

to the same water level as in the ditch across from Lumpy's. Prior to the excavation filling with water, it was determined that the ODOT pipe was over a foot deeper than anticipated and 9" further from the curb which required a revised design. Shared (50/50).

Item 25 - This is the cost to temporarily patch and plate the excavation for Item 20 which will have to be done again since the work was not completed. Shared (50/50).

Items 30 & 35 - Standby for two days while waiting for a solution to be identified. Although I offered to meet sooner to keep from holding Weitman up, their foreman said that it would be fine to meet upon my return and then they charged standby for the two days prior to the meeting. Weitman was not issued a stop work order. The standby was at their discretion and is not the City's responsibility. No cost to City.

Item 40 - This item is the cost to provide a larger pump in the ditch (swale) across from Lumpy's, install a check dam and pump the water downstream away from the 24" pipe. This cost is due to the pipes and ditch not being free flowing which was not identified on the plans but was an existing site condition at the time of the bid. Shared cost (50/50).

Item 45 - This is the cost to set-up a diversion of the flow in the ODOT pipe across the Hwy from the inlet at 9th Street. It due to the old ODOT pipe not being sealed. It included additional traffic control costs to have a third flagger at 9th and the inlet was not identified on the plans. Shared Cost (50/50).

Item 50 - This is a portion of the additional cost due to the design change to accommodate the actual location of the ODOT pipe. City Cost.

Plan Revisions

Item 10 - Lowering Storm Line: Additional excavation to lower the storm system which includes additional trenching and aggregate backfill. City Cost.

Item 20 - Rerouting Water Line: Reduced cost to reroute water pipe over the storm system which reduced the amount of excavation. City Credit.

Item 30 - Added 1' Manhole Sections: Additional cost for manhole sections to accommodate the actual pipe depth that was lower than anticipated. Initially proposed cost seems excessive and verification or reduced cost has been requested. City Cost.

Recommendation

It is staff's recommendation to approve Change Order #2 at a cost of \$16,113 for the Existing Storm Line Fix costs. The Plan Revisions costs will be brought to Council for approval upon resolution of the Manhole Section costs.

Dundee - OR99W & 10th St. - Existing Storm Line Fix

Weitman Excavation, LLC

11225 SW Clay Street
 Sherwood, OR 97140

Contact: Jesse Davies
 Phone: (503) 682-3322
 Fax: (503) 682-3366

To: City of Dundee
 Attn: Greg Reid

Job Name: 15027-P005
 Bid Date/Time: 02/02/2015

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
10	01/26 - DOWNTIME DUE TO BROKEN PIPE AT SANITARY	6.00	HR	1,136.00	6,816.00 \$3408
15	TEMPORARY PATCH WORK FOR BROKEN PIPE AT SANITARY	2.00	HR	980.00	1,960.00 \$980
20	01/28 - DOWNTIME DUE TO LEAKING PIPE AT STORM MH	2.50	HR	2,820.00	7,050.00 \$3525
25	TEMPORARY PATCH WORK FOR LEAKING PIPE AT STORM MH	3.00	HR	980.00	2,940.00 \$1470
30	02/01 - STANDBY ON EQUIPMENT	10.00	HR	488.50	4,885.00 \$0
35	02/02 - STANDBY ON EQUIPMENT	10.00	HR	542.50	5,425.00 \$0
40	INSTALL SUMP/CHECK DAM IN SWALE AND PUMP AROUND	1.00	LS	5,600.00	5,600.00 \$2800
45	DIVERT WATER UPSTREAM ACROSS ROAD	1.00	LS	3,800.00	3,800.00 \$1900
50	CHANGE MANHOLE FROM PIP TO PRECAST WITH CG3	1.00	LS	2,030.00	2,030.00 \$2030
GRAND TOTAL					\$40,506.00 \$16,113

NOTES:

This price covers all downtime, repairs and modified work through February 2, 2016. Additional standby time shall be applied daily at the rate stated in Bid Item 30 above from February 3 until work is authorized.

City Engineer

From: Jim Weitman [jweitman@weitmanexcavation.com]
Sent: Wednesday, March 16, 2016 1:12 PM
To: City Engineer
Cc: Rob Daykin
Subject: RE: Dundee- OR99W & 10th Street
Attachments: Report.pdf; 10th Street Improvements - Completed Bid Tabulation_Change Order #1_to Weitman_160203.pdf

Greg,

I agree to the amount of \$16,113 for Change Order #2.

I will review the manhole extension pricing with our storm and water excavation adjustment pricing. Please note that there is a considerable amount of ditch grading required due to these changes. I have not included any pricing for such. Please advise as to how we are to address this issue. Currently, the city will have adverse fall from the pipe outlet.

As for revisions to change order #1, I have reviewed item 3.1 (attached) and compared it to our estimate. I understand that the City will be compensating the asphalt paving portion of this scope under bid item 26 on a tonnage basis. Under this direction, item 3.1 can be reduced by an amount equal to 18 tons @ \$160/ ton or \$2,880.00.

Thank you,

Jim Weitman

Weitman Excavation
Office: 503.682.3322 Cell: 503.969.5961

From: City Engineer [<mailto:city.engineer@dundeecity.org>]
Sent: Wednesday, March 16, 2016 12:52 PM
To: Jim Weitman <jweitman@weitmanexcavation.com>
Cc: Rob Daykin <Rob.Daykin@dundeecity.org>
Subject: RE: Dundee- OR99W & 10th Street

Jim,

I appreciate your time on the phone today. As discussed, I will proceed with putting together Change Order 2 for \$16,113. Regarding that additional plan change costs, I am in general agreement with the storm and water excavation adjustments. I am going to take a closure look at the increased storm excavation to confirm your proposed quantity and will let you know if I have any concerns.

Are 1' grade rings really \$1280/ea? This seems pretty pricey given that the MH's only cost \$2900. Can you confirm this cost please?

Thank you,

Greg Reid

From: Jim Weitman [<mailto:jweitman@weitmanexcavation.com>]
Sent: Tuesday, March 15, 2016 2:15 PM
To: City Engineer
Subject: Dundee- OR99W & 10th Street

Greg,

Please find the attached proposed revised amount for P005. It appears the city initially offered \$16,113 against our \$40,506.00 claim. I'm proposing to settle on \$20,501.00 to close this issue.

I have also attached our cost proposal associated with plan revisions. This proposal is in the amount of \$5,760.00. Please let me know if you have any questions.

Thank you,

Jim Weitman

Weitman Excavation

Office: 503.682.3322 Cell: 503.969.5961

Dundee - OR99W & 10th St. - Plan Revisions



Weitman Excavation, LLC

11225 SW Clay Street
 Sherwood, OR 97140

Contact: Jim Weitman
Phone: (503) 682-3322
Fax: (503) 682-3366

To: City of Dundee
Attn: Greg Reid

Date: 03.15.2016
Job No.: 15027
PCO: P006; Plan Revisions

Phone: 503.538.6700
Email: city.engineer@dundeecity.org

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
10	LOWERING STORM LINE	20.00	CY	160.00	3,200.00
20	REROUTING WATER LINE	-8.00	CY	160.00	-1,280.00
30	ADDED 1' MANHOLE SECTIONS	3.00	EA	1,280.00	3,840.00
GRAND TOTAL					\$5,760.00

NOTES:

Jim Weitman
 Weitman Excavation
 503.969.5961
 jweitman@weitmanexcavation.com



Memo

To: Rob Daykin, City Administrator
From: Debbie Manning, MMC, Assistant City Recorder
Date: 3/31/2016
Re: Local Government Dinner

We invited Babica Hen, Dundee Bistro, Red Hills Market, Red Hills Provincial Dining, and Tina's to respond to the request for a proposal to cater the Local Government Dinner on Thursday, August 18 at Domaine Roy Winery; with a deadline of Wednesday, March 30 th. We received one proposal from Red Hills Provincial Dining. It meets the specifications of the proposal request. I would recommend accepting the proposal from Red Hills Provincial Dining; they have catered the event in the past with excellent results.



Request for Proposal Local Government Dinner

The City of Dundee is requesting a proposal for catering services for the Local Government Dinner to be held on Thursday August 18th at 7:00 P.M. The location will be Domaine Roy Winery, 8351 NE Worden Hill Road, Dundee. This will be a casual summer dinner with a no-host wine bar (provided by Domaine Roy).

Specifications:

- "Summer - theme" Buffet Dinner
- Two Entrées
- Salad
- Desert
- Drinks (coffee, tea)
- Serve approximately 70 to 80 people
- Meal pricing approximately \$20 to \$28
- Final pricing should be based on the RSVP count for the dinner versus full bid proposal
- Gratuities and other misc. charges should be included in the dinner pricing

The proposal should be submitted no later than the close of business on Wednesday, March 30, 2016. This will be presented to the Council at their April 5th meeting. Any cost incurred in the preparation of the proposal will be the responsibility of the proposer and will not be reimbursed by the City of Dundee.

Proposals should be addressed as follows:

Debbie Manning, MMC
Assistant City Recorder
City of Dundee
620 SW 5th Street
P. O. Box 220
Dundee, Oregon 97115

Any questions concerning this request may be made to Debbie Manning at 503-538-3922. Thank you for your interest and time. Sincerely

Debbie Manning, MMC
Assistant City Recorder
City of Dundee

Debra Manning

From: Nancy Gehrts <redhills@frontier.com>
Sent: Wednesday, March 30, 2016 12:42 PM
To: Debra Manning
Subject: Dinner proposal

Hi Debra,
Thank you for contacting us. Enclosed please find our proposal for your Local Government Dinner.

Thursday August 18, 2016
Dinner Buffet for 70/80 guests
Domaine Roy Winery

Organic Greens & Garden Salad w/Balsamic Vinaigrette
Freshly Baked Breads & Whipped Butter
Thinly Sliced (marinated) Flank Steak w/Roasted Vegetables & Potatoes. (room temp.)
Oregon Albacore Tuna Nicoise w/green beans, olives, tomatoes, onions, hard cooked eggs &
Fresh Herbs (room temp.)
Assorted Freshly Baked Cookies & Summer Fruits
Iced Tea/ Coffee

\$ 28.00 p/p. Inclusive

Please let me know if you have any questions or would like other suggestions.

Dundee to cover:

Flatware, china, tables, chairs & napkins

Best Regards,

Nancy Gehrts

Red Hills Provincial Dining

Sent from my iPad

REPORT

To: Mayor Russ and City Council
From: Rob Daykin, City Administrator
Date: March 30, 2016
Re: Chehalem Valley Strategic Plan

The Chehalem Valley Future Focus Committee is hosting a dinner meeting for elected officials on **Thursday, April 14** at the Chehalem Cultural Center. Arrival and social time is between 6:00 – 6:30 pm, and the dinner meeting is between 6:30 – 8:30 pm. The participating entities include: CPRD, City of Newberg, City of Dundee, Yamhill County, Newberg Public Schools, and Portland Community College. Each entity will provide a brief report to the group regarding their progress in completing projects related to the 2020 Vision, and future issues and challenges facing them. Following presentation of the reports, the elected officials will participate in group sessions to evaluate the 2020 Vision, and discuss how it should be amended for the next 20 years or whether this collaborative process should continue to create an updated vision document.

Attached is the *Beyond the Vision* report with highlighted areas that are specific to Dundee. We have completed a number of projects identified in the plan, and there have been other significant changes since the report's preparation in 2004. These include the following:

- IGA w/City of Newberg – Police Services - 2005
- Dundee Parks and Open Space Plan – 2008
- IGA w/City of Newberg – Planning Services – 2008
- IGA w/City of Newberg – Building Inspection Services – 2009
- 400,000 Gal. Reservoir - 2010
- Riverside District Master Plan – 2011
- Wastewater Treatment Facility – 2012
- Emergency Operations Plan (Yamhill County) - 2012
- Fortune Park (CPRD) - 2012
- Recycled Water Feasibility Study – 2013
- Highway 99W Local Improvement District - 2013
- Commercial Zone Design Standards (Replaced Victorian Overlay) – 2014
- Establish new boundaries for the Central Business District - 2014
- New Fire Station - 2014
- Transportation System Plan – 2015
- Update Dundee Improvements Standards (including Recycled Water Facilities) - 2015
- Urban Renewal Feasibility Study – 2015
- Well No. 13 Constructed - 2015
- Water Master Plan – 2016
- IGA w/CPRD – Landscape Services – 2016

Specific to Dundee, *Beyond the Vision* makes reference to:

- Dundee core areas are vibrant commercial areas, maintaining a “small town” downtown atmosphere and character.
- Dundee as a destination location for visitors with two small exclusive hotels and bed and breakfast inns.
- Efficient parking being provided.
- Redesigned street and bypass system for 99W enhancing and supporting the local economy. The highway is visually attractive with award winning landscaping, creative traffic islands and accessible parking areas. Two appealing pedestrian bridges over 99W.
- Dundee’s redesigned business district just west of 99W, Sociability-Administrative Center, specialty shops, Visitor’s Center and civic facilities anchor the center and its activities near the town square. Main Street and new businesses have been beautified and linked to a 20-acre riverfront park.
- A 20-acre riverfront park in Dundee with connection to Dundee, Newberg and other parts of the region. This riverfront park has become the community gathering place and helps support the sense of community and the rejuvenated downtown. Natural areas, habitat for wildlife, agricultural land and open space have preserved the views from surrounding hills.
- Possible consolidation of wastewater treatment with the City of Newberg.
- Inclusion of Dundee in a cooperative fire district with other communities.
- Projects listed in *Beyond the Vision*, but not completed include:
 1. Dundee Community Center
 2. Dundee Downtown Improvements

Beyond the Vision also noted the Dundee Citizen Action Committee completed a 20-year vision adopted by the City of Dundee in 2001 (attached). To assist with the discussion on April 14, please identify where *Beyond the Vision* is still relevant and the changes you would like to see.

I have identified the following issues and challenges specific to Dundee:

- Sewerage during the December floods found a path to the WWTP control panel via a construction defect (unsealed conduits) that was unknown since start of operations in 2012. The WWTP was shut down for four days, resulting in filling all available equalization storage and an extended overflow event. High ground water and excessive I&I this winter generated unprecedented high flows that stressed the MBR units and not allow for making gains in equalization storage. A second overflow event was reported to DEQ. Emergency repairs to the control panel were completed, however, replacement of the control panel is recommended.
- WWTP continues to have difficulty providing treatment during high flows; unless this is corrected it will have a negative effect in accommodating additional population without resorting to investing (\$1 million) for the installation of additional membrane units in a third basin. A large number of the membrane units have been stressed this winter and are not recovering to their design capability following routine clean cycles and are unable to perform during high flows (at higher flux rates). We will conduct additional investigation during low flows to determine if more aggressive cleaning (external from the basins) will work or if we need to replace membrane units.
- Reducing I&I prior to fall 2016 is a high priority. Video inspection determined that the original collection system is in good shape, but identified specific sewer main defects and private

laterals needing repairs. Manholes (about 200) were inspected, 30 manholes repaired to prevent ground water from entering. Four sewer main penetrations by communication conduits will be repaired by the utility provider. Also, two manufactured home parks with their private sewer system have been identified with excessive flows and need for repairs.

- A plan for the removal of bio-solids stored in the south facultative sludge storage lagoon (FSL) is being prepared for DEQ approval. Removal of bio-solids from FSL south will help ensure sufficient equalization storage in FSL north.
- We will be putting new Well No. 13 through its paces this year; it will give us a better idea on the reliability of this new source to accommodate new growth (10 years?). Per the Water Master Plan we will be exploring development of the Willamette River water right – possible collaboration with the City of Newberg.
- Unexplained water loss, the difference between what is recorded at the wells and the accumulated amount of water sold to customers, remains high (over 20%). Unaccounted water loss should be under 10%. Conduct a comprehensive water leak survey and continue the replacement of suspect steel water lines.
- Develop recycled water storage and pumping facilities to deliver recycled water to the Dundee Riverside Master Plan areas. Not using domestic water for irrigation will help extend current well water production facilities.
- Establishment of an Urban Renewal Agency for Dundee is dependent on voter approval of a charter amendment at the May 17 special election. If approved, preparation of an urban renewal plan may be initiated. Infrastructure and other facility improvements funded by an urban renewal plan are needed to facilitate economic development.
- Construct Phase 1 of the Transportation Enhancement Sidewalk/Streetscape project on Highway 99W this year. Coordinate construction of Phase 2 to be completed by ODOT.
- Evaluate funding alternatives, including system development charges, to implement the recommended improvements in the Transportation System Plan.
- Update the 2006 Storm Water Facility Plan to recognize water quality requirements, a change in methodology for determining water conveyance facilities and an amended capital improvement plan.
- Update Dundee storm water regulations – a component of the City’s TMDL Implementation Plan (Water Quality Management Plan of the September 2006 Willamette Basin Total Maximum Daily Load).
- Establish a Riverside District zone and design standards to facilitate development of the Dundee Riverside Master Plan areas.
- Ensure the ongoing viability of Billick-Dundee School Park and preservation of current park facilities. The majority of park facilities, developed by CPRD using a federal grant, are located on property owned by Newberg Public Schools.
- Collaborate with CPRD in the implementation of the Dundee Parks and Open Space Plan, including development of trails, neighborhood parks serving the Dundee Riverside Master Plan areas, and development of a regional waterfront park.
- Repair roof and concrete slab floor construction defects in the new fire station.
- Recruit and retain Dundee Fire Department volunteer firefighters.
- Develop bicycle tourist/public parking facilities.
- Expand and enhance landscaped areas along the Highway 99W corridor in Dundee.

Of the issues and challenges identified above, which should be changed or removed? What issues and challenges are missing from the list which should be shared at the April 14 meeting?

DUNDEE A VISION FOR OUR FUTURE

INTRODUCTION

The year is 2022. Dundee is a rural city (population range: 5,000 to 5,750) noted for its freshness and harmony with nature. The coordinated and on-going efforts of its citizens, city government and local business organizations continually work to preserve and enhance the charm and rural character of this special place.

A PLACE THAT IS KNOWN - The city is known as the center of the Oregon wine industry, featuring the rich past and thriving present of Oregon's finest agricultural heritage. Agricultural products that have contributed to Dundee's development are identified and acknowledged.

Pedestrian friendly paths follow the Willamette River, while scenic picnic areas and nature parks add to the serene environment. Wildlife corridors, walking trails and bicycle paths further enhance the opportunities for enjoying nature. A citywide system of interconnecting pedestrian walkways and greenways are unimpeded by motorist traffic. Preservation of views, parks and greenways is paramount in planning and building. Hillsides remain lush green sentinels to be visually enjoyed by all.

BUSINESS DISTRICT- The business district has been expanded and redesigned to encourage leisurely pedestrian movement throughout the shopping area. Strategically located, the city center provides a gathering place for small-scale artistic performances. A reputation for its fine shops and restaurants has contributed to Dundee having become a destination location for visitors, while at the same time bringing beneficial amenities for the enjoyment of local residents.

Because State Highway 99 W was re-routed to the Newberg-Dundee Bypass, Dundee now has its own local main street. The redesigned traffic patterns enhance and support the local economy with its visually attractive landscaping and accessible parking areas. The City has assisted in redevelopment efforts throughout the community.

CITY GOVERNMENT - The City of Dundee provides for the safety and well being of its citizens through a well-trained, professional staff. City Hall and the Visitors Center provide up-to-date and accurate information to the public. Its buildings are attractive and meet the needs of the community, as well as employees. Community wide meetings are held each year to keep government, citizens and city employees fully involved and informed.

SCHOOLS- Schools are located in neighborhood settings and together with the Community Center furnish year round family activities.

RESIDENTIAL- Street lighting and noise levels are in harmony with the city's pleasant natural environment. Shade trees border the streets, adding to the village quality.

IMPLEMENTATION – Since adoption of a Community Vision Statement, Dundee's Comprehensive Plan and all development and zoning ordinances have been rewritten to implement the community's vision. The community has set design standards, which mirror the Vision.

CONCLUSION- Dundee is a model for citizen engagement, working together with community members, businesses, developers and government entities to provide effective government, and public/private partnerships in the creation of a pleasant, livable small town. There is not another place in the country like Dundee that has succeeded in creating such an attractive and harmonious atmosphere.



Beyond the Vision

**The Chehalem Valley
in 2020**



CITIES OF NEWBERG AND DUNDEE, CHEHALEM PARK AND RECREATION DISTRICT, NEWBERG PUBLIC SCHOOLS AND YAMHILL COUNTY

Dear Chehalem Valley Residents

"*Beyond the Vision*" is a joint effort of five local jurisdictions in the Chehalem Valley: the cities of Newberg and Dundee, Newberg PUBLIC SCHOOLS, Chehalem Park and Recreation District, and Yamhill County, to implement the VISION for the Chehalem Valley created by our residents and public officials over the past several years.

This vision was clearly articulated by members of our community several times since the mid 1990s. Chehalem Future Focus I and II, the Dundee Citizen Action Committee, the City of Dundee, the Newberg Downtown Association, and the Newberg City Council have all put forward a consistent VISION of a "desired future" for the Chehalem Valley and the Cities of Dundee and Newberg. All these efforts involved extensive community input and participation from the residents of the Chehalem Valley.

This current effort to move "*Beyond the Vision*" began in November of 2001 with two workshops that included all the elected officials of the five jurisdictions in this joint effort. Based on the VISION created by our community, the elected officials identified capital improvements and operating projects that could be jointly implemented at a cost savings to local taxpayers. Since that time this process has been guided by a Steering Committee comprised of elected officials and the chief administrative officers of the participating jurisdictions.

Extensive community input for this effort was solicited through three community forums, two in English and one in Spanish. These efforts were supplemented by two random sample surveys of the residents of the Chehalem Valley. Together, these efforts provided excellent community guidance in ranking the various projects according to the priority of local residents.

To provide continuity for this effort into the future, "*Beyond the Vision*" will be brought before the governing bodies of each of the jurisdictions for final comments from our citizens and formal adoption in February 2004. It is the intent of the Steering Committee guiding this process to update this strategic plan annually after first checking in with our Chehalem Valley citizens as we have done in the preparation of this document.

We would like to thank the many participants who willingly gave of their time to attend public forums, meetings, and to respond to the questions which were asked in the random sample surveys carried out as part of this process. We look forward to a continuing dialogue with the residents of the Chehalem Valley as we move forward with the continuing implementation of "*Beyond the Vision*."

Roger Worrall
Former Mayor of Dundee

Bob Stewart
Mayor of Newberg

Melinda Van Bossuyt
*Chair, Newberg Public Schools
Board of Directors*

Mike McBride
*Chair, Chehalem Park and Recreation District
Board of Directors*

Leslie Lewis
Chair, Yamhill County Board of Commissioners

A cooperative governmental effort by

City of Dundee

City of Newberg

Chehalem Park and Recreation District

Newberg Public Schools

Yamhill County

The preparation of this report was funded in part with a grant from the Oregon State Lottery through the Mid-Willamette Valley Community Development Partnership for the purpose of promoting economic and community development.

Beyond the Vision

A Strategic Plan for the Chehalem Valley

Chehalem Valley Vision for 2020 page 6

Creating a Strategic Plan.....page 10

Mission and Goals
Background
Citizen Involvement

Vision Action Planpage 12

Governance and Civic Involvement
Education
Economy and Employment
Health and Social Services
Public Safety
Housing
Culture and the Arts
Transportation
Downtown Development
Parks, Greenways and Riverfront
Sustainability
Communications

Appendicespage 16

Steering Committee
Capital Projects
Operational Projects
Communication Plan
Financial Data
Survey Data
Latino Forum

A Vision of the Chehalem Valley in 2020

The downtown Newberg and Dundee core areas are vibrant commercial areas, with both cities maintaining a “small town” downtown atmosphere and character.

Community Identity

Around the year 2020, the Chehalem Valley continues to be independent from the larger Portland Metropolitan Area to the north, and is characterized by a friendly, small-town atmosphere. It’s a community that retains its distinct geographical, historical and cultural identity, preserving a “small town” feeling of livability. The downtown Newberg and Dundee core areas are vibrant commercial areas, with both cities maintaining a “small town” downtown atmosphere and character. Newberg’s downtown is integrated with George Fox University and linked to the riverfront, while Dundee’s small town atmosphere is characterized by a redesigned business district lying just west of 99W and linked to the riverfront. The riverfront is a focus of economic and recreational activity.

The towns are characterized by well-planned and livable neighborhoods. The area’s healthy environment preserves the beauty of the natural surroundings—the valley and hills, forests, agricultural lands, rivers, streams and air quality. Agricultural activities and open space preserve the views from surrounding hillsides. Cultural diversity creates opportunities, and local residents have engaged those opportunities. General happiness, personal growth and strong families are encouraged and promoted.

Governance and Civic Involvement

Citizen engagement and involvement are emphasized in planning and implementation. Collaboration and both informal and formal partnerships between local governments, the business community, schools, private organizations and citizens lead to successful planning and completion of civic projects. The cities of Newberg and Dundee have developed a highly organized volunteer program represen-

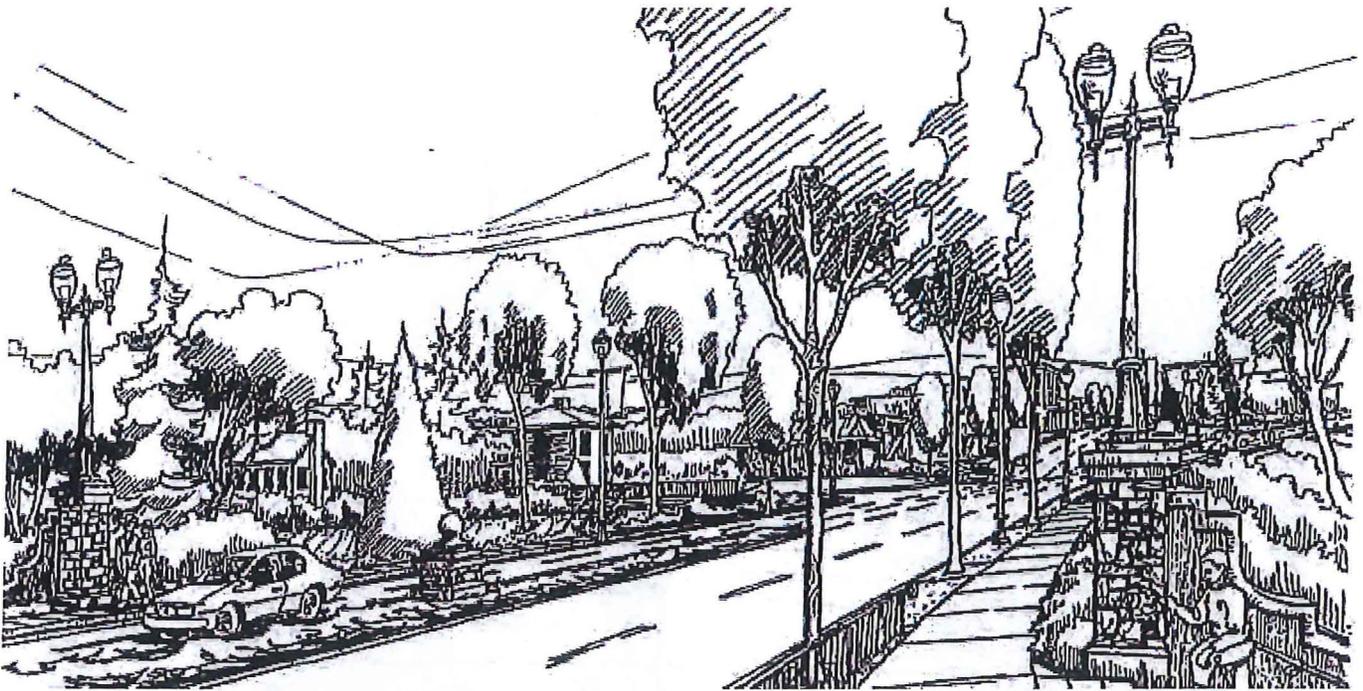
tative of the diverse population of the area, and the public sector, the private sector, George Fox University and local churches collaborate to ensure that new ways for citizen engagement are constantly offered. Local governments are proactive and assertive in sharing information with the citizens of the Chehalem Valley, and listen carefully to citizen responses to their communiqués.

Education

Students achieve high academic standards. Students are actively involved in community service and leadership roles within the community. Schools are safe and orderly and reflect the cultural diversity of the community. The individual needs of students are met through special programs and by providing alternatives to traditional schooling.

Technological changes provide easy access to information and education for all Valley residents. A second high school, third middle school and additional elementary schools have been constructed to meet the needs of a growing student population. Public school facilities are designed and maintained to meet the needs of public school students and to serve the greater community. Where practical, facilities are jointly financed and managed by cooperating jurisdictions and other entities. The school district lead a coalition of community groups to establish an Early Childhood Education Center.

The Newberg School District has broadened partnerships with the community college, George Fox University and local business to provide professional technical opportunities for high school youth. Newberg School District is an active partner with other educational entities in creating opportunities for continuous learning throughout the community.



Economy and Employment

A diversified economy provides balanced economic opportunities for the residents of the Chehalem Valley. Agriculture and agribusinesses are an important component of the local economy. The natural beauty of the area encourages tourism and the wine industry. A carefully targeted retail recapture strategy has encouraged more local shopping and minimized buying outside of the area. Downtown areas are vibrant commercial areas that support the local economy.

Clean industries have been developed using a "campus" design. Plenty of family wage jobs are available for citizens of the area. Tourism is a major economic force, its strengths based on the premise that the Chehalem Valley is 1) the gateway to the wine country; 2) characterized by a clean and comfortable environment; and, 3) offers the historical experience of a friendly, small town and village America in the earlier period of the 20th century. **As a destination location for visitors, the community of Dundee now has two small exclusive hotels and bed and breakfast inns.** The service industry has expanded, with the health industry and health research being a major provider of employment in this sector of the economy.

Health and Social Services

Health care is provided locally through a one-stop health care facility. Social services are also available locally.

Public Safety

The Chehalem Valley is an ideal and safe place for families and children. Local citizens work closely with the business community, churches, schools, public agencies and law enforcement to develop programs that promote public safety for youth and the general citizenry. The result is a physically safe community, downtown, and park areas that allow a diverse population to grow and prosper without threat to person or property.

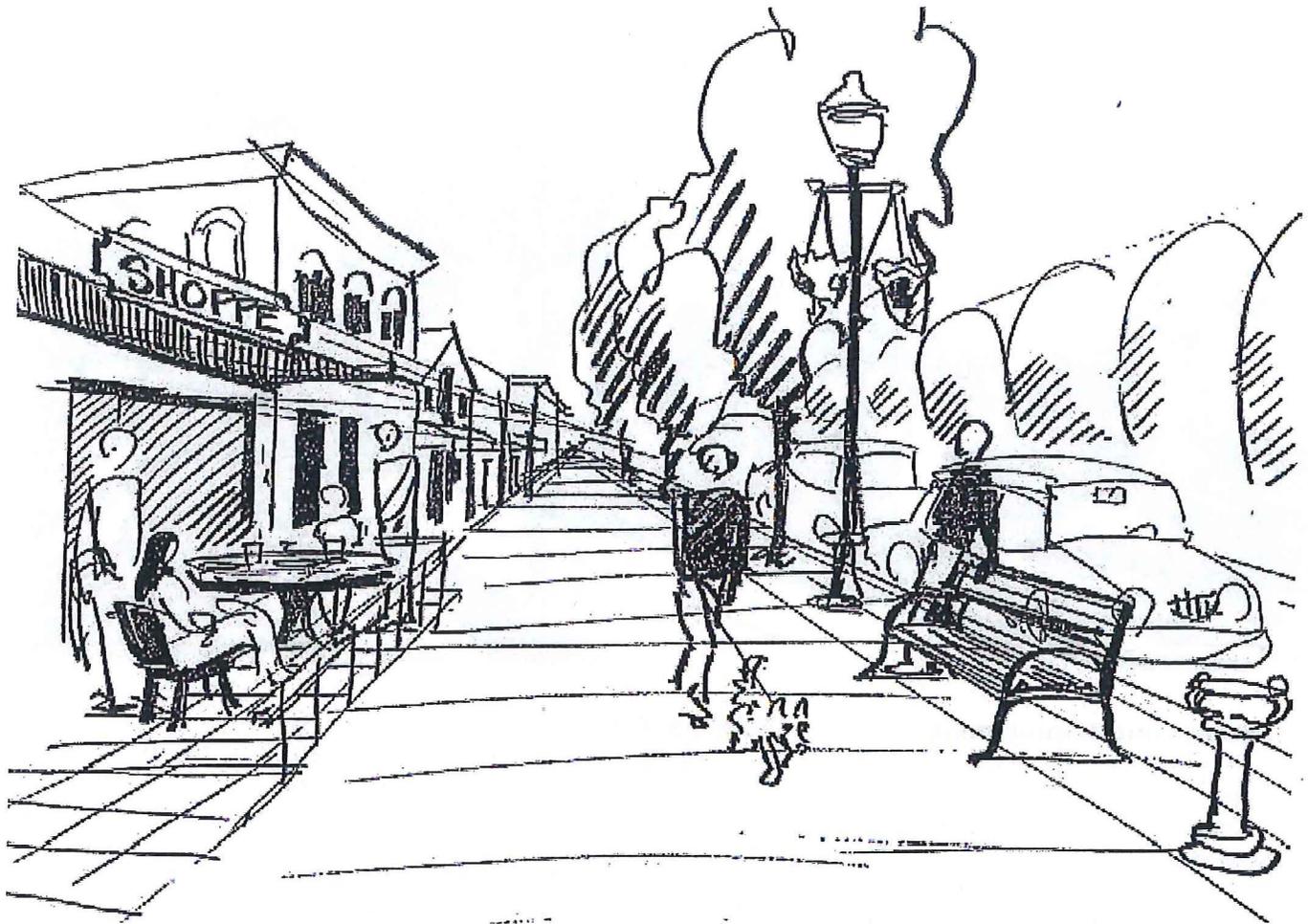
Housing

Diverse housing opportunities of high quality are available, including executive housing with a golf facility that attracts residents of higher income, historic homes, affordable housing for low and moderate income residents, rentals, condominiums, and housing for the elderly, disabled and disadvantaged.

Plenty of family wage jobs are available for citizens of the area. Tourism is a major economic force.

Culture and the Arts

To meet citizens' cultural needs, diverse amenities are offered that include live theater, museums, historical venues, and public art. Museums focus community and tourist attention on the local heritage and history of the area. George Fox University assists in providing a focus for cultural events promoting the values of the area. The Chehalem Valley Arts Center in the old Central School is home for local groups, classes and visiting artisans and thespians, and a facility for meetings, events and community service



Dundee and Newberg have successfully established an efficient transportation corridor and community transportation system for residential and commercial traffic.

Diversity

The trend towards greater cultural diversity that began in the early 1990's has continued through 2020, providing new opportunities for civic and cultural engagement within the Chehalem Valley. The residents of the area have effectively engaged these new opportunities. The Latino population is well represented in both government and business.

Transportation

The Chehalem Valley has developed a safe and efficient transportation network that promotes ease of movement throughout the Valley. A commuter rail line connects the Chehalem Valley with Portland and McMinnville. Dundee and Newberg have successfully established an efficient transportation corridor and community transportation system for residential and commercial traffic. Newberg has embraced the volume of traffic downtown as a symbol of vibrancy. The traffic makeup now includes autos

and alternative modes of transportation such as bicycles, pedestrians, trolley and mass transit. Commercial and truck traffic has been rerouted out of downtown. Efficient parking has been provided in both Dundee and in Newberg.

In Newberg, First Street is the main street, a two way street including a landscaped median strip, angled parking, transit stops, bike lanes and extra wide sidewalks for customers. Traffic calming devices exist, including bulb-outs to slow traffic. Hancock Street and Second Street are one way streets with two lanes and parking on both sides. Where appropriate, the street system has been developed in a grid pattern to tie the community together physically and socially. In Dundee, the redesigned street and bypass system for 99W enhances and supports the local economy. The highway is visually attractive with its award winning landscaping, creative traffic islands and accessible parking areas. The eastern and western portions of the community are connected by appealing pedestrian bridges over 99W.

Downtown Development

The Newberg Downtown Association, the City of Newberg, The Newberg Area Chamber of Commerce and a diversity of local groups worked in partnership to revitalize the downtown Newberg area along a "vintage eclectic" downtown theme. The downtown is seen as customer-friendly with a variety of successful businesses including retail shops, restaurants, sidewalk cafes, boutique shops, salons, bakeries and other commercial activities.

The area from the Police building to the Old Central School has been redeveloped into a central plaza that ties the community together while anchoring downtown. Downtown vacancies have been filled, and the old Loren Berg property is now Butler Market Place, a charming place for shopping and entertainment located on the Civic Corridor that goes from Central School to Memorial Park. Adequate parking characterizes the downtown areas of Newberg and Dundee. Newberg now has a successful Farmer's Market located in a highly visible area of the downtown, showcasing local agricultural, craft and artistic products.

The businesses and buildings reflect the bygone era of the early 1900s with historic street lighting, while the sidewalks have brink extensions making them wider. There are benches, hanging baskets and flower boxes, public restrooms, waste receptacles and water fountains located throughout the downtown area. The Hess Creek gateway to downtown has been improved with flowering trees, vintage lighting, wrought iron railings and a footbridge linking both sides of Newberg over Hess Creek. The Newberg downtown is linked to the riverfront by the charming restored vintage trolley named the Red Electric" after the electric railway system of the early 1900s.

Dundee's redesigned business district lies just west of 99W and includes the Sociability-Administrative Center and a series of specialty shops and services pioneered by Ponzi in the late 1990s. The Visitor's Center and civic facilities anchor the center and its activities near the town square. The main street and new businesses have been beautified and are linked to a 20-acre riverfront park.



Parks, Greenways, Riverfront Development and Open Space

A park system of neighborhood, community and regional parks is in place to provide opportunities for individuals and groups within the Chehalem Valley to become physically, socially, psychologically and spiritually enhanced. The Willamette River has been reclaimed and is an integral part of the community.

The Cities of Dundee and Newberg, the County, the Chehalem Park and Recreation District, the State of Oregon and other public and private organizations have cooperated to create a riverfront park that connects Newberg with Dundee and other parts of the region. Dundee's and Newberg's pedestrian friendly riverfront, scenic picnic areas, quality regional and neighborhood parks, specialized recreational facilities, fine shops and eateries attract local families as well as connoisseurs of fine wines and restaurants. This riverfront park has become the community gathering place and helps to support the sense of community and the rejuvenated downtown. Natural areas, habitat for wildlife, agricultural land and open space have preserved the views from surrounding hills. A greenway system links pedestrian paths along clean rivers and streams and a public golf course provides recreational opportunities for local citizens.

Dundee's and Newberg's pedestrian friendly riverfront, scenic picnic areas, quality regional and neighborhood parks, specialized recreational facilities, fine shops and eateries attract local families as well as connoisseurs of fine wines and restaurants.

Moving Beyond the Vision

Creating a Strategic Plan for the Chehalem Valley

Mission

The mission of the Chehalem Valley Strategic Planning process is to complete a collaborative strategic plan, based upon a common vision, that will provide collective guidance for programs, projects, plans and policies among the jurisdictions of the Chehalem Valley to benefit their citizens.

Goals

- To identify specific collaborative and independent jurisdictions' programs and projects and to work with the community towards their implementation.
- To involve citizens in all aspects of strategic planning and implementation.
- To develop mechanisms that broaden and strengthen sustainable collaborative communication among and between jurisdictions and the citizens of the community.
- To continue the process of reviewing, revising and implementing the strategic plan and its programs on an ongoing basis.
- To insure wise and prudent use of public resources.

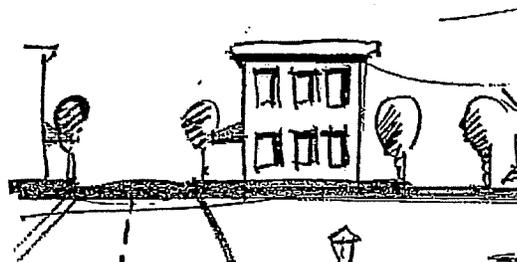
Background

Initiatives to articulate a vision of the future of the Chehalem Valley were carried out at the jurisdictional and joint jurisdictional levels by the cities of Dundee and Newberg, the Newberg School District and the Chehalem Park and Recreation District since the beginning of the 1990s. More recently, Yamhill County and the Newberg Downtown Association joined these efforts to articulate a vision of what the future of the Newberg downtown area should be.

Extensive community involvement has characterized all of these efforts. Broad based community involvement has included participation by residents in public forums, community surveys and small group meeting that included residents, policy makers and staff of the participating jurisdictions.

The first Chehalem Future Focus was developed by these same jurisdictions in 1991 and adopted by each in 1992. Chehalem Future Focus II was carried out by these same jurisdictions in 1994, and its results were published in early 1995. In early 2001, the city of Dundee and the Dundee Citizen Action Committee completed a 20-year vision statement for Dundee. Concurrently, the Newberg Downtown Association completed their 20-year vision statement for the future of downtown Newberg. The Newberg City Council included a statement of their "desired future" in their City Council Advance published in March of 2001.

A comparison of these efforts shows surprising similarity and congruence among the visions developed in the different visioning processes undertaken over the past 10 years. Following is a summary of the more important elements of this shared vision of how the Chehalem Valley might look in the year 2020.



Citizen Involvement

Extensive citizen involvement characterized the development of "Beyond the Vision." The project was conceived and designed as a joint project of four Chehalem Valley jurisdictions, and guided by a cooperative Steering Committee including the cities of Dundee and Newberg, the Newberg School District and the Chehalem Park and Recreation District. Representatives of Yamhill County later joined the Steering Committee.

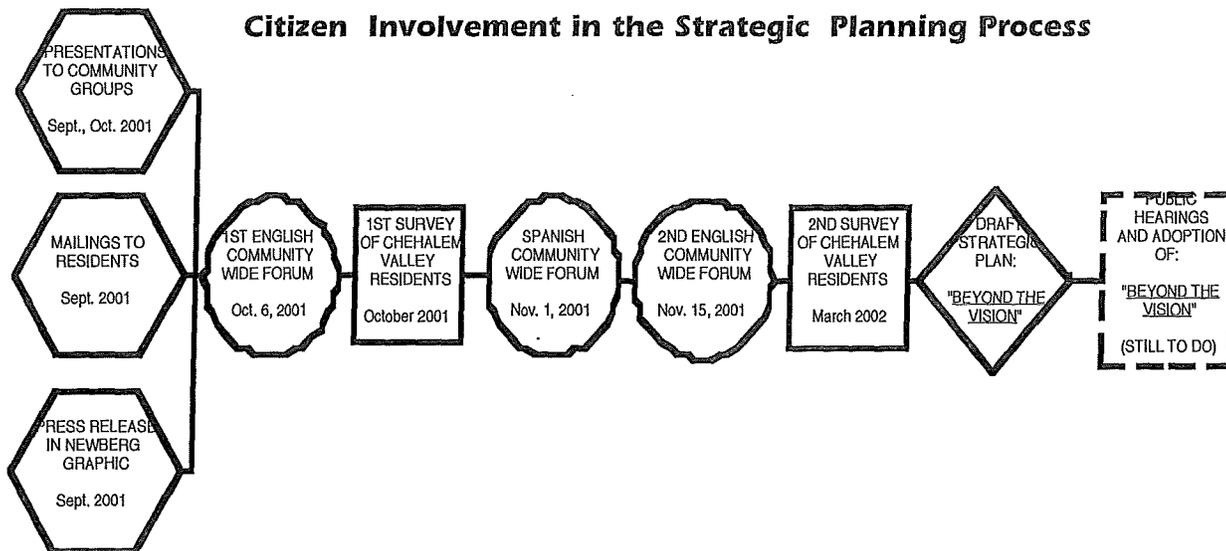
Because of the long history of visioning work that had been carried out in the Chehalem Valley, it was decided to focus the Chehalem Strategic Plan on implementing the commonly shared Vision identified over previous years. The plan was named "Beyond the Vision: The Chehalem Valley in 2020".

Elected and administrative officials from all of the jurisdictions first came together in two workshops to identify how the common Vision for the future of the Chehalem Valley might become a reality. Elected representatives and administrative staff identified specific projects that jurisdictions could complete collaboratively and individually. These projects became the basis for extensive community involvement and input.

To involve residents in this process, three community-wide forums were held. Two of these forums were held in English. A Latino forum was held in Spanish to involve the Chehalem Valley Latino population in the planning process.

To inform community members about these forums, the Steering Committee made presentations to 17 community groups, mailed 720 invitations to invite residents to the forums, and advertised the forums in the *Newberg Graphic*. Presentations were made to the AM and PM Rotary Clubs, Newberg Block Parties, City Club, Kiwanis, Ministerial Alliance, the Economic Development Chamber Forum, George Fox University, Yamhill County, the Chamber Board, *The Newberg Graphic* Board of Directors, High School Leadership, and to citizens attending the Transportation forums.

Citizen feedback further developed the strategic plan. Two random sample surveys of Chehalem Valley residents were conducted by the *Nelson Group* in 2001 and 2002 to identify issues of importance and to rank projects according to resident preferences and priorities. The executive summary of these surveys is included in the appendices.



Moving Beyond the Vision

A Plan for Action

“Doing government better” in the Chehalem Valley means more efficient operations through greater cooperation, combining resources and regular communication.

The plan to move “Beyond the Vision” focuses on tangible, “bricks and mortar” capital improvements plus changes in the way local governments operate. The Steering Committee established several smaller work groups to develop a series of initiatives to improve government operations in several areas.

Governance and Civic Involvement

Operational Improvements

“Doing government better” in the Chehalem Valley means more efficient operations through greater cooperation, combining resources and regular communication. Collaborative operational efforts focus on:

- Information systems and telecommunications to save costs and expand networking systems
- Land use planning to determine potential areas for future growth and development
- Maintenance and equipment sharing to explore ways to create cost savings
- Purchasing goods and services cooperatively to create cost savings
- Public works projects to create cost savings

Education

Operational Improvements

Newberg School District, Chemeketa community College, the Newberg Area Chamber of Commerce, Chehalem Park and Recreation District and George Fox University are working together to:

- Improve opportunities for continuing education for local residents

- Create an Early Childhood Education Center
- Increase partnerships

Capital Improvements

Through generous community support of a \$46 million capital improvement bond issue in November 2002, public schools in the Chehalem Valley are being repaired, renovated and expanded to support a growing school population. These projects include:

- Expansion of Newberg High School
- New 550-student Joan Austin Elementary School
- Repairs and safety improvements at all elementary and middle schools
- Purchase of property for a future elementary and high school

Planning will commence in 2009 for a third middle school to be constructed on the former Renne School site in Newberg.

Economy and Employment

Operational Improvements

In consultation with the major economic development players in the Chehalem Valley, the Economic Development Subcommittee for “Beyond the Vision” recommended that economic development was a high priority for immediate action. The strategic approach identified by this group included development of a broad economic development partnership with the major players for the Chehalem Valley, including:

- Newberg Area Chamber of Commerce
- Cities of Newberg and Dundee

- local businesses and property owners
- Newberg School District
- Yamhill County
- Newberg Downtown Association
- Mid-Willamette Valley Council of Governments
- Oregon Economic and Community Development Department

Key strategic steps include:

- Hold a broad community forum on economic development to build consensus
- Invigorate the Chamber of Commerce Economic Development Committee
- Seek financial aid in the form of grants
- Develop community college training programs tailored to the labor force needs of prospective employers

Health and Social Services

Operational Improvements

The Latino Community Forum identified development of a primary care health clinic in Newberg as a major priority for lower and moderate-income families in the Chehalem Valley. Recommended services included:

- General medicine
- Pediatric services
- Gynecology
- Chiropractic services
- Dental services
- A direct 24 hour/day emergency line

Capital Improvements

Updating and expanding water and sanitary sewer systems is a priority as populations in Dundee and Newberg continue to grow. The City of Dundee's wastewater facilities plan currently being prepared by Murray, Smith and Associates. The firm is evaluating the possibility of abandoning the Dundee treatment plan and consolidating wastewater treatment at the Newberg treatment plant. Projects in the planning stages include:

- Dundee wastewater treatment plan
- Master plan for Dundee water system
- Newberg water treatment plant
- Newberg wastewater treatment plant and improvements to the collection system

Providence Newberg Hospital began construction of a new regional hospital in October 2003. Local jurisdictions continue to work in partnership with the hospital to support this project.

Public Safety

Operational Improvements

City and County jurisdictions are engaged in planning efforts to improve public safety for all Chehalem Valley residents. Project include:

1. Emergency Operations
 - Planning is in progress to improve coordination between emergency services providers that coordinate resources and plans of all cities, fire districts and Yamhill County.
 - Purchasing disaster management and relief supplies through grant opportunities is also in the planning stages.

2. Newberg Public Safety Improvements

As the Newberg community grows, police and fire personnel are required to keep up with increased demands for service. Cost savings to the City of Newberg from consolidation of the Communications Centers and the public libraries will provide additional revenues to add needed police positions within the City of Newberg.

3. Dundee Public Safety Improvements

The City of Dundee is considering the formation of a cooperative fire district with other communities.



Housing

Operational Improvements

Local governments continue to work together to determine potential areas for future growth and development.

Capital Improvements

Plans to construction of a golf course in Newberg has attracted new housing development that will include single family homes, condominiums and senior housing.

Culture and the Arts

Operational Improvements

The Newberg Library Board continues to explore ways to improve and expand library services to Dundee, Newberg and Yamhill County residents.

Capital Improvements

The renovation of Central School for cultural and art activities continues through grant funds. Under the leadership of Chehalem Park and Recreation District, this project continues forward as funds are available.

Transportation

Operational Improvements

Improving public transit linkages to better connect the Newberg-Dundee area with the Portland Area Public Transit System (Tri-Met) was identified as the highest priority identified in the resident telephone survey carried out by the Nelson Group and by Latino residents in the Spanish forum.

Recommendations to address expanded transportation services include:

- Completion and implementation of Yamhill County's two year countywide alternative transportation planning effort, a collaborative effort by Yamhill County, the Cities in Yamhill County, the Grand Ronde Tribe, and citizens from throughout the county to address transit questions within the county, including the Chehalem Valley.
- Publicity in English and Spanish about the existing transit service
- Expansion of existing transit service
- Clarifying that transit is for all public and not only senior citizens

- Carpool and vanpool programs in both English and Spanish
- Using school buses and Mid-Valley Workshop buses for public transit

Capital Improvements

Long identified as the Chehalem Valley's chief concern, jurisdictions are actively planning and constructing improvements to ease congested roads. These projects include:

- Newberg street improvements
- Dundee street improvements
- Public transit bus shelters, park and ride locations and equipment

The Oregon Department of Transportation continues planning efforts to construct the Newberg-Dundee bypass. Local jurisdictions are actively involved in supporting this effort.

Downtown Development

Capital Improvements

Newberg and Dundee are engaged in plans to revitalize downtown areas. The Newberg Downtown Association and the Newberg Area Chamber of Commerce are partners in this effort.

Parks, Greenways and Riverfront Development

Operational Improvements

Local governments continue to work together to determine potential areas for future growth and development. Specifically jurisdictions are clarifying the role of the Newberg Urban Area Management Commission (NUAMC) and analyze the Urban Growth Boundary.

Capital Improvements

The vision for green public spaces in 2020 is on the drawing board. Specific projects include:

- A public golf course in Newberg operated by the Chehalem Park and Recreation District
- Additional parks in both Newberg and Dundee
- Development of the Willamette Riverfront Parkway is in the early planning stages. This is a collaborative effort between the Cities of Newberg and Dundee and Yamhill County

Sustainability

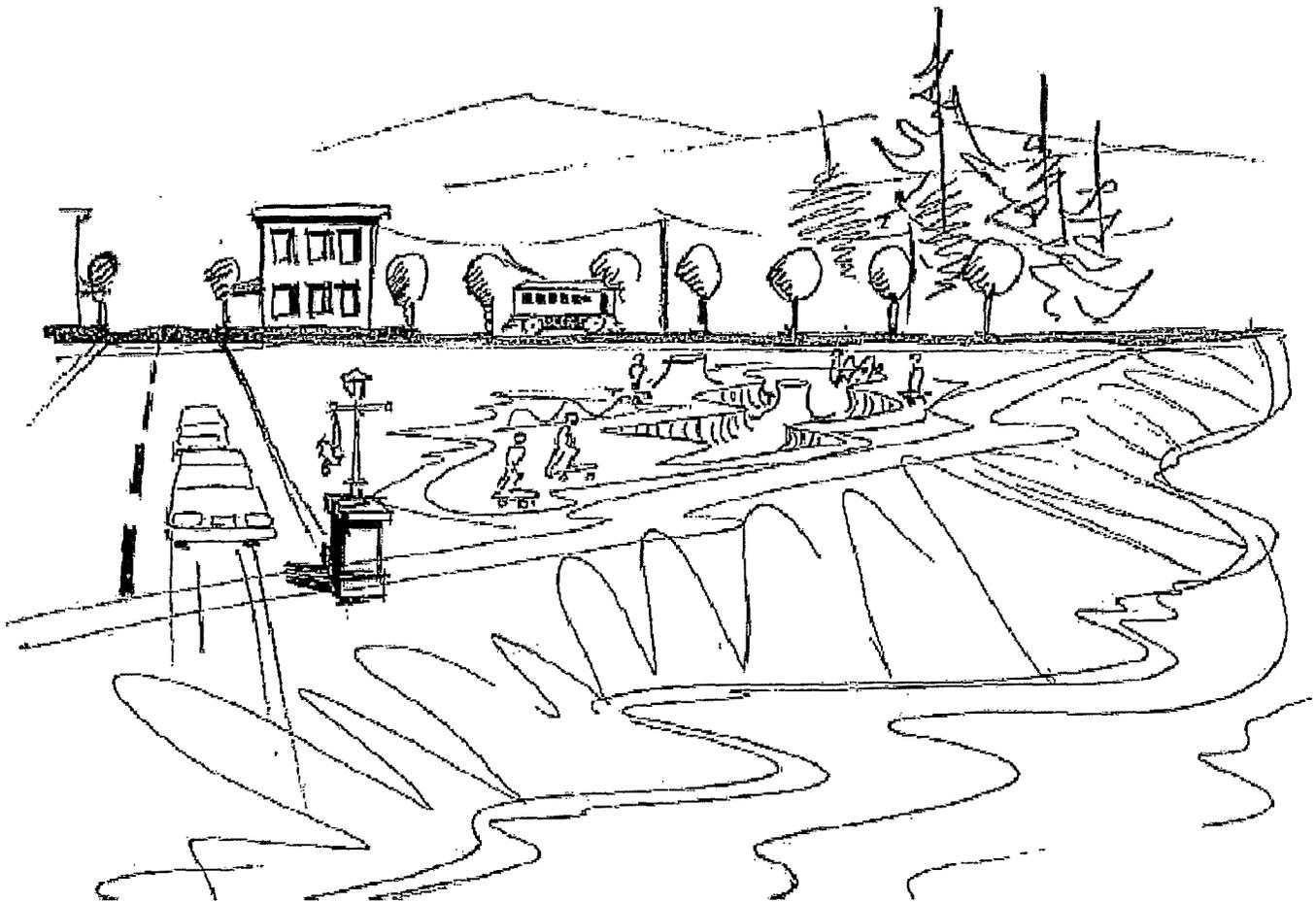
To insure the sustainability of this strategic planning effort, "Beyond the Vision" will be updated annually, and community forums will be held in both English and in Spanish to insure effective community input and participation in this effort. The updated strategic plan will be printed and circulated in draft form for final public comment during the public hearing and adoption process before each of the five jurisdictions participating in this effort: Cities of Dundee and Newberg, Newberg School District, Chehalem Park and Recreation District, and Yamhill County

Communications

Communication between government jurisdictions and the citizens they serve continue to be an essential part of this planning effort. A plan for systematic, ongoing, two-way communication continues to guide efforts to "move beyond the vision."

Communications goals include:

- Involve citizens and local jurisdictions in developing and implementing the strategic plan.
- Local jurisdictions and citizens understand and support the strategic plan for the Chehalem Valley
- Market the Chehalem Valley to prospective businesses and residents.



Capital Projects

..... Planning
 _____ Construction
 - - - - - Requires voter approval

Project	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EDUCATION											
High School	[Solid bar from 2002 to 2005]										
New Elementary	[Solid bar from 2002 to 2004]										
School Repairs	[Solid bar from 2002 to 2003]										
Acquire Property	[Solid bar from 2002 to 2003]										
New Middle & Elem	[Dashed bar from 2010 to 2012]										
RECREATION											
Central School	[Solid bar from 2002 to 2008]										
Golf Course	[Solid bar from 2002 to 2006]										
Dundee Center	[Solid bar from 2004 to 2008]										
Riverfront Parkway	[Solid bar from 2006 to 2012]										
Dundee Parks	[Solid bar from 2002 to 2004]										
ECONOMIC DEVELOPMENT											
Improve Downtown - N	[Solid bar from 2002 to 2004]										
Improve Downtown - D	[Solid bar from 2004 to 2005]										
TRANSPORTATION											
Transit - N/D	[Solid bar from 2003 to 2004]										
Streets - Newberg	[Solid bar from 2002 to 2003]										
Streets - Dundee	[Solid bar from 2002 to 2003]										
Bypass	[Solid bar from 2002 to 2006]										
UTILITIES											
Dundee WTP	[Solid bar from 2003 to 2007]										
Dundee water system	[Solid bar from 2003 to 2012]										
Newberg WTP	[Solid bar from 2002 to 2005]										
N - water trmt plant	[Solid bar from 2002 to 2004]										

EDUCATION

- Expand Newberg High School
- Build new elementary school
- Repairs at all district schools; major renovation and expansion at Mabel Rush and Ewing Young Elementary Schools
 - Acquire property for future schools
 - Construct new middle school and elementary school

RECREATION & CULTURE

- Redevelop Central School
- Public Golf Course
- Dundee Community Center
- Willamette Riverfront Parkway Development (Newberg, Dundee and Yamhill County)
- Newberg, Dundee Parks

TRANSPORTATION

- Public transit bus shelters, park and ride locations and equipment
- Newberg street improvements
- Dundee street system
- Newberg - Dundee Bypass is a state transportation project supported by local jurisdictions

UTILITIES

- Dundee wastewater treatment plant
- Dundee water system master plan
- Newberg wastewater treatment plan and collection system improvements
- Newberg water treatment plant

ECONOMIC DEVELOPMENT

- Newberg downtown improvements
- Dundee downtown improvements

Beyond the Vision

Strategic Planning Steering Committee

The following elected and administrative officials participated actively in guiding the development of "Beyond the Vision":

Chehalem Park and Recreation District

- Donna McCain, Board of Directors
- Don Clements, Superintendent

City of Dundee

- Eve Foote, Administrator
- Roger Worrall, Former Mayor

City of Newberg

- Katherine Tri, Finance Director
- Barton Brierley, Planner
- Donna McCain, Councilor
- Lisa Helickson, Councilor
- Chuck Cox, Former Mayor
- Bob Stewart, Mayor
- Jim Bennett, City Manager
- Duane Cole, Former City Manager

Newberg School District

- Melinda Van Bossuyt, Board of Directors
- Dr. Paula Radich, Superintendent
- Claudia Stewart, Communications Specialist

Yamhill County

- Leslie Lewis, Commissioner
- John Krawczyk, Administrator

Organization of Latino Public Forum

The following persons were instrumental in the organization and implementation of the Latino Forum:

- Rogelio Vivanco, Newberg School District
- Julio Galián, Newberg School District
- Anita Galián, Newberg School District
- Gerardo Ibarra, Newberg School District
- Kristian Frack, Newberg School District
- Martha Frack, Newberg School District
- Maria Smith, Latino Network, Multnomah County

Cooperative Operational Projects Matrix

COOPERATIVE OPERATIONAL PROJECT	PARTICIPANTS	PROJECT LEAD	EXPECTED OUTCOMES & BENEFITS	CURRENT STATUS	TIMELINE
ECONOMIC DEVELOPMENT	Interim Convener: Newberg Area Chamber of Commerce Participation: <ul style="list-style-type: none"> • Newberg Downtown Association • Local businesses & property owners • Cities of Newberg & Dundee • Newberg School District • Yamhill County • Newberg Job & Career Center, Mid-Willamette Jobs Council • OR Economic & Community Dev. Department 	Dundee Mayor	<ul style="list-style-type: none"> • A clear economic development strategy and work plan • A broad partnership with major Chehalem Valley economic development players 	Ongoing	
PUBLIC TRANSIT	Yamhill Transportation Committee	Yamhill County Commissioner, Leslie Lewis	<ul style="list-style-type: none"> • Potential consolidation of multiple public transportation services • Clear vehicle & ground signage identifying public transit • Improved public information and marketing in English & Spanish • Changed perceptions of public transit 		
EMERGENCY OPERATIONS PLANNING	Yamhill County City of Newberg City of Dundee	Yamhill County Administrator, John Krawczyk	<ul style="list-style-type: none"> • Improved coordination between emergency services providers that coordinate resources and plans of all cities, fire districts and the county • Improved grant opportunities for purchase of disaster management and relief supplies 	Ongoing	Spring 2004

Cooperative Operational Projects Matrix, Continued

COOPERATIVE OPERATIONAL PROJECT	RESPONSIBILITY	PROJECT LEAD	EXPECTED OUTCOMES & BENEFITS	CURRENT STATUS	TIMELINE
LIBRARY SERVICES	Newberg Library Board	Leah Griffith, Library Director, City of Newberg	<ul style="list-style-type: none"> Improve and expand library services to Dundee, Newberg and Yamhill County residents 	Ongoing	
NEWBERG PUBLIC SAFETY IMPROVEMENTS	Newberg Police and Fire Departments	Chief of Police, Bob Tardiff Fire Chief, Michael Sherman	<ul style="list-style-type: none"> Develop capacity for service to meet police and fire demands as the community grows 	Planning	
PRIMARY HEALTH CARE CLINIC OFFERING HEALTH SERVICES TO MEET NEEDS OF UNDERSERVED AND LATINO POPULATION	Providence Newberg Hospital and SMG Foundation	Mark May, Providence Newberg Hospital Administrator Dr. Paula Radich, Newberg Schools Superintendent	<ul style="list-style-type: none"> Develop a local health care clinic serving the "under-served" citizens of the Newberg-Dundee-St. Paul area 	Planning and discussion in progress	2005
INFORMATION SYSTEMS and TELE-COMMUNICATIONS	Information Systems Technical Group <ul style="list-style-type: none"> Yamhill County Information Systems Department. Cities of Newberg, Dundee, McMinnville Newberg School District Chehalem Valley Recreation District Mid-Willamette Valley Council of Governments 	Claire Hertz, Director of Business Services, Newberg School District Michael Clark, Technology Supervisor, Newberg School District	<ul style="list-style-type: none"> Establish technical group to meet regularly to find ways to cooperate and create cost savings Cooperate with Mid-Willamette Valley Council of Government in computer networking program 	TBD	ongoing

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Cooperative Operational Projects Matrix, Continued

COOPERATIVE OPERATIONAL PROJECT	RESPONSIBILITY	PROJECT LEAD	EXPECTED OUTCOMES & BENEFITS	CURRENT STATUS	TIMELINE
LAND USE	<ul style="list-style-type: none"> Review of NUMAC UGB Analysis 	Barton Brierly, City Planner	<ul style="list-style-type: none"> Clarify the role of NUMAC Determine potential areas for UGB expansion 	Planning	Spring 2005
MAINTENANCE: EQUIPMENT SHARING	<ul style="list-style-type: none"> City of Newberg City of Dundee CPRD Newberg School District Yamhill County 	Waide Bailey, Maintenance Supervisor and Scott Woods, Custodial Supervisor, Newberg School District	<ul style="list-style-type: none"> Establish technical group to meet regularly to find ways to cooperate and create cost savings 	Planning	
PURCHASING	<ul style="list-style-type: none"> City of Newberg City of Dundee CPRD Newberg School District Yamhill County 	Claire Hertz, Director of Business Services, Newberg School District	<ul style="list-style-type: none"> Establish technical group to meet regularly to find ways to cooperate and create cost savings 	Planning	Spring 2004
PUBLIC WORKS	<ul style="list-style-type: none"> City of Newberg City of Dundee CPRD Newberg School District Yamhill County 	Waide Bailey, Maintenance Supervisor and Scott Woods, Custodial Supervisor, Newberg School District	<ul style="list-style-type: none"> Establish technical group to meet regularly to find ways to cooperate and create cost savings 	Planning	Spring 2004
EDUCATION	<ul style="list-style-type: none"> Newberg School District Chemeketa Community College Newberg Area Chamber of Commerce CPRD George Fox University Portland Community College 	Dr. Paula Radich, Superintendent, Newberg School District Dr. Sandra Lawson, Asst. Superintendent, Newberg School District	<ul style="list-style-type: none"> Establish a plan to implement sustained and improved opportunities for continuing education for area residents. Identify consortium and begin planning for Early Childhood Education Center Establish increased partnerships with George Fox University 	Planning	January 2005

Cooperative Operational Projects Matrix, Continued

COOPERATIVE OPERATIONAL PROJECT	PARTICIPANTS	PROJECT LEAD	EXPECTED OUTCOMES & BENEFITS	CURRENT STATUS	TIMELINE
DUNDEE PUBLIC SAFETY	Dundee Police and Fire Departments	Chief Stock	<ul style="list-style-type: none"> Explore formation of a cooperative fire district with other communities 	Planning	
DUNDEE PARKS	Dundee Parks Committee	Jeanette Adlong, Chairman	<ul style="list-style-type: none"> Create parks and open space master plan 	Draft in review	Spring 2005

2003-2005 Communication Plan

Goal 1

Involve citizens and local jurisdictions in developing and implementing the strategic plan

Strategies

- A. Public forums to engage citizens
- B. Community surveys
- C. Identify key community members
- D. Brochure and mailers seeking feedback
- E. Engage jurisdiction staff members in developing ideas or strategies for operational improvements

Goal 2

Local jurisdictions and citizens understand and support the strategic plan for the Chehalem Valley.

Strategies

- A. Formal adoption of the Chehalem Valley Strategic Plan by elected bodies of participating jurisdictions
 - a. Presentation at joint jurisdictional meeting
- B. Publicize the strategic plan
 - a. Report on the Chehalem Valley Strategic Plan
 - Produce and distribute a comprehensive report on the Chehalem Valley Strategic Plan
 - Produce a 4-page summary for broad community distribution
 - Presentations (power point) to service organizations, businesses, governmental partners and audiences within each jurisdiction
 - Work with local media on story and editorial
 - b. Create a presence on the web
 - Include a "Chehalem Valley Strategic Planning" area in each jurisdiction's website
 - Post report on the web sites

- c. Inform employees of each jurisdiction
 - Presentation to staff with emphasis on the role and effect on their jurisdiction
 - Story in staff newsletters or normal communication channel
 - Provide a report summary for staff members
- d. Inform jurisdiction's stakeholder groups
 - Stories in newsletters, reports or other channels of communication
 - Include in face-to-face opportunities i.e. meetings
- C. Provide accountability for progress of strategic plan
 - a. Annual update of the Strategic Plan

Goal 3

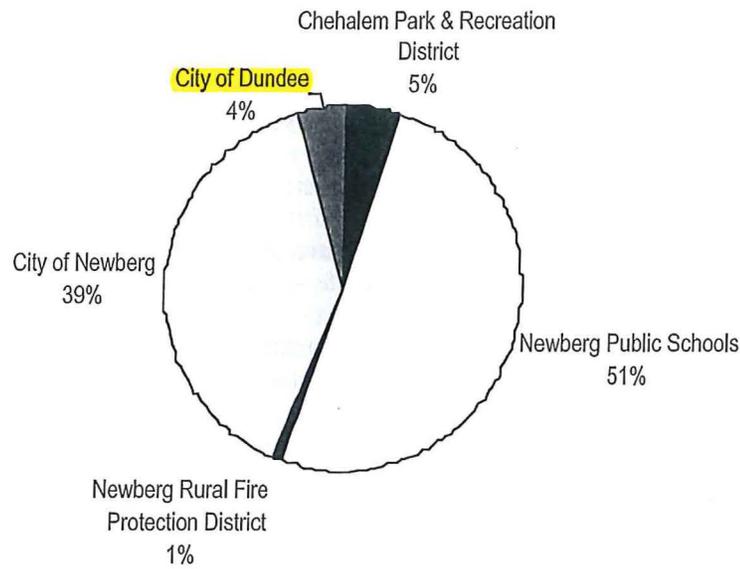
Market the Chehalem Valley to prospective businesses and residents

Strategies

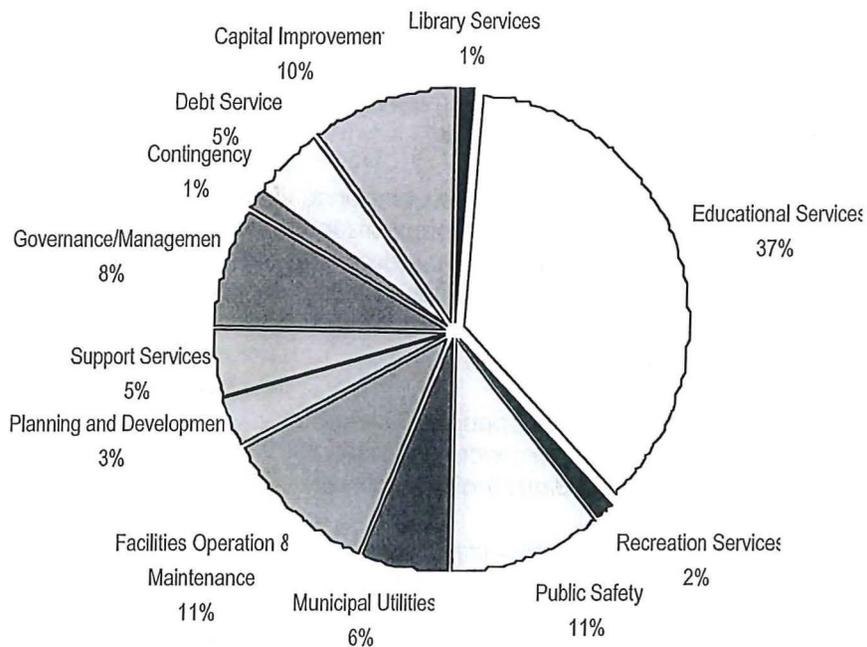
- A. Coordinate with Economic Development Committee and Visitors Bureau to develop a marketing plan for the Chehalem Valley.

Financial Summary

2000-01 Jurisdiction Expenditures



2000-01 Jurisdiction Expenditures by Function



Chehalem Valley 2001 Survey

Executive Summary November 2, 2002

The following survey research report provides some valuable information regarding the public's perception of cities of Newberg, Dundee, Newberg School District, and Chehalem Park and Recreation District, and the list of potential projects currently being considered. This report should assist in helping the strategic planning committee identify projects the community views as most important.

Below, The Nelson Report has highlighted the key results of the survey research report. The final report is over 200 pages in length, with multiple tables designed to assist the district in understanding and analyzing the respondents' views.

Throughout this executive summary, The Nelson Report identifies "key" demographics for many of the questions. Key demographics are those subgroups that respond at a higher percentage rate than the total sample for any given response. The key demographic groups for any given opinion are not necessarily the only subgroups in the survey who share that opinion. They are however, the ones that hold that opinion most strongly.

A total of 375 respondents were interviewed between October 18 and October 24, 2001. The margin of error for this survey is +/-5.0% at the 95% level of confidence.

Conclusions

1. Issues surrounding the "economy" are perceived as the most serious problems facing Oregon today, followed by issues relating to "growth", and "schools/education".
2. Respondents clearly identify issues relating to "growth" as the most serious problems facing Newberg-Dundee and the surrounding area today, followed by "schools/education", and "the economy". A need for a bypass is the overwhelming growth issue.
3. A large majority of respondents give the City of Newberg a positive performance rating while just under a third rate the city negatively.
4. "Doing well" tops the list of reasons for giving the city a positive rating, followed by "no problems", and "takes care of problems".
5. Main reasons respondents give the city a negative rating are "room for improvement", "government", and "need bypass/traffic".
6. A plurality of respondents give the City of Dundee a negative rating, while fewer numbers rate the city positively. An unusually large number of respondents are not sure how to rate the city. In a small sub-sample, isolating only Dundee residents, less than half give the city a negative rating, while fewer numbers rate the city positively.
7. Primary reasons for a negative rating are "traffic/need bypass", "problems between government/mayor/council", and "they are trying".
8. "Need bypass" tops the list of reasons for giving the city a positive rating, followed by "what I see/read/hear", "do pretty good", and "pretty progressive".

- 9.** Well over half of respondents give the Newberg School District a positive performance rating, while just under a quarter rate the district negatively.
- 10.** Principal reasons for giving the district a positive rating are, "children are getting educated/doing well", and "what I hear/see/read".
- 11.** Foremost reasons for giving the district a negative rating are "overcrowded", "poor quality of education", "drop out rate", and "lack of funding".
- 12.** A very high percentage of respondents give the Chehalem Park and Recreation District a positive performance rating, while fewer numbers rate the district negatively.
- 13.** Main reasons for giving a positive rating are "variety of activities for all ages", and "children's activities".
- 14.** "Expensive" tops the list of reasons for giving the district a negative rating, followed by "personal experience", and "room for improvement".
- 15.** A plurality of respondents give the level of cooperation between the cities of Newberg, Dundee, the Newberg School District, and the Chehalem Park and Recreation District a positive rating, while fewer numbers rate the level of cooperation negatively. In addition, when comparing to results from 1991, there has been a noticeable decrease in the cooperation rating with the difference primarily going to the undecided column.
- 16.** Principal reasons for giving a positive cooperation rating are "work together/get along" "no problems", and "from I see/hear/know".
- 17.** Foremost reasons for giving a negative cooperation rating are "what I hear/read", and "get along most of the time".
- 18.** A large majority of respondents favor the cities of Newberg and Dundee jointly providing certain governmental services, while fewer numbers opposed.
- 19.** Top reasons for opposing the cities jointly providing services are, "should stay separate/function better separately", "Dundee has a lot of issues/Newberg should not get involved", and "would like to see library/police and fire departments connected".
- 20.** An extremely high number of respondents rate the quality of life in Newberg, Dundee and the surrounding areas positively, while fewer numbers rate the quality of life negatively.
- 21.** "Nice place to live" tops the list of reasons for giving a positive quality of life rating followed by, "small town feel", and "crime is low/feel safe".
- 22.** Primary reasons for giving a negative quality of life rating are "traffic", "overcrowded", and "room for improvement".
- 23.** A very high percentage of respondents rate "providing an hourly link to Tri-Met's transit system" and "a construction project that would replace portable classrooms at Newberg High School" as highest priorities. A large number of respondents also give "safety, security and energy improvements to Mabel Rush and Ewing Young Elementary schools", "building and improving roads to alleviate congestion", and the "development of agreements between local governments to jointly operate, and maintain basic services" a higher priority ranking. On the other hand, "moving Dundee's downtown commercial district away from Highway 99", "developing a community center in Dundee", and "creating a public self-supporting 18-hole golf course" are given lower priority rankings.
- 24.** Clearly the community has identified issues relating to growth, and more specifically to traffic as serious issues for Newberg, Dundee and the surrounding areas. These issues, however, have not had a negative impact on respondent's quality of life. A good part of the community does not appear aware of the collaboration occurring between the cities of Newberg, Dundee, the Newberg School District, and the Chehalem Park and Recreation District, although a large majority support the cities jointly providing certain governmental services. Important priorities to the community appear to be related to improving roads, easing traffic congestion, and linking the community to the Portland metropolitan area. Education projects also rate as very high priorities.

Chehalem Valley 2002 Survey

Executive Summary April 2, 2002

The Nelson Report recently went back into the field to conduct its third survey for The City of Newberg. Although a few questions were identical to those presented in the previous November 2001 and September 1991 surveys, many questions were different and distinct. In terms of those questions that were repeated, the reader will note there are slight differences in responses from the previous surveys conducted in 2001 and 1991.

The following survey research report provides some valuable information regarding the public's perception of cities of Newberg, Dundee, Newberg School District, the Chehalem Park and Recreation District, and Yamhill County. This report should assist the strategic planning committee in its planning and decision making process in regards to the proposed school district bond measure, transportation projects, urban renewal district, and emergency communication tax district.

Below, The Nelson Report has highlighted the key results of the survey research report. The final report is over 200 pages in length, with multiple tables designed to assist the committee in understanding and analyzing the respondents' views.

Throughout this executive summary, The Nelson Report identifies "key" demographics for many of the questions. Key demographics are those subgroups that respond at a higher percentage rate than the total sample for any given response. The key demographic groups for any given opinion are not necessarily the only subgroups in the survey who share that opinion. They are however, the ones that hold that opinion most strongly.

A total of 374 respondents were interviewed between March 15 and March 28, 2002. The margin of error for this survey is +/-5.0% at the 95% level of confidence.

Conclusions

1. Respondents overwhelmingly list issues related to "growth" driven primarily by transportation as the most serious problems facing Newberg-Dundee and the surrounding area today, followed by "schools/education".
2. Slightly over half of respondents give the level of cooperation between the cities of Newberg, Dundee, the Newberg School District, the Chehalem Park and Recreation District, and Yamhill County a positive rating. When comparing current results with the November 2001 survey results, there has been a noticeable increase in the cooperation rating.
3. Principal reasons for a positive cooperation rating are "work and communicate well together" and "from what I have seen and read".
4. Foremost reasons for a negative cooperation rating are "room for improvement", and "lack of coordination".
5. Half of respondents believe the cities of Newberg, Dundee, the Newberg School District, the Chehalem Park and Recreation District, and Yamhill County working together are heading in the right direction.
6. An extremely high percentage of respondents believe Newberg residents are safe.
7. Respondents identify "budget cuts/lack of funding" as the most serious problem facing the Newberg School District today, followed by "overcrowded schools".
8. Slightly less than half of respondents believe Newberg schools are overcrowded, while one-quarter do not believe the schools are overcrowded.
9. A high percentage of respondents believe the quality of education will decline if the school district does not construct space to address current and future enrollment growth.

- 10.** Slightly over half of respondents favor the \$39.5 million school district bond measure, while fewer numbers oppose the proposal.
- 11.** Primary reasons for favoring the bond measure are “education is important/children are the future”, “maintain quality of education/buildings/teachers”, and “need more facilities to reduce class size”.
- 12.** “Taxes are too high” tops the list of reasons for opposing the school district bond measure, followed by “too much money”, and “misused funds in the past”.
- 13.** The argument that produces the largest increase in support for the bond measure is knowledge that due to current interest rates, the district would be able to finance its school construction projects at a much lower cost. Cost savings is a primary theme for respondents.
- 14.** In addition, the argument that the bond payments will be structured so that new residents who move into the community in the future will assist in the payment of the bond measure, also moves respondents to favor the proposed bond measure. This is a primary theme for respondents.
- 15.** The fact that Mabel Rush and Ewing Young Elementary are in need of major maintenance and repairs such as heating and ventilation, as well as septic improvements and a new well, also significantly pushes respondents to favor the bond measure. Improvements to Mabel Rush and Ewing Young Elementary are primary issues for respondents.
- 16.** Knowing that all of the district’s elementary schools are at or above enrollment capacity and the passage of the proposal would relieve overcrowding also pushes respondents to favor the bond measure. Addressing enrollment growth, especially as it relates to the elementary school is a primary theme.
- 17.** The argument that property has been donated to the district in order to construct a new elementary school, moves respondents to favor the proposal. Again reducing costs, and addressing enrollment growth are primary issues for respondents.
- 18.** In addition, knowing that current projections show student enrollment at the elementary school level will increase by 462 students in the next eight years, also noticeably increases support for the bond measure. Once again, addressing enrollment growth is a primary theme.
- 19.** The argument that current projections show that student capacity at the high school is currently at 1,500 students. Out of the 1,500 students, 450 were in portable classrooms and that the proposed renovations would increase student capacity to 1,700 students increases support for the bond measure. Again, addressing enrollment growth is a primary theme for respondents.
- 20.** A high percentage of respondents rate “make major repairs and safety improvements at Mabel Rush and Ewing Young and other district schools” as the highest priority. Well over half of respondents also give “construct new classrooms, cafeteria, auditorium and replace portable classrooms at the high school” a higher priority rating. On the other hand “purchase property for future school sites at today’s market value” is given a lower priority ranking.
- 21.** Respondents are split with a plurality both favoring and opposing the \$15 million in transportation projects. In a smaller sub-sample, isolating only Newberg residents, results appear consistent with those of the total universe.
- 22.** Main reasons for favoring the projects are “need transportation and road improvements”, “it is necessary”, and “will correct traffic problems”.
- 23.** Top reasons for opposing the proposed projects are “too much money wasted”, “too much money at once”, and “money should go to bypass”.
- 24.** The argument that produces the largest increase in support for the \$15 million in transportation projects is knowledge that improvements to Elliott Street from 99W to Newberg High School would convert this heavily traveled road into 2 lanes with improved sidewalks for pedestrians. Improving travel through Newberg is a primary issue.
- 25.** The fact that building a Northside Road connecting 99W to North Main would improve east/west travel across the city and ease congestion on 99W and on Haworth, pushes respondents to favor the projects. Again, improving travel in Newberg is a primary issue.
- 26.** Similarly the argument that pedestrian safety would be improved by upgrading sidewalks and pedestrian crossings again moves respondents to support the proposed projects. Pedestrian upgrades and safety improvements in Newberg are secondary issues.

- 27.** On the other hand, an argument that pushes respondents to decrease support for the proposed projects is knowledge that the city transportation projects do not include state funding for a bypass.
- 28.** Decreasing support by the largest margin, is knowledge that the City of Newberg is considering a \$3 per month residential fee for transportation projects instead of \$5, and this reduction would not include North Main improvements, Villa Road improvements and the Wilsonville Road intersection.
- 29.** Slightly over half of respondents rate “improve Elliott Street from 99W to Newberg High School” as the highest priority. On the other hand, “improve the intersections at Villa Road and Springbrook Road”, and “pave gravel streets throughout the city” are given lower priority rankings. Furthermore, when isolating Newberg resident responses, percentages appear consistent with the total universe.
- 30.** Slightly less than half of respondents agree with the City of Newberg’s \$15 million urban renewal district, while over one-third disagree with the creation of the district. Again, Newberg responses appear consistent with the total universe.
- 31.** “Will increase livability in the city” tops the list of reasons why respondents agree with the creation of the urban renewal district, followed by “more appealing to business”, and “downtown project already started/should continue”.
- 32.** Principal reasons respondents disagree with the urban renewal district are “too many projects/too much money”, “not necessary/justified”, and “address more important things first”.
- 33.** The argument that produces the largest increase in support of the urban renewal district is knowledge that the creation of an urban renewal district does not increase the property tax rate. This is a primary issue for respondents.
- 34.** In addition, knowing the urban renewal district would improve the street appearance in downtown Newberg through improved landscaping, lighting, sidewalks, and public restrooms also noticeably increases support for urban renewal. Improvements to Newberg’s core areas are secondary issues.
- 35.** The fact that the City of Newberg is working cooperatively with the Chehalem Park and Recreation District to use a portion of urban renewal development dollars to help renovate Central School for cultural and art activities also pushes respondents to support creation of the urban renewal district. Working collaboratively to renovate Central School is a primary theme.
- 36.** Slightly over half of respondents rate “promote commercial and industrial growth”, finance public improvements and create economic development opportunities”, and “contribute a portion of urban renewal dollars to assist in the renovation of Central School” as highest priorities. On the other hand, “improve parking opportunities in downtown Newberg”, and “improve the street appearance in downtown Newberg” were given lower priority rankings. Once again, isolating only Newberg responses, “finance public improvements and create economic development opportunities in downtown Newberg”, is rated as the highest priority, followed by “promote commercial and industrial growth”.
- 37.** Slightly less than half of respondents favored the emergency communication tax district, while fewer numbers opposed.
- 38.** Top reasons for favoring the proposal are “will improve response time/services”, and “makes sense/good idea”.
- 39.** Main reasons for opposing the tax district are “has been separate/leave it that way” and “taxes are too high”.
- 40.** The argument that produces the largest increase in support for the tax district is knowledge that the consolidation of emergency communications into a taxing district would free up \$400,000 for the City of Newberg, and these funds would be used to hire additional police officers. Cost savings applied to more police in Newberg is a primary theme for respondents.
- 41.** Similarly, the argument that the emergency communication district would free up \$45,000 for the City of Dundee that would be used to fund emergency services and transportation also pushes respondents to favor the proposal. Once again cost savings applied to emergency services and transportation in Dundee is a primary theme.

42. A plurality of respondents prefer that Newberg use the additional revenue from the emergency communication tax district to hire additional police officers, while one-quarter prefer that Newberg reduce taxes. Newberg responses appear consistent with those of the total universe.

43. A plurality of respondents prefer that Dundee use the additional revenue from the emergency communication tax district to fund emergency services and transportation, while fewer numbers prefer that Dundee reduce taxes. In a smaller sub-sample, isolating only Dundee residents, half of respondents prefer that Dundee use the additional revenue to fund emergency services and transportation, while much fewer numbers prefer that Dundee reduce taxes.

44. Clearly the community has identified issues relating to growth, and more specifically to traffic as serious issues for Newberg, Dundee and the surrounding areas. A majority of the community appears to be aware of the collaboration occurring between the cities of Newberg, Dundee, the Newberg School District, the Chehalem Park and Recreation District, and Yamhill County. This is a significant improvement from November 2001.

While it appears respondents are initially slightly supportive of the \$39.5 million school district bond measure, support significantly increases when presented with information related to cost savings due to current interest rates, that new residents in the future will assist in the payment of the bond measure, and that the proposal in-

cludes maintenance and repairs to Mabel Rush and Ewing Young Elementary Schools. The community also appears very supportive and aware of addressing enrollment growth issues in the district.

It is interesting to note, that while transportation and growth are identified as serious issues for the community, well under half of respondents initially support the proposed transportation projects. Support increases slightly with information that specified projects will provide pedestrian and travel improvements across the city.

Less than half of respondents initially agree with Newberg's decision to create an urban renewal district. Support substantially increases however, when presented with information that the district does not increase the property tax rate, and will improve Newberg's core areas. Respondents also support the collaboration to renovate Central School.

Once again, respondents initially appear less supportive of the emergency communication tax district until presented with information that the consolidation would provide significant cost savings for both Newberg and Dundee if applied to more police officers in Newberg and emergency services and transportation in Dundee.

Even with these positive responses, it is clear that respondents are struggling with the combined costs of the proposed projects.

Overall, it appears the proposed school district bond measure receives the highest and most consistent support at this time.

Latino Forum

Executive Summary November 1, 2001

A forum to hear from Spanish-speaking residents was conducted on November 1, 2001, to gather feedback on the same issues that earlier public forums touched on: transportation, health care, education, recreation and culture, economic development and employment, and governmental operations.

The forum was sponsored by the Chehalem Valley Strategic Planning partners: the Cities of Newberg and Dundee, Chehalem Park and Recreation District, Newberg School

District and Yamhill County. Spanish-speaking promoters encouraged attendance, resulting in participation by approximately 100 local Spanish-speaking residents. Participants discussed and evaluated specific projects and added their own suggestions for meeting needs in the community. *(Note: the number following the statement under each heading indicates the number of votes participants gave each item. Each votes indicates support for an item.)*

Transportation

(Note: The freeway bypass will not be discussed tonight because it has been discussed in the transportation plans of the Cities of Newberg and Dundee)

- Construct and improve the local streets and roads to resolve traffic problems, financed through transportation fees. 8
- **Develop a system of autobuses to connect Newberg and Dundee with the surrounding area.** 10
- **Bus service every hour between Newberg-Dundee and Sherwood-Portland** 66
- Construct and improve sidewalks for pedestrians to improve pedestrian safety 12
- Other Projects
 1. Microbuses (a type of public transport in Latin America) 1
 2. Combis (same) 1
 3. Better transport between Newberg and Portland
 4. Better transport between Newberg and McMinnville
 5. **The project from Dundee to Newberg on Sundays and in the afternoons**
 6. Public bus service for outside of Newberg. In Areas near Newberg, provide low cost tickets. Provide instruction in Spanish 12
 7. Service to be able to go to work
 8. **Bus service around Newberg and Dundee with specific hours** 7

Education

- A new high school, with classrooms, a cafeteria, and an auditorium to accommodate the growth of students in the area. 15
- A new elementary school for 600 students to accommodate the growth of students in the area. 14
- Construct a special facility for students who are at "high risk" in the schools. 11
- Improve the elementary schools of Mabel Rush, Ewing-Young, and other facilities of the school district. 4
- Other Projects
 1. Recognition of the education obtained in Latin America
 2. Need more teachers so the students could get more attention and to graduate knowing a lot. Some students get passed from grade to grade but not learning nothing.
 3. We need more teachers so the students can receive more attention and graduate with more knowledge. Some students graduate but have not learned sufficiently.
 4. Increase the hours and the days for kindergarten
 5. A technical school for short courses: example: tinplating, sewing, beauty parlors, mechanics, plumbing, computers, first aid classes, librarians 13
 6. English classes for adults (intensive). Of various levels (writing, reading) 6
 7. More counseling for Hispanic families
 8. Short vocational courses in Spanish to prepare us for work 9
 9. Adult literacy classes
 10. Technical courses 4
 11. University courses 2
 12. Security in the schools 7

13. Construction of a community college in this area
14. To promote or create English classes for adult Hispanics on a daily basis in the area

Recreation and Culture

- Development of a Multi-Cultural Center in the old Central School in downtown Newberg. 21
- A community center in Dundee 2
- Create a library district to improve the library system of the area. 7
- A riverfront park which has pedestrian paths and streets to connect to the downtowns of Newberg and Dundee. 22
- A golf course financed and operated with the revenues generated by the project. 4
- Other Projects
 1. Museum for all cultures
 2. More books in Spanish in the libraries
 3. Develop multicultural sports leagues 2
 4. More opportunity to present Hispanic Folklore in the community 1
 5. The library should provide books and materials in Spanish on Latin American countries
 6. Provide information in Spanish on sports events in the community
 7. A location for families to exercise together: 8
 8. Books at appropriate levels
 9. Communication of existing activities in our language 9

Economic Development and Employment

- Downtown redevelopment in the commercial centers of Newberg and Dundee through creation of an Urban Renewal District. 18
- Relocate the commercial center of Dundee away from Highway 99 4
- Promote industrial and commercial growth to create new jobs and to increase the value of local property taxes. 27
- Other Projects
 1. A central agency to protect the Hispanic works here in Newberg in general
 2. Public childcare with bilingual services 1
 3. More bilingual training in different areas
 4. Small business licenses and orientation for the development of the knowledge and talents of the community. For example: dressmaking and tailoring, beauty salons; small business licenses and permits and information for those who are caterers, hair stylists, etc, so they can become licensed as well as be aware of resources such as commercial kitchens to rent for a caterer to provide a meal.7

5. High Rents 2
6. Placement office for temporary workers 3
7. More work 2
8. Information office for employment in Newberg and Dundee 3
9. Information office on how to utilize food stamps 3
10. Training on how to start new Hispanic businesses 4
11. Employment office in Newberg; Newberg Graphic needs a Spanish page/column to inform about events and social services 7
12. To create more employment for the Hispanic community
13. Improve buildings in downtown area to attract business
14. Construction of a parking lot on First Street.
15. More affordable housing developments for the Hispanic community
16. To have or to create better opportunities for Hispanics to buy a house
17. To build pedestrian bridges on 99W mainly in commercial areas.
18. To improve relations between landlords and renters (high rents and poor conditions)

Improve Governmental Operations

- Increase police and fire service to improve public safety. Added In: to be bilingual; to speak Spanish 17
- Intergovernmental cooperation regarding basic services of the jurisdictions, such as water, sewer, streets, police, fire, library, technical and administrative functions. 10
- Improve communication and participation between governmental jurisdictions and the public. 14
- Other Projects
 1. To improve communication between governments and the Hispanic community
 2. Better treatment to Hispanics from police depart.
 3. A committee representative of the Hispanics from Newberg and Dundee to promote these ideas
 4. To have a representative from the Hispanic community on the Government Board of Directors, the Fire Department, the Library..... 3
 5. Bilingual persons for employment services for the Hispanic community 3
 6. Inferior treatment because we are Mexican
 7. A health clinic 11
 8. Need more help with money w/the community/ Chemeketa college students have a better opportunity to have a career 5
 9. Program of nighttime public safety to avoid crimes
 10. Health Clinic for the community 16

Other Projects of Interest to the Latino Community

1. To create a medical center with more affordable health services for the Hispanic community
2. A low income clinic such as Virginia Garcia and dental in Washington County 4
3. More meetings like this one tonight to express different ideas and the opportunity of getting to know each other 2
4. Help for low income people for housing such as in LaFayette 4
5. Domestic violence shelters 3
6. Health Clinic at low cost including dental, pediatric, general medicine, gynecology, chiropractor and a direct line for 24 hours emergencies 13

Other Projects Generated by Participants

Group 1

1. Transportation : Autobuses, highway bicycles
2. Education
 - a. More information in the student community
 - b. Classes for young people 15-19; for laborers 20-26
3. Recreation and Culture : Multicultural festivals, Mecha, cultural groups
4. Economic Development: More opportunities to seek work through an employment office
5. Governmental operations: Bilingual personnel
6. Other: PCC courses, community center, medical clinic, books in Spanish, bilingual personnel in library and DMV

Group 2

1. Program of Neighborwatch, in cooperation with police.
2. Low income health clinic in Newberg
3. Public transportation from Newberg to Sherwood—6:00am to 10:00 pm
4. Intensive English classes
5. Industrial growth with opportunities for work

Group 3

1. Technical courses in the schools
2. Extension university courses
3. High rents; need for apartments for low income families
4. Temporary work in offices
5. Books at the appropriate levels
6. CAFÉ treatment has become better
7. Health clinic
8. A way to have more work
9. Security in the schools

Group 4

1. Transportation: Van service to get to work, bus service for areas around Newberg and Dundee, transportation to assist with school activities and to be able to seek work
2. Education: More counselors for Hispanic families, short vocational courses in Spanish to prepare us for work, literacy for adults
3. Recreation and Culture: Recreation programs for young people after school, construct soccer fields, classes of traditional dances from different countries, adult basketball courts, communicate activities in our own language, bilingual personnel to work in these areas
4. Employment: Information Office for work opportunities in Newberg and Dundee, a place where we can go without fear of being questioned about our legal status, information office for food stamps, training on how to start Hispanic businesses
5. Government: Have a representative to the government in Newberg/Dundee; organize a committee which will promote the ideas presented tonight, Hispanic representative for the different governments mentioned (police, fire, library, City Councils)
6. Other Projects: First aid classes in Spanish, emergency systems, a Spanish newspaper connected to the existing newspaper—Newberg Graphic, health clinic, counseling for Mental Health with bilingual and bicultural counselors

Group 5

1. Bus service for areas outside Newberg—eg—Sherwood, Tualatin, etc.
2. Add more time for the lights for pedestrians to cross
3. A new highway or bypass to McMinnville
4. Provide short course technical school for short courses
5. Library: provide materials in Spanish about different Latin American countries
6. Recreation: provide a brochure in Spanish about the sports events in the community
7. Newberg Graphic: A column in Spanish to offer social services, sports, work, health and events in town.
8. A place for family exercise
9. An employment office open 7 days a week
10. Need for a low cost health clinic; direct line in Spanish for health services when there is an emergency
11. Low cost tickets for public transportation

Group 6

1. Location where employers can pick up day laborers
2. Teaching Latin American culture
3. Access to sports fields
4. League for sports; opportunity for informal groups to use sports fields

Group 7

1. Microbuses for 30 passengers
2. Combis for 10 passengers
3. Improve transportation between Newberg and Portland
4. Improve transportation between Newberg and McMinnville