

Summary of Commercial and Industrial Zone Districts
Joint City Council and Planning Commission Study Session
July 9, 2015

10.326 Service Commercial and Professional Office, C-S/P.

The C-S/P district provides land for professional offices, hospitals, and limited service commercial uses. This district is intended to be customer-oriented; however, retail uses are limited. Development in this zone is expected to be suitable for locations adjacent to residential neighborhoods.

10.327 Neighborhood Commercial, C-N.

The C-N district provides land for the development of small integrated commercial centers servicing the frequent and daily convenience requirements and service needs of adjacent residential neighborhoods. Development in this zone is intended to be pedestrian-oriented and compatible with the scale and character of surrounding residential areas. All uses, except as noted in section 10.337, do not exceed 2,500 square feet of gross floor area.

10.328 Community Commercial, C-C.

The C-C district provides land for the development of commercial facilities servicing the shopping needs of the community and is typically comprised of community shopping centers. All uses, except as noted in section 10.337, do not exceed 50,000 square feet of gross floor area.

10.328-1 Regional Commercial, C-R.

The C-R zone provides land for the development of those service and commercial uses which serve shoppers from the surrounding region as well as from the local community. The C-R zone shall be located in areas served by adequate regional and local street systems to avoid the impact of regional traffic using neighborhood streets.

10.329 Heavy Commercial, C-H.

The C-H district provides lands for those heavier commercial and service commercial uses which typically may produce a greater degree of noise, vibration, air pollution, and glare than residential or other commercial zones. All uses, excepting those customarily conducted outdoors, shall be conducted wholly within an enclosed building.

10.330 Light Industrial District, I-L.

The I-L district provides land for warehouse, office, and low intensity industrial uses in areas near residential and commercial zones. It is intended for industrial uses which involve the lowest level of noise, vibration, air pollution, radiation, glare, or fire and explosive hazards. This district is not intended to be retail customer-oriented, and retailing shall be permitted as an accessory use only or as specifically allowed. Because of the locational character and proximity of the I-L district to residential lands, restrictive performance standards shall be imposed to limit the physical effects of industrial activities to levels as per the performance standards set forth in Article V.

Medford City Council/Planning Commission Study Session
(Reasonable Time Place & Manner Regulations- Retail/Medical Licensees)

Summary of HB 3400

I. Retail Marijuana (OLCC) - Operative January 1, 2016

A. (Powers and Duties of Commission)

SECTION 2. Section 7, chapter 1, Oregon Laws 2015, is amended to read:

Section 7(f)- OLCC may adopt rules regulating and prohibiting marijuana producers, marijuana processors, marijuana wholesalers and marijuana retailers from **advertising marijuana** items in a manner:

- That is appealing to minors;
- That promotes excessive use;
- That promotes illegal activity; or
- That otherwise presents a significant risk to public health and safety.

B. (Regulation of Licensees)

SECTION 5. Section 25, chapter 1, Oregon Laws 2015, is amended to read:

Sec. 25. (1) A license granted under sections 3 to 70, chapter 1, Oregon Laws 2015:

- Is transferable from the premises for which the license was originally issued to another premises subject to the provisions of sections 3 to 70, chapter 1, Oregon Laws 2015, applicable rules of the Oregon Liquor Control Commission **and applicable local ordinances.**

C. (License Holders)

SECTION 12- **Section 19 (Marijuana Producers)**, chapter 1, Oregon Laws 2015, is amended to read:

- To be licensed by OLCC, must be resident of Oregon for at least 2 years
- Marijuana produced must be tested per state law
- OLCC/RAC will develop public health/safety standards
- OLCC can limit size of grow canopies for production of mature marijuana plants, but not immature ones (an “immature” plant is one that is not flowering).

SECTION 14. Section 20 (Marijuana Processors- licensees who convert marijuana into cannabinoid products, cannabinoid concentrates or cannabinoid extracts), chapter 1, Oregon Laws 2015, is amended to read:

- To be licensed by OLCC, must be resident of Oregon for at least 2 years
- Marijuana processed must be tested per state law
- OLCC/RAC will develop public health safety standards- If the marijuana processor processes **marijuana extracts**, may not be located in an area zoned **exclusively** for residential use
- “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
- “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate, cannabinoid extract or dried marijuana leaves or flowers have been incorporated
- “Cannabinoid extract vs. concentrates:” both obtain a substance by separating cannabinoids from marijuana- but the extraction process uses a hydrocarbon/high heat method, while concentrate process does not.

SECTION 15. Section 21 (Marijuana Wholesaler- licensees who purchase marijuana items in this state for resale to a person other than a consumer), chapter 1, Oregon Laws 2015, is amended to read:

- To be licensed by OLCC, must be resident of Oregon for at least 2 years
- May not be located in an area that is zoned **exclusively** for residential use
- Require marijuana items received, stored or delivered by a marijuana wholesaler to be tested
- Require a marijuana wholesaler to meet any public health and safety standards and industry best practices established by the commission by rule.

SECTION 16. Section 22 (marijuana retailer- a licensee authorized sell marijuana items to a consumer in this state), chapter 1, Oregon Laws 2015, is amended to read:

- To be licensed by OLCC, must be resident of Oregon for at least 2 years
- May not be located in an area that is zoned **exclusively** for residential use
- May not be located within 1,000 feet of schools
- Require marijuana items sold by a marijuana retailer to be tested
- Require a marijuana retailer to meet any public health and safety standards and industry best practices established by the commission by rule.

D. (Segregated Premises)

SECTION 18. As is necessary to protect the public health and safety, the Oregon Liquor Control Commission may require a premises licensed under section 19, 20, 21 or 22 (the 4 types of retail licensees- producer, processor, wholesaler, retailer) to be segregated into separate areas:

- For conducting the activities permitted under each license if the licensee holds more than one license issued under section 19, 20, 21 or 22
 - For conducting activities related to processing marijuana into different types of cannabinoid products, cannabinoid concentrates or cannabinoid extracts, if the licensee is a marijuana processor that processes marijuana into any combination of different types of products, concentrates and extracts.
- E. (Land Use- Local Control)

SECTION 33. Section 59, chapter 1, Oregon Laws 2015, is amended to read:

- A city may adopt ordinances that impose reasonable regulations on the operation of businesses located at premises for which a license has been issued under section 19, 20, 21 or 22, if the premises are located in the area subject to the jurisdiction of the city, **except that the governing body of a city may not adopt an ordinance that prohibits marijuana retailers from being located within a distance that is greater than 1,000 feet of another marijuana retailer (Legislature attempting to bar cities from zoning out marijuana retailers).**
- Regulations adopted must be consistent with city and county comprehensive plans and zoning ordinances and applicable provisions of public health and safety laws.
- Prior to the issuance of a license under section 19, 20, 21 or 22, the OLCC shall request a land use compatibility statement from the city that authorizes the land use. The land use compatibility statement must demonstrate that the requested license is for a land use that is allowable as a permitted or conditional use within the given zoning designation where the land is located.
- The commission may not issue a license if the land use compatibility statement shows that the proposed land use is prohibited in the applicable zone.
- A city that receives a request for a land use compatibility statement under must act on that request within 21 days of:
 - 1) Receipt of the request, if the land use is allowable as an outright permitted use; or
 - 2) Final local permit approval, if the land use is allowable as a **conditional use.**
- A city or county action concerning a land use compatibility statement is not a land use decision (No appeal to LUBA).

II. OREGON MEDICAL MARIJUANA ACT- OPERATIVE MARCH 1, 2016

A. (License Holders)

i) Medical Marijuana Producers- Section 81.

- historically, not subject to our business license requirements (backyard grows)

ii) Medical Marijuana Processors- Section 85.

- To be licensed by the OHA, all individuals responsible for the business must be resident of Oregon for at least 2 years
- May not be located in an area that is **zoned for residential use if the marijuana processing site processes cannabinoid extracts** (note the difference between this language and the zoning restriction applicable to retail marijuana processors “may not be located in an area zoned **exclusively** for residential use”)
- Require that medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts transferred by a marijuana processing site be tested to ensure the public health and safety
- A marijuana processing site must meet any public health and safety standards established by the Oregon Health Authority by rule related to Cannabinoid edibles, Cannabinoid concentrates, and Cannabinoid extracts.

iii) Medical Marijuana Dispensaries- Section 86

- To be licensed by the OHA, all individuals responsible for the business must be resident of Oregon for at least 2 years
- May not be located in an area that is zoned for residential use (and not zoned **exclusively** for residential use- unlike marijuana retailers;
- May not be located at the same address as a marijuana grow site
- May not be located within 1,000 feet of schools
- Must not be located within 1,000 feet of another medical marijuana dispensary (no such limitation for marijuana retailers)
- OHA will require that usable marijuana, medical cannabinoid products, cannabinoid concentrates, cannabinoid extracts and immature marijuana plants transferred by a medical marijuana dispensary be tested to ensure the public health and safety

B. (Local Control)

- No LUCS requirement
- the governing body of a city may adopt ordinances that impose reasonable regulations on the operation of marijuana grow sites of persons designated to produce marijuana by registry identification cardholders, marijuana processing sites and medical marijuana dispensaries

III. Lab Testing/Packaging/Labeling/Dosing (Section 91 *et seq.*)

- The state appears to have these issues covered
- Marijuana items (both retail and medical) must be tested by a lab licensed by the OLCC and accredited by the OHA.
- Laboratories are another type of marijuana business that may need to be addressed by the TPM's

IV. Local Time Place and Manner Regulations (TPM's)

- City will have broad power to impose TPM's- most importantly may place licensees into appropriate zones
- The uses allowed in a particular zoning district within the City are based upon the SIC manual
- The SIC manual uses a two, three and four-digit identification system to provide increasingly detailed descriptions of uses
- Planning staff can assign a SIC classification number for each state-licensed business or find one that most closely matches the licensed business.
- City can regulate advertising
- Will City allow a premise to contain more than one type of state-licensed business?
- Will City require marijuana retailers to be a certain distance away from other marijuana retailers? (State law does not mandate this). From medical marijuana dispensaries? Schools?
- Will City elect to place TPM's on Laboratories?
- Design Standards? SPAC? CUP's? Hours of Operation?