

Meeting Minutes

ATTENDEES: Tim Budelman, Chair; Hope Kramer, Vice Chair; James Draznin; John Hayes; Bruce McVean; Mark Nakajima; Janis Nichols; Guy Storms; Howard Sullivan; Javier Urenda; Brian Wilber; Lois Hornberger, Alternate

CITY STAFF: Jeffrey King, ED Program Manager; Jesse Vanderzanden, City Manager; Cassi Bergstrom, Admin Specialist; George Cress, L&P Director; Brandi Walstead, Program Specialist; Dan Riordan, Senior Planner; Janie Schutz, Police Chief

ALSO ATTENDING: Elena Uhing, Council Liaison; Tim Ripley, Member of PSAC; Glen VanBlarcom, Member of PSAC

1. CALL TO ORDER:

The meeting was called to order at 12:08 p.m. by EDC Chair Tim Budelman.

2. CITIZEN COMMUNICATION:

None.

3. APPROVAL OF APRIL 7, 2016 SUMMARY MINUTES:

Mr. Sullivan moved to accept the meeting minutes as presented. Ms. Hornberger seconded. The minutes passed unanimously.

4. ADDITIONS/DELETIONS & STAFF SUMMARY:

A. STAFF BUSINESS UPDATES:

None.

5. BUSINESS:

A. McMENAMIN'S -HOST UPDATE:

None.

B. FOREST GROVE CHAMBER OF COMMERCE UPDATE:

Mr. Sullivan gave the update for the Chamber:

During the month of May, the Chamber will hold an election for 4 board member positions. From a financial standpoint, the Chamber looks really good.

The Discover Forest Grove/Cornelius visitor guide will be delivered to the Chamber next week. The whole guide will be glossy, and Mr. Sullivan thanked Jeff King and the News Times for all the work in helping with the guide.

C. ENTERPRISE ZONE APPLICATION APPROVAL-10 YEAR RE-DESIGNATION:

Mr. King gave an update on McMenemy's Grand Lodge Enterprise Zone application. They have picked up permits for their \$4.4 million hotel renovation. They will be adding bathrooms and A/C and building new rooms creating a net new 14 rooms

As far as the Forest Grove –Cornelius Enterprise Zone Re-Authorization application, Mr. King gave a background on when the initial application was awarded in 2006 with a 10 year re-designation that will terminate June 30 of this year. Mr. King is looking for support from the EDC to bring forth a 10 year Re-Authorization application to City Council.

The Enterprise Zone has been very helpful to businesses within Forest Grove and Cornelius, and encourages expansion of companies creating new jobs. Mr. King went over a table showing the exemptions, property tax numbers, and requirements for an Enterprise Zone business and the success stories of business expansion that have happened over the last 10 years. There have been 7 businesses that used the Enterprise zone to expand or site in Forest Grove. Six of the seven projects were existing local businesses that expanded. He showed that the enterprise zone program will result in \$21.8 million in new investment and will 172 new full time jobs. Over an 11 year period , the value in the incentive in city taxes exempted was \$333,000 or \$33,000 a year but will result in new city property taxes of \$111,215 a year. For every \$1 in City property tax incentive, \$6,544 in private funds were leveraged. Old Trapper is a business that is expected to apply for the Enterprise Zone to make a major expansion to their business.

Chairman Budelman asked the EDC board if they had any questions/comments. Mr. Budelman stated that offering the Enterprise Zone is crucial to bringing businesses to town. City Manager Jesse Vanderzanden asked if the city of Cornelius needs to pass something through their council as well for this proposal. Mr. King answered yes, and that it is on their agenda for May 2nd.

Chairman Budelman proposed that he will draft a letter in support of an Enterprise Zone designation on behalf of the EDC to present to the City Council. Mr. Hayes moved the motion. Mr. Draznin seconded. All in favor.

D. MARIJUANA ORDINANCES – INDUSTRIAL & COMMERCIAL AREAS:

City Senior Planner Dan Riordan started the discussion by going over the slideshow that was presented to City Council at their last work session meeting. Mr. Riordan went over the table stating the requirements of regulated marijuana activities within Forest Grove and the zoning requirements.

Mr. Budelman asked what the difference was between recreational and medical marijuana processors was. Mr. Riordan answered that recreational marijuana is regulated by the OLCC, and medical marijuana is regulated by the Oregon Health Authority. Medical marijuana cannot be banned to grow---only regulated by time/place/manner. Medical marijuana producers are allowed up to 12 mature plants; whereas recreational producers are allowed up to 10,000 sq ft of indoor growing space or 40,000 sq ft outdoor growing space per site.

Mr. Riordan stated that if any one of the seven categories within the table were banned, it would forego the sales tax collections, but you can ban outdoor production and allow indoor production to still collect a sales tax.

Mr. Nakajima asked for distinction between processor and wholesaler. Mr. Riordan stated that a processor manufactures oil or edibles from the marijuana plant. A wholesaler collects the marijuana seeds or plants and provides them to the retailer.

The board held discussion on the sales tax revenue and how banning precludes the tax collection. Mr. Vanderzanden clarified the fact that there are two sales tax: State and local municipality. If the municipality bans production then the state and local tax will be foregone.

Councilor Uhing stated that the council wants to know how Salem will manage and collect that tax. It is up in the air, which adds to the complexity of this topic.

Ms. Walstead went over a table of communities and their bans or requirements.

Mr. King went over the council action that has been taken to date. A temporary ban is in place until August 5th. TTM has testified twice in front of City Council due to their federal security protocols. If the Matsushita building is allowed to become an indoor grow, TTM would need to disassociate themselves from the property via a wall or fence, possibly armed guards and other steps. To date, the city has received many applications or inquiries for both indoor and outdoor grow. Some commercial/industrial property owners and brokers have stated the outdoor grow and possible indoor grows as a major risk to their property and value and would not locate next to grow operation. He also stated that The OLCC is still working on recreational regulations which may not be out until the fall of 2106.

Tim Ripley, member of the Public Safety Advisory Committee (PSAC), stated that a subcommittee was created to address the issue. A list of recommendations was drafted to present to City Council. Some of the concerns include the proximity to school, city parks, and libraries; smell; crime levels; and public health. No other cities

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in Washington County permit open grow. Glen VanBarcom, member of PSAC, stated that condition 5 (marijuana activities shall be conditional uses in the affected zoning) was created for more public awareness.

Mr. Riordan explained the distinctions between light industrial and general industrial in regards to marijuana processing. Ms. Walstead went over the table explaining the restrictions and regulations within the cities allowing indoor grow.

The board discussed the pros and cons of banning marijuana grow within the city. The main question was based around the fact that nobody knows what the tax revenue percentage is or what the economic impact may be. Councilor Uhing stated that they have to follow the laws and be very careful about their thinking and not discriminate against any businesses.

Mr. Vanderzanden stated that the council is looking for feedback from the board before August 5th. He went over the municipalities that are allowing indoor grow, and summarized the facts. Mr. Riordan went over what the City Council has already adopted.

Mr. Vanderzanden explained that when this issue was brought forth to City Council via a letter from TTM, and they wanted PSAC and Economic Development Commission to look at the issue and make recommendations for regulations on marijuana grow. There is a timeline. TTM, in paraphrase, basically said that open grow is visible and risky. Indoor grow lowers the risk. Mr. King stated that there would be a disassociation that would have to happen with an indoor grow. TTM is not opposed to marijuana, they just want to know the buffer because of their federal contracts.

Ms. Hornberger stated that the PSAC recommendation letter is an excellent recommendation towards the City Council. Mr. Ripley also brought up the fact of city growth, and how that could potentially affect the marijuana growth areas being grandfathered in. There was discussion on the annexation and if it becomes disallowed use. Vice Chair Kramer brought up the point that condition 5 of the PSAC letter takes care of that with a conditional use requirement when applying for a marijuana grow operation.

The EDC agreed to make recommendations by adopting the same conditions prepared by The Public Safety Advisory Commission as outlined in their April 24 letter to Mayor Truax and April 27 to the Forest Grove City Council. The recommendations of the Forest Grove EDC are:

1. No open grow of Marijuana for recreational production in the city limits of Forest Grove.
2. All Marijuana activities shall not be permitted in mixed use zones or residential zones.
3. All Marijuana activities are not allowed within 1000 feet of a school (public or private), city parks and libraries.
4. Any Marijuana processing or commercial production, whether enclosed or not, shall not be permitted within 1000 feet of a residential zone.
5. Any Marijuana activities shall be conditional uses in the affected zoning.

Ms. Hornberger moved a motion that the EDC board would endorse the PSAC recommendation letter to the City Council. Mr. Storms seconded. All were in favor. The motion carried unanimously.

E. COUNCIL COMMUNICATIONS-ELENA UHING:

Councilor Uhing had to leave, so Mr. King gave an update from the City Council on upcoming events and meetings. Mr. King will email the update out to the EDC board members.

F. BOARD VACANCIES, 3 POSITIONS, ELECTIONS:

Mr. King stated that there are vacancies on the EDC board, so the June meeting will address those as well as elections.

6. STAFF & BOARD MEMBER COMMUNICATIONS:

None.

7. ANNOUNCEMENT OF NEXT MEETING:

Chairman Budelman announced that the next meeting of the EDC will be on Thursday, June 2, 2016 at 12:00 noon in the Alice Inkley Room at McMenemy's Grand Lodge.

8. ADJOURNMENT:

Mr. Sullivan moved to adjourn the meeting, Vice Chair Kramer seconded. The meeting was adjourned at 1:38 p.m.

Respectfully submitted by: Cassi Bergstrom

Approved by the Forest Grove Economic Development Commission:

Date: _____,

Signed: _____

EDC Chair