Minutes of the Veneta City Council
March 24, 2014

Present: Sandra Larson, Thomas Cotter, Brittany Boothe, Victoria Hedenstrom, and Thomas Laing

Others: Ric Ingham, City Administrator; Kay Bork, Community Development Director; Kyle Schauer, Public Works Director; Darci Henneman, Assistant City Recorder; Carrie Connelly, Legal Counsel; Sgt. Doug Osborne, LCSO; Jeffrey Schlageter; Wills Boothe; and Michelle Ossowski, Fern Ridge Review

---

1. CALL TO ORDER

Mayor Larson called the City Council to order at 7:14 p.m.

2. PUBLIC COMMENT

Jeffrey Schlageter, 24221 Warthen Rd., Elmira, Oregon

Mr. Schlageter said he appreciates having the opportunity to speak before the City Council. He is a real estate broker and lives in Elmira with his wife and two daughters. He said he recently signed a lease with John Hammer to lease a space in the West Lane Shopping Center to open a medical marijuana dispensary (MMD). He said he recently visited City Hall to inquire about a business license. Mr. Schlageter said he definitely understands many of the Councilor's concerns and he carefully selected the location of his MMD which he will be the sole responsible party for. Mr. Schlageter provided the Council with a packet of information; the security system and ventilation system he will use, the floor plan, his state business registration, documents from various law enforcement agencies, and university studies. He said it is important to know his MMD will be a non-smoking facility and have safe access to medicines. He is committed to do everything possible to keep his product out of the hands of children. He intends to hire four local residents within the first year of operation and he is excited about operating a business that will benefit our community. He said he is committed to see this through and appreciates the opportunity to be here.

In response to a question from Brittany Boothe, Mr. Schlageter said Oregon Health Authority (OHA) requires a lease be in place before applying for the MMD permit. He said his lease with Mr. Hammer includes a six month escape clause.

In response to a question from Mayor Larson, Mr. Schlageter said he's not sure he would be willing to accommodate a minor child medical marijuana card holder. He said that is a sensitive issue.

In response to a question from Brittany Boothe, Mr. Schlageter said from a legal standpoint, he is sensitive to providing medical marijuana to a minor.

Victoria Hedenstrom said she met with Mr. Schlageter previously and was very impressed with how he was going to operate his facility. She said he very much wants this to be an above-board clinical dispensary and she applauds him for that.

In response to a question from Thomas Laing, Mr. Schlageter said marijuana costs are based on quality. He said the more difficult it is to grow, the higher the cost. Also sunshine is free so marijuana grown indoors will also drive the price up. He said a 1/8 of an ounce of marijuana will run $25 to $40. He said patients can sign off that the grower may bring the excess to a MMD and growers who do that will be required to complete various forms.

In response to a question from Thomas Cotter, Mr. Schlageter said he believes card holders can purchase up to a pound and a half at one time but he's not 100% sure of that.

Wills Boothe, 2478 Dunham Ave., Veneta, OR
Mr. Boothe said he wanted to say something about MMDs but he admits after hearing from Mr. Schlageter, he felt that maybe MMDs aren't such a scary thing. He said hearing the discussion tonight makes him realize there is so much uncertainty about MMDs and questions will not be answered quickly. He said this fall we could see recreational marijuana become legal as well. He said waiting is not a bad choice and gives the Council an opportunity to learn more about MMDs. He suggested the Council take all the facts into consideration before making a decision.

3. CONSENT AGENDA

MOTION: Thomas Cotter made a motion to approve the consent agenda as presented. Thomas Laing seconded the motion.

VOTE: Thomas Laing, aye; Thomas Cotter, aye; Sandra Larson, aye; Victoria Hedenstrom, aye; Brittany Boothe, aye.

The consent agenda as approved included minutes for March 10, 2014, Accounts Payable through March 19, 2014, and the Civic Calendar for April, 2014.

4. COUNCIL BUSINESS AND REPORTS

a. Business

(1) Lane County Sheriff's Office Activity Report

Sgt. Osborne said he has been working with staff on the 2014/15 Public Safety contract which includes a 3.2% increase from last year which is consistent with previous public safety contracts. He said there have been no arrests made in regard to the tagging at Fern Ridge Middle School. He said 16 sets of fingerprints were taken and 24 students and 11 other individuals provided statements. He said investigators are waiting on results from the Oregon State Police Crime Lab. He said results can be obtained from the online data base but it should still take about six months to process the evidence. He said paint cans left at the scene will also be processed to try to determine where it was purchased. He said there has been a recent rash of car vandalism in the Halcyon and Tyro area. He said many residents have been alerted to be watchful. He said there is a local Facebook page that LCSO sees as an extra set of eyes but LCSO cautions residents to not engage people. He said some members of the group have encouraged others to get concealed handgun licenses which he is somewhat concerned by. He said LCSO is making a formal commitment to not encourage citizens to that. He said residents have a right to carry a weapon but he stressed for your own safety please do not engage someone.

Sgt. Osborne said the LCSO marine patrol unit has partnered with five or six Lane County BiMart stores to offer free boat inspections on Saturday, April 26th from 10:00 a.m. to 1:00 p.m.

In response to a question from Thomas Laing, Sgt. Osborne said a decal will be provided to display on boats that pass the inspection. Boaters will be required to show a boater's education card, sound producing devises, floatation devices, etc. in order to pass the inspection.

Sgt. Osborne said the rash of car break-ins in the Perkins Rd. area has continued for about a month. He said the cars were left unlocked so no one experienced any damage. He continued to encourage residents to remove all valuables from vehicles including automatic garage door openers.

(2) Appointment to Fill Park Board Vacancies (Positions 2, 3, 8, and 9)

Mayor Larson said Cathy Coulson-Keegan and Craig Soderberg are reapplying for their respective positions. One new application was received from Chelsea Coffman which Mayor Larson appointed to a non-resident position. Also Elmira Louie is reapplying for the student position she had held for the last two years. Mayor Larson said Ms. Louie has done

wonderful things for the Park Board and Josie Hedenstrom has applied for the other student representative position being vacated by Susanna Hedenstrom. She said both of the student applications were thorough and thoughtful and their community spirit is commendable. Mayor Larson is recommending appointment of these five mentioned applicants.

b. Councilor/Committee Liaison Reports
Victoria Hedenstrom said she attended the last Chamber Board meeting. She said the St. Patrick's Day celebration has come and gone and it was a great event. A wine club may be started and a new volunteer, Linda, is working on recruiting new Chamber members. She said many positive things are happening; the Rod Run is coming up as well as other events including a Fourth of July parade. The Chamber is also renting out the conference room for other events and the Chamber received good news that Mr. Hammer will not increase the rent. She said the deadline has passed for entering recipient's names to the Distinguished Service Awards (DSA).

Mayor Larson said the School Board hired a new superintendent, Sally Storm, who is currently the superintendent of McKenzie School District. Mayor Larson said Ms. Storm comes well recommended. She said the District is hosting a Meet and Greet at the district office. Mayor Larson mentioned that about 70 2nd graders from Veneta Elementary have visited City Hall and the wastewater plant, as well as many other community facilities; Fern Ridge Library, Post Office, Key Bank, etc. She said the visits are due to the newly adopted common core program which focuses on community education specific to 2nd graders. She said it's a challenge to explain city government to 2nd graders. She thanked Schauer and Orme for help with the tours. She said it has been a lot of fun. Schauer said they will be visiting the public works facility next Thursday.

5. STAFF REPORTS

a. Community Development Director.....Kay Bork

(1) **ORDINANCE NO. 510** - AN ORDINANCE ESTABLISHING A TEMPORARY MORATORIUM ON MEDICAL MARIJUANA FACILITIES IN THE CITY OF VENETA AND DECLARING AN EMERGENCY

Bork said from direction at the March 10th meeting, the Council asked legal counsel to prepare a temporary moratorium with the intent to give the Council more time to research medical marijuana dispensaries (MMDs) within City limits. She said as requested by the City Council specific language is included to terminate the moratorium at any time prior to the May 1, 2015 state required expiration date. Now the City Council has three options, approve Ordinance No. 510 and put into effect a moratorium on MMDs; approve Ordinance No. 510 to include modifications; or not approve the ordinance. Bork provided the ordinance and the suggested motion for adoption.

Ms. Connelly clarified Ordinance No. 510 would go into effect the day it's adopted but it has to be adopted prior to May 1, 2014 and will expire at 11:59 p.m. on April 30, 2015.

Thomas Cotter said he doesn't see a problem with allowing MMDs. He understands the trepidation but he doesn't feel additional regulations are always the answer. He said some things are left open to make it easier to manipulate as times goes on. He said this is a medicine for people who can't grow their own or contact someone that can.

Victoria Hedenstrom said she wanted to point out a public comment that was made stating that "the laws are on the books and the City has laws to deal with it". She said another comment was "allow all applicants to be on equal basis rather than some falling under existing codes and other under future regulations". She said she's okay with Mr. Schlageter opening a MMD but she's concerned that everything the City does would not be fair to future MMDs and her personal ideal is to have everything retroactive which would change how she felt.

Ms. Connelly said what wouldn't be retroactive are land use regulations. She said the proposed MMD's location doesn't sound as if it would be in violation of anything the Council would be considering, libraries, parks, etc. She said anything the Council adopted in the future wouldn't apply to an existing MMD. She said it's hard to answer the abstract because she doesn't know what else the Council is contemplating changing other than land use regulations or quick modifications to the business registration license which would preclude the City from having to enforce federal law. She said next week if an applicant wanted to locate near a park or preschool, and the Council didn't pass the moratorium, it would be too late and that MMD could locate in that zone. She doesn't consider it "unfair" that one MMD could be allowed prior to zone changes which future MMDs would be required to comply with.

Britany Boothe said she is in favor of moving forward with a moratorium. She said the work session started with the ground rules and didn't delve into the details. She's pleased that the ordinance can be terminated prior to the May 1, 2015 if all concerns are addressed and if there are concerns, staff has time to research those concerns and a discussion can take place for the Council to provide further direction. She doesn't feel like she has enough information because the issue continues to evolve and that concerns her.

Thomas Laing said it's great for the people that need it but he's concerned about the City's legal obligation to its residents. He suggested enacting the moratorium and a month or so down the line it could be lifted.

Ingham said land use regulations take longer than a month or two to enact. He said the chicken ordinance for example will likely be a four to seven month process. He said if the Council decides to lift the moratorium it won't happen in 90 days.

In response to a question from Thomas Cotter, Mayor Larson said additional concerns for the Council are MMDs being too close to the library, day care centers, preschools, parks, etc.

Thomas Cotter said he considered that to be over regulated. He thanked Mayor Larson for the clarification.

Ingham said if the Council chose to pursue a temporary moratorium, staff needs to hear what the concerns and issues are. At that point, staff would draft the time, manner and location restrictions and start the process of notifying the Department of Land Conservation and Development that we are going to change our land development ordinance and then we can do the notices for the Planning Commission and start the Public Hearing process. He said the big piece is getting agreement from the Council on what you want to regulate and then get it to the Planning Commission. He said there is some gray area regarding the enforcement issues and he's not sure how we can weave that into additional regulations. He said if a state statute or state administrative rule is being broken then our officers can enforce it.

Mayor Larson said the uncertainty is we can't make it more certain - it will just unfold for better or worse. She said if the City adopted a temporary moratorium, we can then determine with, closer study, that maybe we don't need additional land use regulations and the moratorium could be lifted, without including additional regulations.

In response to questions from Thomas Cotter, Ms. Connelly said the moratorium would expire April 30, 2015 unless repealed by ordinance of the City Council prior to that date. Ms. Connelly said she would provide the definition of OARs "temporary laws".

In response to a question from Mayor Larson, Ingham said at the time the packet was put together he recommended adoption of the moratorium. He said since that time he had a chance to discuss MMDs with Lane County, the City of Springfield, and other city representatives. He said there's so much uncertainty that's taking place and we need to make sure that enough

clarity is provided so we can enforce MMDs. He said more importantly possible legal challenges and the November election. He said his recommendation comes with a balance of staff's work plan. He said if the Council approves the moratorium are we going to ask Bork to back away from the EOA? He said building starts are up and planning staff has received a couple of subdivision applications. He said we could do it all and he could spend more time with legal or LCOG planning staff but obviously, time constraints put on planning staff is an issue and not just by placing the moratorium but all the background material and research the Council is requesting in order to adopt additional regulations.

In response to a question from Victoria Hedenstrom, Ms. Connelly said the City of Talent has similar regulations to Veneta. She said they didn't have specific laws addressing MMDs.

In response to a question from Victoria Hedenstrom, Ingham said the City of Veneta does not prohibit adult stores.

In response to a question from Victoria Hedenstrom, Ms. Connelly said it's incredibly difficult to regulate adult stores because it's considered freedom of expression.

Ingham said one way the City of Springfield dealt with strip clubs or gentleman's clubs was to pursue removing their OLCC licenses because of the amount of problems they had with those clubs. He said the City of Springfield could not prohibit those types of clubs because they are legal stores in the eyes of the state and federal government.

Brittany Boothe said this is our opportunity to add additional regulations that are relevant for our community regardless of MMDs. She said the moratorium gives the Council the flexibility to flush out what additional regulations to pursue.

In response to a question from Thomas Laing, Ingham said if the proposed MMD located in the West Lane Shopping Center, other dispensaries would be allowed west of Territorial. He said there are possibly one to two locations along the eastern City limits and one in the West Broadway area.

Brittany Boothe said she is in favor of a moratorium but she's is concerned about staff's work load. She said even if we didn't do a moratorium, she would still want to learn about all these issues. She said the moratorium at least protects the City from MMDs opening and regulations would be in place and level the playing field.

Mayor Larson said a moratorium will give the City that opportunity but we need to prioritize what we need and want to accomplish. She said she agrees with Thomas Cotter, that she doesn't want overregulation.

Thomas Cotter said there's only a limited number of things we can regulate or change. He said MMDs are not something that will just exist. He said OHA will be regulating them and we can regulate details like store hours. He felt we're not in tune with what the MMDs can do, but how we can regulate them.

In response to a question from Mayor Larson, Mr. Schlageter said once he received the go ahead from OHA it would be a month at the most before he would be up and running.

In response to a question from Ingham, Mr. Schlageter said that time frame includes obtaining the required electrical and building permits.

Brittany Boothe asked what's the disadvantage of moving forward; knowing that we can rescind the moratorium in the future. She said this looming date of May 1st is fueling the pace at which the Council takes. She said she needs to think about this as a policy standpoint and not a

personal standpoint. She hopes that a MMD would not be irresponsible but we can't guarantee that.

Ingham said most cities haven't talked about what regulations or restrictions will be put in place. He said a third of the cities have said they will bring a report on or before May 1st.

Bork said two items that Mr. Schlageter has gone above and beyond state regulations is the air ventilation system he plans on installing and that smoking will not be allowed on site other than by employees with a medical marijuana card.

Thomas Cotter said he doesn't feel it's necessary to pass the moratorium and he felt we have enough information to move forward without a moratorium. He said the Council can make the rules on the way and he doesn't think it's a good idea to sit back and wait.

Brittany Boothe said she wants what's best for Veneta.

Thomas Laing said he felt a moratorium is not the best thing for Veneta.

Brittany Boothe said challenges should be addressed and said it doesn't seem very forward thinking to allow MMDs to open if we're going to make any changes that wouldn't apply to it. She felt it should be thought through so the rules apply to all MMDs.

Victoria Hedenstrom said she's not comfortable making the decision without getting more answers. She said it's okay to be wise and make a responsible decision and still not be overly cautious.

In response to a question from Mayor Larson, Ingham said if we pass the moratorium staff will weave in the regulations that Council feels are the most specific to Veneta and craft some language that could start that legislative process.

In response to a question from Mayor Larson, Ms. Connelly said the City could prohibit any kind of use on the premises - smoking or ingestion. She said individual proprietors would be limiting the use. She said the question is; is it reasonable? Ms. Connelly said that is a good example of what the Council should direct staff to research.

Ingham said the question of "reasonable" likely won't be answered until someone challenges it in the courts and that's not likely in the next 90 days. He said more realistically it would be six to nine months down the road.

Brittany Boothe said that's exactly where she's coming from – many of her questions cannot be answered.

In response to a question from Mayor Larson, Mr. Schlageter said scent would emanate from the product but his facility would have an entry area that enters into a dispensary room. He said all products would be individually packaged and stored in a locked room off the dispensary room. He said the ventilation system includes a scrubber system and also Mr. Hammer said there cannot be any odor.

In response to a question from Thomas Laing, Mr. Schlageter said he's not sure how many patients he would have. He said it's likely many of his patients would come from Veneta and West towards the coast.

MOTION: Thomas Cotter made a motion to approve Ordinance 510 for first reading by title only. Brittany Boothe seconded the motion which did not pass with a vote of 2-3.

Mayor Larson thanked Mr. Schlageter, legal counsel, and staff for all the information that was provided.

b. City Administrator.....Ric Ingham

(1) Appointment of City Administrator Pro Tem

Ingham said Chapter 5 of the City Charter allows for appointment of an administrator pro tem when an administrator is not able to perform his duties. He said legal counsel, Ken Jones, recommended the Council appoint an administrator pro tem and based on that recommendation, Ingham is recommending the Council appoint Shauna Hartz, Finance Director and City Recorder as an Administrator Pro Tem.

MOTION: Thomas Cotter a motion to appoint Shauna Hartz to the City Administrator Pro Tem position beginning April 12, 2014 and ending May 11, 2014. Brittany Boothe seconded the motion which passed with a vote of 5-0.

(2) Approval of a Conceptual Plan for the Four Corners Beautification Project

Ingham said the four corners area is viewed as the gateway to the City and it's the perception to some as the center of Veneta. He said the City would like to change that perception. He said before we could really begin to clean up and replant this area, water was needed and that issue has been addressed. The City felt this would be an opportunity to make some community connections and partner with other community members.

Ingham said with that in mind, Dougherty Landscape Associates (DLA) took all those concepts and came up with a rough sketch, which he provided to the Council. Ingham said once the Council gives the preliminary sketch the go ahead, staff would like to run it by the Garden Club to come up with more detail and staff will work with ODOT and John Hammer to create a partnership. With the help of the Garden Club and hopefully the Boy Scouts, staff is hoping to focus on one corner at a time. He said we'd like to work on capturing the westbound traffic with more of a park like setting and create an expanse of the area. Ingham reviewed the conceptual drawing and asked the Council if they had any questions.

In response to a question from Thomas Laing, Ingham said the future Veterans' Memorial will be near the flagpole.

In response to a question from Thomas Cotter, Ingham said there will be ornamental trees and small plantings on the south side of Siuslaw Bank but there's no signage in that area to be blocked.

In response to a question from Mayor Larson, Ingham said ornamental trees require less maintenance and will be kept trimmed so as to not obscure the view.

In response to a question from Brittany Boothe, Ingham said the most expensive portion of the project would be the southwest corner. He said DLA is still advocating for the geese on poles that he included in the West Broadway signage design. He said Mr. Dougherty is advocating for the geese to point towards the West Broadway/downtown area.

In response to a question from Mayor Larson, Ingham said the blue spots on the conceptual design are existing natural swales. He said in the winter months those areas hold quite a bit of water.

In response to a question from Brittany Boothe, Schauer said there is a fairly deep ditch on the southeast corner.

Ingham said the Council will have many opportunities to view the drawings. He said staff is asking for a consensus from the Council to move forward with getting feedback from the Garden Club on March 12th. He said ODOT will require more information and if we pass that hurdle, we'd go from a conceptual sketch to a more defined sketch. Once that is approved, we'll put together a planting schedule with the hopes to get one corner done this summer. He said staff thought it was a good idea to eliminate the benches.

In response to a question from Brittany Boothe, Ingham said staff is advocating for the benches on the northwest and southwest corners not be installed. He said there is a place holder for minor monumentation or future signage in the southwest corner.

In response to a question from Mayor Larson, Ingham said it depends on who we talk to at ODOT.

After a thorough discussion regarding whether or not to include benches, it was the consensus of the Council to eliminate the benches for now but leave it open that benches could be installed at a future date.

MOTION: Thomas Cotter made a motion to recommend the conceptual plan be forwarded to the Garden Club with suggestions expressed by the Council. Brittany Boothe seconded the motion which passed with a vote of 5-0.

(3) Questions from Councilors

In response to a question from Victoria Hedenstrom, Ingham said there is no moratorium so the majority of the Council needs to direct City staff to what it wants to see with regard to code changes.

Victoria Hedenstrom said MMD need to be addressed as soon as possible.

Ingham said there is a meeting on April 14th and because Mayor Larson and he will both be gone the end of April, the second meeting in April will likely be cancelled. He said staff needs to hear from the Council what are those issues you'd like to see regulated? Or are there are additional questions you would like answered? He said at the last Council meeting, staff asked Council members to provide questions but staff didn't receive any.

Brittany Boothe said after reading the 28 pages of state regulations, she didn't have questions but did makes some notes.

Ingham asked the Councilors for two lists of questions; areas that you would like to see researched and brought back and areas you would like to see regulated.

Thomas Cotter suggested having an early session on April 14th to identify issues.

Bork said she could bring the map back to more clearly identify areas.

Victoria Hedenstrom said she is impressed with Mr. Schlageter's integrity and she would like to ask him to provide the perfect model for an MMD. And how would he like to see this type of business grow. She said she would like to see MMDs with a higher caliber.

Ingham said he felt like he should provide some caution. He said those issues should be identified by elected officials and if the Council would like, we can include comments from the community but it should be zeroed in on what issues have already been identified. He said he's concerned that we're asking someone to present their perfect business model when we don't know if we can impose those additional restrictions or not.

Victoria Hedenstrom said Mr. Schlageter is more aware of how things work than the Council is. She said it would be nice to hear.

Ingham said whatever the Council comes up and the Mayor directs staff to do, staff is happy to do it. However, knowing how quickly the 60 minute Work Session went today, we want to make sure it's constructive and if the Council wants to take action quickly, then we need to be clear what next steps need to come out of a 60 or 90 minute Work Session. He said we need to work through it.

Victoria Hedenstrom said and whatever we come up with, it may change. The state may pass laws that will make things the Council passes moot.

Ingham said or we may impose regulations that are challenged, and if so, we would need to go back and repeal any regulations we impose.

In response to a question from Thomas Laing, Mr. Schlageter said he's working with an attorney and an accountant. He said safety is a big concern and he's sure there will be problems arising but there's always going to be criminals. He said any system set up there will be people that operate outside of it or exploit it and he felt the more illegal something is the more black market there'll be. He said the drop in prices associated with MMDs may remove the monetary gain out of it. He said that's been proven in other examples.

Mayor Larson said the uncertainties aren't something the Council can legislate.

Ingham said we think it's appropriate to pursue and the topics should focus on four or five key issues that we identify as our greatest concerns. He said we try making it perfect and we miss getting it right.

In response to a question from Victoria Hedenstrom, Ingham said generally when the Council is planning to take action on an ordinance and if citizens were going to make a statement tonight's the night to do that.

In response to a question from Brittany Boothe, Bork said in order to get the April 14th Work Session packets delivered by April 10th or 11th, she asked Councilors to please get their questions or concerns to her by noon on Monday, March 31st. She said she would get clarification from legal counsel regarding mixed use zones.

It was the consensus of the Council to conduct an early session on April 14th with key issues to be discussed are location issues.

Ingham said the April 28th Council meeting will stay on the calendar but because he and Mayor Larson will be out of town, it's likely the meeting will be cancelled. However, Thomas Cotter, as Council president can preside over the meeting.

Bork said the League of Oregon Cities is hosting a marijuana workshop in May. She asked Council members to please contact her if they are interested in attending.

In response to a question from Thomas Cotter, Mr. Schlageter said if everything goes as planned he would be opened by April 30th.

In response to a question from Thomas Cotter, Ingham said his last day in the office will be Friday, April 11th.

In response to a question from Victoria Hedenstrom, Ingham said regarding Mr. Henry, legal counsel recommended that Councilors meet with Ingham to discuss this matter individually or have the City Council meet in executive session to discuss the matter.

7. ADJOURN

Mayor Larson adjourned the Veneta City Council at 9:27 p.m.

Sandra H. Larson, Mayor

ATTEST:

Darci Henneman, Assistant City Recorder
(Minutes prepared by DHenneman)