



Deschutes County Board of Commissioners
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AGENDA REQUEST & STAFF REPORT

For Board Business Meeting of May 25, 2016

DATE: 5/19/16

FROM: Matthew Martin Community Development Department 541-330-4620

TITLE OF AGENDA ITEM:

Consideration of First Reading by Title Only of:

Ordinance Nos. 2016-013 through 2016-018 amending Deschutes County Code (DCC) Titles 8, 18, 19, 20, and 21 to define, permit, and regulate marijuana related businesses in unincorporated Deschutes County, and Title 15 to define and regulate greenhouse lighting.

PUBLIC HEARING ON THIS DATE? No

BACKGROUND AND POLICY IMPLICATIONS:

On May 2, 2016, The Board of County Commissioners (Board) conducted a public hearing to consider regulations of marijuana related land uses and the status of the "opt out" moratorium (Ord. 2015-009) prohibiting several marijuana related land uses. On May 4, 9, and 11, 2016, the Board deliberated and provided direction to staff to develop land use regulations for marijuana-related businesses in unincorporated Deschutes County. In addition, the Board decided to initiate the process to rescind Ord. 2015-009. Staff has converted that direction into draft text amendments to Deschutes County Code (DCC) for the Board to review, amend, and/or adopt.

FISCAL IMPLICATIONS:

Unknown

RECOMMENDATION & ACTION REQUESTED:

The purpose of this agenda item is for the Board to consider the draft text amendments, and then:

1. Provide direction and clarification to staff on revisions to incorporate into the text amendments to bring back for Board approval and First Reading on June 6 or June 8; or
2. Conduct First Reading on some or all ordinances to adopt the amendments into DCC; Second Reading would occur on or after June 8.

In addition, the Board may consider conducting First Reading of an ordinance to rescind the opt-out.

MOTION 1: First Reading by title only of Ordinance 2016-013.

(Repeat first reading a process for Ordinances 2016-014 through 2016-018)

ATTENDANCE:

Matthew Martin, Associate Planner, Nick Lelack, Community Development Director

DISTRIBUTION OF DOCUMENTS:

Matthew Martin, CDD, Legal Counsel



Community Development Department

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MEMORANDUM

TO: Deschutes County Board of Commissioners

FROM: Nick Lelack, AICP, Director
Matthew Martin, AICP, Associate Planner

DATE: May 19, 2016

SUBJECT: Proposed Marijuana Related Business Regulations. County Land Use File No. 247-15-000542-TA.

I. SUMMARY

On May 11, 2016 the Board of County Commissioners (Board) deliberated and provided direction to staff to develop land use regulations for marijuana-related businesses in unincorporated Deschutes County. Following that direction, staff drafted text amendments to Deschutes County Code (DCC) and, in the process, identified key issues that require Board direction and/or clarification.

The purpose of this agenda item is for the Board to consider the draft text amendments, and then either:

1. Provide direction and clarification to staff on revisions to incorporate into the text amendments to bring back for Board approval and First Reading on June 6 or June 8; or
2. Conduct First Reading on some or all ordinances to adopt the amendments into DCC; Second Reading would occur on or after June 8.

In addition, the Board may consider conducting First Reading of an ordinance to rescind the opt-out.

A list of all ordinances is provided on page 5 of this memorandum. Please note, of primary interest:

1. Exhibit J to Ordinance 2016-015 provides the specific use standards for marijuana production, processing and retail.
2. Exhibit K to Ordinance 2016-015 provides the findings demonstrating that these reasonable regulations are compliant with State law and the County's Comprehensive Plan.

II. KEY ISSUES

1. Setback Exceptions

The Board directed staff to allow for exceptions to the setback requirements under certain conditions. Staff proposes the following:

Exception: Any reduction to these setback requirements may be granted by the Planning Director or Hearings Body provided the applicant demonstrates the reduced setbacks afford equal or greater mitigation of visual, odor, noise, lighting, privacy, and access impacts.

2. Access

The Board directed staff to apply access restrictions to Tier 2 or similarly large marijuana production and processing operations. Staff proposes the same general provisions recommended by the Planning Commission, but only applicable to properties with marijuana production over 5,000 square feet of canopy area for mature marijuana plants.

3. Odor

The Board generally supported the Marijuana Advisory Committee's recommendation, while also stating that that the odor control requirements should not be too specific to preclude new technologies or other effective mitigation measures. Staff proposes two options to address odor. One option is the MAC recommendation as conceptually refined by the Board during deliberations. The second is an alternative that provides significantly greater flexibility to mitigate this impact.

Option 1

Odor. As used in Subsection 18.116.330(B)(10), building means the building, including greenhouses, hoop houses, and other similar structures, used for marijuana production or marijuana processing.

- a. The building shall be equipped with an effective odor control system which must at all times prevent unreasonable interference of neighbors' use and enjoyment of their property.
- b. An odor control system is deemed permitted only after the applicant submits a report by a mechanical engineer licensed in the State of Oregon demonstrating that the system will control odor so as not to unreasonably interfere with neighbors' use and enjoyment of their property.
- c. Private actions alleging nuisance or trespass associated with odor impacts are authorized, if at all, as provided in applicable state statute.
- d. The odor control system shall consist of one or more fans.
- e. The fan(s) shall be sized for cubic feet per minute (CFM) equivalent to the volume of the building (length multiplied by width multiplied by height) divided by three.
- f. The filter(s) shall be rated for the required CFM.
- g. The system shall be maintained in working order and shall be in use.

Option 2

Odor. All marijuana production and processing shall install an effective odor control system in all buildings, including but not limited to, greenhouses, hoop houses, and similar non-rigid structures. The effective odor control system shall:

- a. Prevent marijuana plant odor from disturbing people of normal sensitivity owning or residing on properties within one-quarter mile of all property lines on which the marijuana production and processing is sited;
- b. Designed and stamped by a mechanical engineer licensed in the State of Oregon; and
- c. Continually maintained in working order and in use when plants are in the building.

In addition, staff proposes to separately draft an amendment to the Code Enforcement Policy and Procedures Manual to permit affected residents within a specified distance to submit anonymous complaints pertaining to odor impacts.

4. Screening and Fencing

The proposed screening standards are intended to:

- a. Require all marijuana production and processing-related buildings, greenhouses, hoop houses, and similar structures to comply with the Landscape Management standards requirements when they are located in that combining zone.
- b. Outside the Landscape Management Combining Zone, preserve existing vegetation and landscape features.
- c. Outside the Landscape Management Combining Zone, require fencing, razor wire, etc. to blend in with the natural environment by finishing in earth tones, and prohibit the use of temporary materials.

5. Water

Staff proposes the same text that was adopted by Clackamas and Jackson counties:

Water. The applicant shall provide:

- a. A water right permit or certificate number; or
- b. 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
- c. Proof from the Oregon Water Resources Department that the water to be used is from a source that does not require a water right.

6. Nonconformance

The proposed standards aim to require all lawfully established medical marijuana grow sites by the date of Second Reading of the ordinances (possibly June 8, 2016) to comply with the following standards at the time the ordinance is in effect (lighting) or within six (6) months of the adoption of the ordinances:

1. Lighting
2. Odor
3. Noise

4. Screening
5. Security Cameras
6. Secure Waste Disposal

Existing lawfully established medical marijuana grow sites would not be required to comply with the standards below. The reason is that it is unknown if or how compliance may be achieved, or if - compliance would be legal. As a result, existing lawfully established medical marijuana grow sites not in compliance with the standards below would become legal nonconforming uses. Conversion to recreational marijuana production would require compliance with all applicable standards. In addition, Clackamas County provided similar exemptions in its Code for the same reasons.

1. Zoning District
2. Minimum Lot Size
3. Maximum Mature Plant Canopy Size
4. Indoor Production and Processing
5. Maximum Building Floor Area
6. Limitation on License/Grow Site per Parcel
7. Setbacks
8. Minimum Separation Distances
9. Access
10. Water
11. Fire Protection
12. Utility Verification
13. Residency

7. **Prohibited Uses**

Staff proposes to include uses specifically prohibited by HB 3400 into DCC similar to Clackamas and Jackson counties. In addition, per Board direction, staff proposes to prohibit agri-tourism and other commercial events and activities related to marijuana. There is no requirement that any of these prohibitions be included in DCC. If State law changes, then Deschutes County's more restrictive regulations would remain in effect until or unless DCC is amended to allow these uses.

Prohibited Uses. In the EFU zone, the following uses are prohibited:

- a. A new dwelling used in conjunction with a marijuana crop;
- b. A farm stand, as described in ORS 215.213(1)(r) or 215.283(1)(o), used in conjunction with a marijuana crop;
- c. A commercial activity, as described in ORS 215.213(2)(c) or 215.283(2)(a), carried on in conjunction with a marijuana crop; and
- d. Agri-tourism and other commercial events and activities in conjunction with a marijuana crop.

III. BOARD DIRECTION / DECISIONS

Staff seeks Board direction on next steps.

1. Provide direction and clarification to staff on revisions to incorporate into the text amendments based on the issues discussed above or any other issue in the package of amendments and ordinances to bring back for Board approval and First Reading on June 6 or June 8; or
2. Conduct First Reading on some or all ordinances to adopt the amendments into DCC; Second Reading would occur on or after June 8.
3. Consider conducting First Reading of the ordinance to rescind the opt-out.

IV. ATTACHMENTS

1. Ordinance 2016-013, Title 8
2. Ordinance 2016-014, Title 15
3. Ordinance 2016-015, Title 18
4. Ordinance 2016-016, Title 19
5. Ordinance 2016-017, Title 20
6. Ordinance 2016-018, Title 21

REVIEWED
LEGAL COUNSEL

For Recording Stamp Only

BEFORE THE BOARD OF COUNTY COMMISSIONERS OF DESCHUTES COUNTY, OREGON

An Ordinance Amending DCC Title 20 to *
Define, Permit, and Establish Standards for *
Marijuana Related Businesses in Conjunction *
With State Law. *
ORDINANCE NO. 2016-017

WHEREAS, the Deschutes County Community Development Department (CDD) initiated amendments (Planning Division File No. 247-15-000253-TA) to the Deschutes County Code (DCC) Title 20, Chapter 20.04, Title, Purpose, Compliance, and Definitions and Chapter 20.16, Supplementary Provisions to incorporate changes that define, permit and establish standards for marijuana related businesses; and

WHEREAS, the Deschutes County Planning Commission held public hearings on November 5 and 12 2015, to review the amendments and recommended adoption; and

WHEREAS, the Board of County Commissioners considered this matter after a duly noticed public hearings on December 2, 2015, and May 2, 2016, and concluded that the public will benefit from the changes to Title 20; and

WHEREAS, the Board finds it in the public interest to adopt amendments to the DCC to define permit, and establish standards for Marijuana Related Businesses in conjunction with Deschutes County Code (Title 20) and state law (including HB 3400, SB 1598, and ORS 30.395); now, therefore,

THE BOARD OF COUNTY COMMISSIONERS OF DESCHUTES COUNTY, OREGON, ORDAINS as follows:

Section 1. AMENDMENT. DCC 20.04.030, Purpose, and DCC 20.04.050, Definitions, are amended to read as described in Exhibit “A,” attached and incorporated by reference herein, with new language underlined and deleted language set forth in ~~strikethrough~~.

Section 2. AMENDMENT. DCC 20.16.080, Existing Medical Marijuana Grow Sites, are amended to read as described in Exhibit “B,” attached and incorporated by reference herein, with new language underlined and deleted language set forth in ~~strikethrough~~.

Section 3. FINDINGS. The Board adopts as its findings in support of this decision attached to Ordinance 2016-015 as Exhibit “K” and incorporated by reference herein.

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Dated this _____ of _____, 2016

BOARD OF COUNTY COMMISSIONERS
OF DESCHUTES COUNTY, OREGON

ALAN UNGER, Chair

TAMMY BANEY, Vice Chair

ATTEST:

Recording Secretary

ANTHONY DeBONE, Commissioner

Date of 1st Reading: _____ day of _____, 2016.

Date of 2nd Reading: _____ day of _____, 2016.

Record of Adoption Vote:

| Commissioner | Yes | No | Abstained | Excused |
|----------------|-------|-------|-----------|---------|
| Alan Unger | _____ | _____ | _____ | _____ |
| Tammy Baney | _____ | _____ | _____ | _____ |
| Anthony DeBone | _____ | _____ | _____ | _____ |

Effective date: _____ day of _____, 2016.

“****” Denotes portions of this Section not amended by Ordinance 2016-017.

20.04.030. Purpose.

DCC Title 20 is adopted for the purpose of promoting the health, safety, peace, comfort, convenience, economic well-being and general welfare of the Redmond Urban Area and not limited to, but specifically to achieve the following designated objectives.

- A. To protect the present and existing character and values of land and buildings in the UH-10 zone until such land is ready to be developed for urban uses and is annexed into the City:
 - 1. Preventing the intrusion of inharmonious uses or uses that may impede the conversion of land to urban use.
 - 2. Preventing the encroachment on desirable open space and natural features.
 - 3. Providing and planning for the safe and efficient movement of existing and future traffic.
 - 4. Assuring the planning for and provision of necessary public facilities prior to conversion to urban uses.
- B. To provide for additional growth and development in a manner appropriate to the character of the Redmond Urban Area and which will contribute to the economic stability of said area and strengthen the basis of its private and governmental economy.
- C. To assure that future development occurs in an orderly manner to provide for economy and efficiency in public services and utilities and to protect the public from costs which may be incurred when unsuitable, scattered or premature development occurs.
- D. To minimize traffic hazards, traffic congestion and the conflict between land uses and the movement of traffic.
- E. To regulate the placement, height and bulk of buildings.

F. Marijuana processing, production, retailing, and wholesaling are prohibited on properties subject to the provisions of Title 20. Existing lawfully established medical marijuana production (grow sites) are allowed to continue operating subject to the provisions of DCC 20.16.080.

(Ord. 2016-017 §1, 2016; Ord. 2006-019 §2, 2006; Ord. 2001-016 §2, 2001; Ord. 94-013 §1, 1994; Ord. 83-040 §1, 1983; Ord. 80-201, 1980)

20.04.050. Definitions.

“Cannabinoid” means any of the chemical compounds that are the active constituents of marijuana.

“Cannabinoid concentrate” means a substance obtained by separating cannabinoids from marijuana by a mechanical extraction process; a chemical extraction process using a nonhydrocarbon-based or other solvent, such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol, or ethanol; 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 any other process identified by the Oregon Liquor Control Commission, in consultation with the Oregon Health Authority, by rule.

“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” means a substance obtained by separating cannabinoids from marijuana by a chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane or propane; a chemical extraction process using the hydrocarbon-based solvent carbon dioxide, if the process uses high

heat or pressure; or any other process identified by the Oregon Liquor Control Commission, in consultation with the Oregon Health Authority, by rule.

“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 product does not include usable marijuana by itself, a cannabinoid concentrate by itself, a cannabinoid extract by itself, or industrial hemp as defined in Oregon Revised Statutes 571.300.

“Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae, and the seeds of the plant Cannabis family Cannabaceae. Marijuana does not include industrial hemp as defined in Oregon Revised Statutes 571.300.

“Marijuana items” means marijuana, cannabinoid products, cannabinoid concentrates, and cannabinoid extracts.

“Marijuana Processing” means the processing, compounding, or conversion of marijuana into cannabinoid products, cannabinoid concentrates, or cannabinoid extracts, provided that the marijuana processor is licensed by the Oregon Liquor Control Commission or registered with the Oregon Health Authority.”

“Marijuana production” means the manufacture, planting, cultivation, growing, trimming, harvesting, or drying of marijuana, provided that the marijuana producer is licensed by the Oregon Liquor Control Commission, or registered with the Oregon Health Authority and a “person designated to produce marijuana by a registry identification cardholder.”

“Marijuana retailing” means the sale of marijuana items to a consumer, provided that the marijuana retailer is licensed by the Oregon Liquor Control Commission for recreational marijuana sales or registered with the Oregon Health Authority for medical marijuana sales.

“Marijuana wholesaling” means the purchase of marijuana items for resale to a person other than a consumer, provided that the marijuana wholesaler is licensed by the Oregon Liquor Control Commission.

“Person designated to produce marijuana by a registry identification cardholder” means person designated to produce marijuana by a registry identification cardholder under Oregon Revised Statutes 475.304 who produces marijuana for a registry identification cardholder at an address other than the address where the registry identification cardholder resides or at an address where more than 12 mature marijuana plants are produced.

(Ord. 2016-017 §1, 2016; Ord. 2006-019 §2, 2006; Ord. 2001-016 §2, 2001; Ord. 94-013 §1, 1994; Ord. 83-040 §2, 1983; Ord. 81-007 §1, 1981; Ord. 80-201, 1980)

20.16.080. Existing Medical Marijuana Grow Sites

- A. All medical marijuana production (grow sites) lawfully established prior to June 1, 2016 are exempt from these regulations until January 1, 2017, at which time the use and buildings, including greenhouses, hoop houses, and similar structures, shall comply with the following:
1. Lighting. Lighting shall be regulated as follows:
 - a. Inside building lighting used in any manner for marijuana production shall not be visible outside the building from 7:00 p.m. to 7:00 a.m. on the following day.
 - b. Outdoor marijuana grow lights shall not be illuminated from 7:00 p.m. to 7:00 a.m. the following day.
 - c. Light cast by exterior light fixtures other than marijuana grow lights (i.e. security lights) shall not trespass onto adjacent lots.
 - d. Lighting fixtures shall be fully shielded in such a manner that all light emitted directly by the lamp or a diffusing element, or indirectly by reflection or refraction, is projected below the horizontal plane through the lowest light-emitting part.
 - 2a. Odor. As used in Subsection 20.16.080(A)(2), building means the building, including greenhouses, hoop houses, and other similar structures, used for marijuana production or marijuana processing.
 - a. The building shall be equipped with an effective odor control system which must at all times prevent unreasonable interference of neighbors' use and enjoyment of their property.
 - b. An odor control system is deemed permitted only after the applicant submits a report by a mechanical engineer licensed in the State of Oregon demonstrating that the system will control odor so as not to unreasonably interfere with neighbors' use and enjoyment of their property.
 - c. Private actions alleging nuisance or trespass associated with odor impacts are authorized, if at all, as provided in applicable state statute.
 - d. The odor control system shall consist of one or more fans.
 - e. The fan(s) shall be sized for cubic feet per minute (CFM) equivalent to the volume of the building (length multiplied by width multiplied by height) divided by three.
 - f. The filter(s) shall be rated for the required CFM.
 - g. The system shall be maintained in working order and shall be in use.
 - 2b. Odor. All marijuana production and processing shall install an effective odor control system in all buildings, including but not limited to, greenhouses, hoop houses, and similar non-rigid structures. The effective odor control system shall:
 - a. Prevent marijuana plant odor from disturbing people of normal sensitivity owning or residing on properties within one-quarter mile of all property lines on which the marijuana production and processing is sited;
 - b. Designed and stamped by a mechanical engineer licensed in the State of Oregon; and
 - c. Continually maintained in working order and in use when plants are in the building.
 3. Noise. Noise produced by marijuana production and marijuana processing shall comply with the following:
 - a. Sustained noise from mechanical equipment used for heating, ventilation, air condition, odor control, fans and similar functions shall not exceed 30 dB(A) measured at any property line between 10:00 p.m. and 7:00 a.m. the following day.
 - b. Sustained noise from marijuana production is exempt from protections of DCC 9.12 and ORS 30.395, Right to Farm. Intermittent noise for accepted farming practices is permitted.
 4. Screening and Fencing. The following screening standards shall apply to greenhouses, hoop houses, and similar non-rigid structures and land areas used for marijuana production and

processing:

- a. Subject to DCC 18.84, Landscape Management Combining Zone approval, if applicable.
 - b. Fencing shall be finished in a muted earth tone that blends with the surrounding natural landscape and shall not be constructed of temporary materials such as plastic sheeting, hay bales, tarps, etc., and shall be subject to DCC 18.88, Wildlife Area Combining Zone, if applicable.
 - c. Razor wire, or similar, shall be obscured from view or colored a muted earth tone that blends with the surrounding natural landscape.
 - d. The existing tree and shrub cover screening the development from the public right-of-way or adjacent properties shall be retained to the maximum extent possible. This provision does not prohibit maintenance of existing lawns, removal of dead, diseased or hazardous vegetation; the commercial harvest of forest products in accordance with the Oregon Forest Practices Act; or agricultural use of the land.
5. Security Cameras. If security cameras are used, they shall be directed to record only the subject property and public rights-of-way, except as required to comply with requirements of the OLCC or the OHA.
6. Secure Waste Disposal. Marijuana waste shall be stored in a secured waste receptacle in the possession of and under the control of the OLCC licensee or OHA Person Responsible for the Grow Site (PRMG).

(Ord. 2016-017 §2, 2016)