

Business & Ag

City of Sumpter talks pot

BY MEGHAN ANDERSCH
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Shawn McKay met with residents of Sumpter Wednesday evening, August 24 at Volunteer Park to answer questions related to proposed marijuana businesses.

McKay describes himself as an industry expert and consultant.

Both parties who have expressed interest in opening a marijuana business in Sumpter were also present.

Common themes were security, parking concerns, and what exactly the proposed 3% tax to be collected by the City could be used for.

McKay stated he asked the Oregon Department of Revenue how the 17% tax currently collected by the State will be used.

After covering the cost for administration and Oregon Liquor Control Commission (OLCC) implementation costs, 40% of the remainder will go to the Common School Fund, 20% to an account for mental health, alcohol, and drug services, 15% to State Police, 10% to city law enforcement agencies, and 10% to county law enforcement.

According to the Recreational Marijuana Frequently Asked Questions page at oregon.gov, Oregon Health Authority will also receive 5% for alcohol and drug abuse prevention.

The 3% tax that can potentially be collected by cities is designated for safety operations, but exactly what that means is quite vague. John Young asked if public safety includes the Fire Department.

McKay reported that several changes are taking place in the 2017 legislative session to give cities more leeway in spending the funds.

McKay stated he is able to cite the statistic that generally when marijuana businesses come to town, the crime rate goes down due to enhanced security.

He said that within the last 15 days in Huntington, a bunch of graffiti appeared, including on cars, landmarks, and his fence. Cameras at the dispensary ultimately recorded and led to the identification of the individual.

McKay stated that the La Grande medical dispensary had one break in within a few weeks of opening. Windows were broken and couple of sodas were taken.

Again, cameras captured everything and the perpetrators were caught within about two days. McKay concluded, "You can't fix stupid people and they're out there."

A concern for the local State Park was mentioned. McKay said marijuana business customers won't be hanging out unless it's to patronize other local businesses. He stated, "They're not just going to sit and smoke in their cars, I can assure you." He said the State Park near Huntington did have a few issues early on, but the State police got on it within a couple of days. McKay explained the dispensary also provides literature on responsible use. Just like alcohol, marijuana cannot be consumed on the street. Regarding law enforce-



Meghan Andersch / The Baker County Press

Shawn McKay addresses assembled Sumpter citizens.

ment presence, McKay stated when marijuana businesses go in, police presence increases.

There was some discussion of Huntington's system.

For years, even before the marijuana store opened, the City paid a deputy to spend 20 hours a week there.

Julie McKinney stated tax revenue for Huntington in the first five months of the marijuana business would have been \$35,000, had they been collecting it. There would potentially be dollars for Sumpter to pay for additional security measures, if circumstances warranted.

McKay stated the security required for a marijuana business is "pretty over the top," including cameras and panic buttons for the employees. He stated his wife works at a bank, and the security required at the marijuana businesses is "about three levels" above what is required at the bank. Everything that happens within 50 feet of the business will be captured on camera.

Cameras run 24 hours a day, 7 days a week and can record in zero light and extreme temperature variations. Camera footage will go back 30 days.

Everything is recorded to an outside server and has backups, so even if power is cut, everything is still recorded. A vault is also required and a limited amount of product is allowed on the premises.

Several people mentioned increased traffic and limited parking as potential concerns.

McKay stated a Saturday morning in Huntington sees 50-60 cars, but Sumpter would not have the same volume. He estimated a busy Saturday in Sumpter would see about 25 cars, and not all at the same time.

He stated before opening a marijuana business, the best place would have to be determined for overflow parking that would cause the least disruption to the town.

Myrna Clarke commented there will be increased traffic by virtue of most small towns in Eastern Oregon opting out of allowing marijuana. There was discussion of John Day starting their own indoor operation, using their recycled wastewater. Hines will also be starting an indoor operation in the

old lumber mill.

As to questions of operating hours and number of marijuana businesses that will be allowed in town, McKinney explained work is ongoing on a City ordinance to set forth the time, place, and manner of allowable business.

Drafts of the proposed ordinance were made available at August's City Council meeting.

Mick Allen commented that it would be nice to have a source of medical marijuana that does not entail driving long distances or enlisting the services of "black market" dealers.

McKay pointed out that something Oregon is doing that is different than Colorado or Washington is taking the same approach with recreational as medical marijuana.

All recreational marijuana sold at a dispensary will have been tested and guaranteed to be a good product.

Having the product tested ensures that someone who wants to try marijuana as an alternative medicine can go into a recreational dispensary and buy a safe product.

McKay also outlined the Seed to Sale process required by OLCC. Every plant receives a barcode ID tag once it reaches 8" in height.

That barcode follows the plant through harvest, with samples from the harvest batch sent to the lab, and to the dispensary where it is sold.

At every step of the way, OLCC knows where the product is at, and every bit of product is accounted for at all times. The OLCC does not want untested, unregulated product making it into the market.

Clarke stated everyone should educate themselves and suggested checking marijuana.org or marijuana.gov. McKay agreed

education is "your best friend."

McKay stated that in general, the city will see far more good than bad with the opening of these businesses and that marijuana users are "generally not a very crime-oriented bunch, especially in Eastern Oregon."

He said marijuana is the next industry on track to replace the logging industry. It is on track to surpass wine grapes and cattle this year. The only commodity marijuana is not outdoing is nursery crops, and McKay stated it may yet surpass them by the end of the year.

Second quarter taxes through the end of June brought in \$39 million in revenue from marijuana sales, which is three times what was expected. \$65 million is expected by the end of the year.

McKay stated a real estate appraiser in Huntington says property values are up 10-15% in the last three months. McKinney stated there are no rentals or properties available in town.

Carey Clarke stated he spoke with a Councilor in Huntington who had a different story. McKay responded that he had just met with the individual and thinks that his response would be different now. He asked Clarke to please talk with him again.

McKay concluded that the industry is likely coming to Sumpter and urged citizens that when the opportunity comes to implement the 3% sales tax as placed on November's ballot. "Don't miss the opportunity just because you're against the industry," he said.

He said it would be a much more productive conversation to decide how to spend the money than to be mad about the business and not get the money.

— WEEKLY HAY REPORT —

Friday, August 26, 2016 — Eastern Oregon
Prices trended generally steady compared to week ago prices. Most demand lays with the retail/stable hay. According to some producers, horse owners are starting to prefer lower sugar, higher protein hay. Many hay producers are selling or have already sold most of their first and second cutting hay, and are working on later cutting(s) resulting in higher volumes of hay moving.

Tons Price Range Wtd Avg

Alfalfa — Large Square Premium
1000 100.00-100.00 100.00

USDA Market News Service—AMS.USDA.gov

— CATTLE MARKET REPORT —

Wednesday, August 24, 2016
Vale, Oregon

Cattle sold through the auction: 316

Steer Calves

300-400# Bulk 147.00 - 158.00 Top 161.00
400-500# Bulk 143.00 - 151.00 Top 156.00
500-600# Bulk 132.00 - 143.00 Top 144.00

Heifer Calves

300-400# Bulk 127.00 - 139.00 Top 146.50
400-500# Bulk N/A Top N/A
500-600# Bulk N/A Top N/A

Yearling Steers

600-700# Bulk 132.00 - 139.00 Top 142.50
700-800# Bulk 123.00 - 138.00 Top 138.50
800-900# Bulk 121.00 - 129.00 Top 132.00
900-1,000# Bulk 116.00 - 121.00 Top 122.50

Yearling Heifers

600-700# Bulk N/A Top N/A
700-800# Bulk 117.00 - 122.00 Top 123.00
800-900# Bulk 113.00 - 121.00 Top 124.75
900-1,000# Bulk N/A Top N/A

Thin Shelly Cows 52.00 - 62.00
Butcher Cows 65.00 - 74.00
Butcher Bulls 69.00 - 83.00
Pairs Young N/A
Hfrets. N/A
Stock Cows Young - N/A

ProducersLivestock.com
541-473-3136

— LOG PRICE REPORT —

Price per 1,000 board feet: Northeast Oregon

Currently the local log market is flooded with fire salvage logs. The log buyer for Malheur Lumber Co. stated they have all the logs they need under contract and are not accepting any new purchases. BCC/LLC of La Grande has receive so many burned fire salvage logs they are no longer accepting logs at the La Grande log yard. Any additional pine logs have to be delivered to the Elgin Log yard cut in plywood lengths and to a 8 inch top. For these pine logs cut in plywood lengths, BCC is offering \$280.00/mbf. They are also paying \$420.00/mbf for Doug Fir & Western Larch. For White Fir they are offering \$325.00/mbf. At the Pilot Rock Saw Mill BCC is offering \$360.00/mbf for a 12 to 15 inch top, for 16 to 19 inch top \$400.00/mbf & offering \$425.00/mbf for 20 inch plus top

Courtesy of Arvid Andersen,
Andersen Forestry Consulting

— PRECIOUS METALS REPORT —

Price per ounce, USD

Gold: \$1,312.60

Silver: \$18.52

Platinum: \$1051.95

Palladium: \$672.05

Bloomberg.com

— AG COMMODITIES —

Corn: \$315.50/bu/USD
Wheat: \$388.25/bu/USD
Soybeans: \$943.25/bu/USD
Oats: \$176.75 bu/USD
Rough Rice: \$9.43/cwt/USD
Canola: \$458.20 CAD/mwt
Live Cattle: \$106.20/lb./USD
Feeder Cattle: \$138.35/lb./USD
Lean Hogs: \$62.85/lb./USD

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