

# Oregon pot competition having effect in Washington state

By NOELLE CROMBIE  
The Oregonian

BINGEN, Wash. — At an age when most people are eager to retire, 68-year-old Margie Lemberger cleaned out a chunk of her savings and started a business.

The retired pharmacist outfitted her homespun shop along a quiet stretch of the Columbia River Gorge with a second-hand couch and other thrift store finds. She picked up display cases from an old grocery store.

It's easy to imagine the store's shelves lined with homemade pies or curries. Instead, they're crowded with Super Sour Diesel, Dirty Girl, Cherry OG and dozens of other marijuana strains.

At first, Margie's Pot Shop, tucked off Washington State Route 14 in Bingen, hummed. Hikers dropped in after a day in the woods. Marijuana smokers from Goldendale and White Salmon in Washington and Hood River in Oregon drove to the outpost marked with a yellow and red sign that Lemberger painted herself.

Sales grew for most of last year, peaking at an impressive \$172,000 for the month of August, The Oregonian reported. That was before Oregon opened its own recreational marijuana market in October. Now anyone 21 and older can



Beth Nakamura/The Oregonian  
Margie Lemberger sits in her marijuana dispensary in Bingen, Wash.



Beth Nakamura/The Oregonian  
A sign outside of Margie's Pot Shop in Bingen, Wash. Recreational marijuana sales have declined at the store near the Washington state-Oregon border, since recreational marijuana began selling Oregon.

walk into any one of the state's estimated 333 medical marijuana dispensaries that have opted to serve the recreational market to buy pot.

Overnight, Lemberger's sales went into freefall. Between October and February, they plunged 50 percent. Lemberger brought in a dart board so budtenders could pass the time.

Towns along the Washington border have felt competition from Oregon's nascent state-regulated marijuana market more keenly than anywhere else. Revenue in those counties has seen a steep drop since last fall, even as overall pot sales in Washington continue to climb.

Consider Klickitat County, home to Margie's Pot Shop

and two other cannabis retailers. The county saw cannabis tax revenues drop 47 percent since October, according to an analysis of Washington sales data by the Oregon Office of Economic Analysis.

In September, marijuana shops in Clark County accounted for 12 percent of all pot sold in Washington — a good share of the sales to Portland's cannabis enthusiasts. Three months after Oregon began recreational sales, that number dropped to 7 percent, according to the Washington State Economic and Revenue Forecast Council's recent analysis.

"Night and day," said Lemberger, describing the impact that Oregon's

new market has had on her business.

Economists in both states say they aren't surprised.

"We see this all the time," said Josh Lehner, an economist with the Oregon Office of Economic Analysis who in February wrote a blog post he called "Border Effect, Weed Edition."

Lehner said Washington's recreational cannabis sales numbers since last year illustrate how pot is the latest "vice" to succumb to the "border effect" between states, a common phenomenon fueled by tax policy, convenience, selection and price.

For instance, Washington imposes a 37 percent state tax on recreational marijuana, compared to 25 percent in Ore-

gon. (Oregon's rate will drop later this year when recreational sales shift to the Oregon Liquor Control Commission. New tax rates will range from 17 to 20 percent.) A gram of cannabis costs more, on average, in Washington than it does in Portland, according to Leafly, a popular strain and dispensary review site. The average price of a gram on Oregon's recreational market is \$13.67, compared with \$14.68 in Washington, Leafly says.

A price gap between Oregon and Washington is likely to drive cannabis consumers who live or work along the border in search of the best deal.

Mark Kleiman, a public policy expert whose think tank, BOTEK Analysis Corporation, has served as a consultant to Washington on its cannabis program, said the two states should set similar tax rates to discourage interstate trafficking.

Ultimately, states with the lowest taxes, he said, "will flood the rest of the country" with black market pot.

"This is something that the two governors should be talking about hard," said Kleiman, a professor at New York University's Marron Institute of Urban Management.

"It's crazy to have a big tax differential across a short border."

The two states already have seen the border effect play out with liquor and cigarettes.

Take cigarettes. Since 2010, Oregon has sold more packs of cigarettes than Washington, even though Oregon is home to fewer people and the two states have similar smoking rates, said Lehner. Between July 2014 and June 2015, state economists say, Oregon sold 20 percent more — about 30 million packs — than Washington.

The likely explanation: Washington's cigarette taxes add up to \$3.03 per pack, compared to \$1.32 in Oregon.

Same with alcohol. Washington's move in 2012 to privatize liquor sales drove up prices there by 15 percent to 20 percent, say economists. Liquor stores along the Oregon side of the border have seen a nearly 40 percent spike in sales since then, according to a recent analysis by the Oregon Liquor Control Commission.

It's too soon to tell how the two states' regulated cannabis markets will affect each other in the long run, said Steve Lerch, Washington's chief economist.

Washington's market has experienced major upheaval in a short span, including the introduction of Oregon's regulated market, which was untaxed at first. Washington will undergo yet another big shift in July, when its medical and recreational markets will merge.

## ACCUWEATHER® FORECAST FOR ASTORIA

### Astoria 5-Day Forecast

**Tonight**  
Rain at times  
43°

Shown is tomorrow's weather. Temperatures are tonight's lows and tomorrow's highs

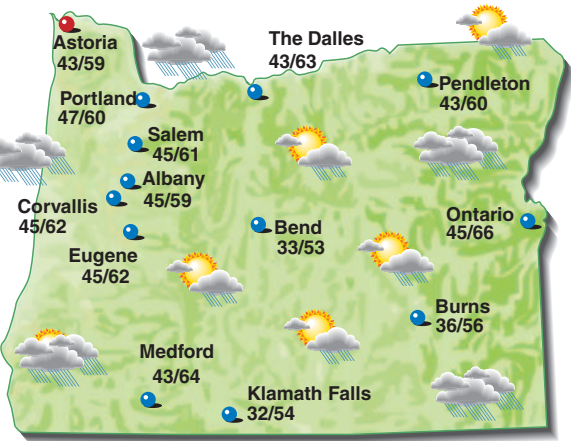
**Wednesday**  
Cloudy with a few showers  
59° 41°

**Thursday**  
Periods of rain  
59° 43°

**Friday**  
Variable cloudiness  
58° 44°

**Saturday**  
Variable cloudiness  
63° 45°

### Oregon Weather



Forecasts and graphics provided by AccuWeather, Inc. ©2016

### Almanac

Astoria through Monday.

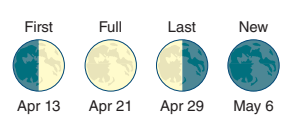
Temperatures	High	Low	Normal high	Normal low
High	57°	45°	56°	41°
Low	45°	32°	41°	27°

Precipitation

Yesterday	Trace
Month to date	0.24"
Normal month to date	2.16"
Year to date	34.62"
Normal year to date	27.25"

### Sun and Moon

Sunset tonight	7:59 p.m.
Sunrise Wednesday	6:32 a.m.
Moonrise today	10:55 a.m.
Moonset today	1:13 a.m.



### Under the Sky

Tonight's Sky: At 871 million miles away, Saturn is in constellation of Ophiuchus the Snake Bearer.

### Tomorrow's Tides

Time	High	Time	Low
6:22 a.m.	8.3 ft.	12:28 a.m.	2.7 ft.
8:03 p.m.	7.2 ft.	1:31 p.m.	0.3 ft.

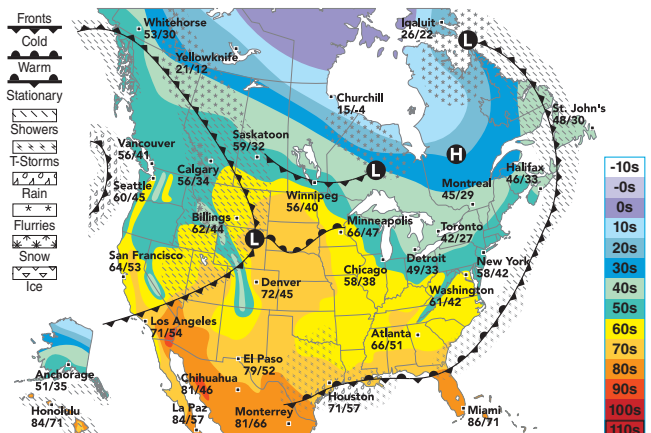
### Regional Cities

City	Today			Wed.		
	Hi	Lo	W	Hi	Lo	W
Baker City	55	33	sh	57	34	sh
Bend	57	33	c	53	33	pc
Brookings	58	46	sh	57	45	r
Eugene	60	45	sh	62	41	sh
Ilwaco	55	46	r	55	45	sh
Klamath Falls	59	32	c	54	31	pc
Medford	67	43	c	64	41	c
Newport	55	46	sh	57	44	sh
North Bend	59	46	sh	60	45	r

### National Cities

City	Today			Wed.		
	Hi	Lo	W	Hi	Lo	W
Atlanta	72	56	r	66	51	r
Boston	57	39	r	50	38	s
Chicago	48	32	s	58	38	s
Denver	69	42	pc	72	45	s
Des Moines	59	37	s	69	42	s
Detroit	49	33	s	49	33	pc
El Paso	69	48	pc	79	52	s
Fairbanks	47	25	pc	44	23	pc
Honolulu	84	71	pc	84	71	sh
Indianapolis	53	32	s	60	37	s
Kansas City	62	38	s	70	44	pc
Las Vegas	77	58	pc	81	60	s
Los Angeles	71	56	pc	71	54	pc
Memphis	67	47	s	67	55	c
Miami	84	70	s	86	71	s
Nashville	66	41	pc	70	54	pc
New Orleans	79	65	t	73	65	r
New York	60	40	r	58	42	s
Oklahoma City	69	49	s	66	46	c
Philadelphia	64	40	r	58	40	s
St. Louis	58	38	s	65	43	s
Salt Lake City	73	51	t	70	50	t
San Francisco	63	53	pc	64	53	pc
Seattle	57	46	sh	60	45	c
Washington, DC	63	41	r	61	42	s

### Tomorrow's National Weather



Shown are noon positions of weather systems and precipitation. Temperature bands are highs for the day. Forecast high/low temperatures are given for selected cities. Weather (W): s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice.

## 'Bridge Talks' mark anniversary celebration

The Daily Astorian

The Clatsop County Historical Society presents "Bridge Talks," a series of events centering around the 50th anniversary of Astoria Bridge, at 7 p.m. Wednesday in the Lovell Tap Room at Fort George Brewery.

The events take place the

second Wednesday of each month, and are free and open to the public.

April's "Bridge Talk" features a discussion panel made up of original construction team members: Capt. Gordon Howe, tug boat operator; Pat O'Brien, Astoria Ready Mix owner; Larry Peterson, technical civil engineer;

John Anderson, crane operator; and Jerry Reagor, general inspector.

For information about the Astoria Bridge 50th anniversary celebration, go to www.astoriamegler50.com. For information about the Clatsop County Historical Society, email cchs@cumtux.org or call 503-325-2203.

## DEATHS

### April 9, 2016

HILL, Joan Barbara, 85, of Seaside, died at home. Hughes-Ransom Mortuary & Crematory in Seaside is in charge of the arrangements. Go to www.hughes-ransom.com to share memories and sign the guest book.

### April 10, 2016

LEWIS, Mary Alice, 86, of Astoria, died in Seaside. Caldwell's Luce-Layton Mortuary in Astoria is in charge of the arrangements.

### April 11, 2016

FRANSEN, Walter Olaf, 92, of Astoria, died in Astoria. Caldwell's Luce-Layton Mortuary in Astoria is in charge of the arrangements.

## PUBLIC MEETINGS

### TUESDAY

**Cannon Beach City Council**, 5:30 p.m., work session, City Hall, 163 E. Gower St.

**Warrenton City Commission**, 6 p.m., City Hall, 225 S. Main Ave.

**Warrenton-Hammond School Board**, 6 p.m., budget committee, 7 p.m., regular meeting, Warrenton High School library, 1700 S.E. Main Ave.

**Clatsop Community College Board**, 6 p.m., executive session (closed to public) for labor negotiations, 6:30 p.m., regular meeting, Columbia Hall Room 219, 1651 Lexington Ave., Astoria.

**Lewis & Clark Fire Department Board**, 7 p.m., main fire station, 34571 Highway 101 Business.

**Warrenton-Hammond**

### WEDNESDAY

**Clatsop Soil and Water Conservation District Board**, 10 a.m., 750 Commercial St., Room 207.

**Cannon Beach Affordable Housing Task Force**, 1 p.m., City Hall, 163 E. Gower St.

**Clatsop County Board of Commissioners**, 6 p.m., Judge Guy Boyington Building, 857 Commercial St.

**Astoria School Board**, 6:15 p.m., study session, 7:30 p.m., regular meeting, Capt. Robert Gray School third-floor boardroom, 785 Alameda Ave.

**Wickiup Water District Board**, 6:30 p.m., 92648 Svensen Market Road, Svensen.

## LOTTERIES

### OREGON

**Monday's Pick 4:**  
**1 p.m.:** 4-8-0-3  
**4 p.m.:** 6-9-1-7  
**7 p.m.:** 3-6-8-9  
**10 p.m.:** 8-2-6-4  
**Monday's Megabucks:** 12-13-17-19-23-41  
 Estimated jackpot: \$1.4 million

### WASHINGTON

**Monday's Daily Game:** 1-8-8  
**Monday's Hit 5:** 04-14-16-21-29  
 Estimated jackpot: \$120,000.  
**Monday's Keno:** 06-16-18-20-22-27-35-37-39-45-52-54-55-59-60-66-67-70-73-77  
**Monday's Lotto:** 21-34-36-40-44-47  
 Estimated jackpot: \$9.2 million  
**Monday's Match 4:** 02-03-04-21

## CORRECTIONS

Day of celebration incorrect — J.C. Penney will celebrate its 100th anniversary in Astoria with cake and refreshments from 10 a.m. to 6 p.m. Friday. The day was incorrect in a 3A story Monday.

## OBITUARY POLICY

The Daily Astorian publishes paid obituaries. The obituary can include a small photo and, for veterans, a flag symbol at no charge. The deadline for all obituaries is 9 a.m. the business day prior. Obituaries may be edited for spelling, proper punctuation and style. Death notices and upcoming services will be published at no charge. Notices must be submitted by 9 a.m. the day of publication.

Obituaries and notices may be submitted online at www.dailyastorian.com/forms/obits, by email at ewilson@dailyastorian.com, placed via the funeral home or in person at The Daily Astorian office, 949 Exchange St. in Astoria. For more information, call 503-325-3211, ext. 257.

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