MARIJUANA: Recreational owners to pay $1,550 for initial license application

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first pot shop in Pendleton following voters' decision to legalize marijuana sales in November.

Krenzler said he wants to use his 10 years of experience in the cannabis industry to offer a customer experience similar to some of Pendleton's most popular bars and restaurants like Hamley Steakhouse and Virgil's at Cimmiyotti's.

Krenzler said it was important for Kind Leaf Pendleton to establish a good reputation in the community and work with local government leaders.

"I believe that if you're reproachable, it can further stigmatize (marijuana)," he said.

Krenzler's business partner, Brad Olson, was more blunt.

"We don't want a shady-ass place," he said.

Olson said he met Krenzler at a Pendleton city council meeting while the council was debating whether to refer marijuana sales legalization to voters. After some initial discussion, they decided to go into business together.

An owner of Cadillac Jack's Saloon & Grill, Olson said his longstanding relationship with the Oregon Liquor Control Commission, the state agency that regulates both marijuana and alcohol, shows a history of staying on the right side of the law.

Although he also works as a correctional officer at the Eastern Oregon Correctional Institution, Olson said he doesn't anticipate having a conflict with his employer since they've been accepting of his ownership stake in Cadillac Jack's.

Krenzler has been a medical marijuana advocate for several years and in 2012 he and his wife, Erin Purchase, gave her then-seven-year-old daughter medical marijuana to help treat leukemia.

The owners expect Kind Leaf Pendleton will be ready for operation in 45 days, its opening depending on the store being approved by the state and the city.

Besides the fees and background checks required by the state, the city council is considering a special marijuana business license ordinance that would impose hefty fees.

In an interview Wednesday, Krenzler said Kind Leaf Pendleton is eager to start contributing tax money to Pendleton and wouldn't mind if the licensing fees were higher.

Whether city staff were aware of his opinion or not, Krenzler got his wish.

The high price of selling weed

When the city of Pendleton released the first draft of its marijuana licensing ordinance two weeks ago, the last barrier to creating a legal cannabis market in Pendleton, the licensing fees were already much higher than the $100 it usually charges businesses.

The draft proposed recreational businesses be charged $850 to apply for a license and medical dispensaries $600. For recreational and medical business owners to renew their license, it would cost $550 and $300, respectively.

In a revised draft to be considered at Tuesday's city council meeting, city staff raised the licensing fees for recreational businesses because the Oregon Department of Revenue is charging the city to collect the voter-approved 3 percent tax.

In a report to the city council, Pendleton city attorney Nancy Kerns wrote why the staff was now asking recreational owners to pay $1,550 for the initial business license application and a $950 renewal fee.

"Department of Revenue will impose administrative processing fees in addition to the 4 percent of revenue collected," she wrote. "The additional fees are estimated, for a City the size of Pendleton, to be $947 for the first year and $547 for subsequent years. Staff recommends addition of these costs to the City's license fees."

In an interview, Kerns said these fees were necessary to cover the city's administrative costs.

In addition to the Department of Revenue's charges to the city, Kerns said the licensing fees would also help the city recoup the costs of its own background checks, even though a background check is already required by the OLCC as a part of the state application process.

"There's a rational basis for charging more," she said.

Kerns said it isn't outside the norm for local government to assess higher licensing fees, and although some local governments do charge hundreds or even thousands of dollars to their marijuana retailers, other rural cities have taken a different tack.

Huntington, a town of 440 people in Baker County, made headlines earlier this year when it welcomed its first marijuana retailer.

Since then, Huntington city recorder Tracy McCue said a second pot shop has opened in addition to a commercial marijuana grow.

McCue said Huntington didn't introduce business licenses until the council legalized sales.

Huntington now charges $100 for marijuana businesses and $50 to new, non-pot businesses.

McCue said Huntington's administrative costs have been minimal, the store owners good neighbors and the prospect of incoming tax revenue exciting.

"We need every dime this city can bring in," she said.

Echoing some of McCue's sentiments was Steve Wheeler, the city manager of Hood River.

Hood River's marijuana market is a little larger than Huntington's — five stores and an application submitted for a grow — but with an even lighter regulatory cost.

Wheeler said the city requires no licenses of any businesses, and has no current plans to introduce one.

There's been little administrative cost, Wheeler said, and unless a marijuana business needs a site plan review or building inspection, the city levies no additional costs besides the 3 percent tax.

The Dalles is also a city with legal marijuana sales and no business license requirements, although city attorney Gene Parker sees some of the merits of Pendleton's approach.

Parker said two marijuana business owners with proposed sites near each other applied to the state at the same time, but one was approved before the other.

Since The Dalles prohibits pot shops from being located within 1,000 feet of each other, the owner who was approved second is now arguing that the city should amend its zoning rules to accommodate his business.

Parker thinks a business license ordinance could help solve such a dispute and also help recoup the costs to the city's planning department, which he estimated cost $250 to $500 for each business. Huntington, The Dalles and Hood River each relied on the state background check rather than conducting their own.

Besides the marijuana business license ordinance, the Pendleton City Council will consider entering into an agreement with the Department of Revenue to collect the 3 percent tax.

In non-marijuana related business, the council will discuss amendments to the nuisance ordinance, conducting an environmental review to apply for a utility loan and accepting the titles to lots at Sunridge Estates.

The council will meet Tuesday at 7 p.m. at the council chambers in city hall, 500 S.W. Dorion Ave.

HERMISTON

Harbor Freight Tools to open December 20

East Oregonian

Hermiston's new Harbor Freight Tools store will open its doors in time for some Christmas shopping.

The store at 1810 N. First Street (the former Office Max location) will open Tuesday, Dec. 20. It will employ 35-40 people.

Eric Smidt, president of Harbor Freight Tools, said in a written statement that the company is "thrilled" to be opening in Hermiston and had received a warm welcome to the community.

"At Harbor Freight, we're all about delivering high quality tools at ridiculously low prices," he said.

Smidt said the company does that by cutting out the "middle man" and selling tools directly from the same factories as more expensive brands. The company has also invested millions of dollars in test labs to ensure quality.

Harbor Freight Tools has more than 700 locations, and Hermiston will be its 16th in Oregon. The store stocks over 7,000 different tools including automotive, air, power, shop and hand tools. Additional information can be found online at harborfreight.com.

It was just before Christmas in 2008 when Carolyn Olsen of Bend spoke to her doctor. The news was bad: multiple myeloma, a cancer that attacks blood cells. Treating it meant traveling to OHSU. She'd have to be away from home for months. But she knew she could not be away from Dennis, her husband. Throughout her treatment, he was always with her. Reading to her, giving support, being there. According to Carolyn, being together made all the difference.

To help others like Carolyn and Dennis, we're building the Gary & Christine Rood Family Pavilion, a new five-story guest house on Portland's South Waterfront. Where children and adults, facing the most serious health crises, can rest, heal and support each other. Because people heal better when loved ones can be close.

Please make a gift today. Help OHSU build a new home for healing.

"The new OHSU guest house will be very important, not just for patients, but also for their loved ones. So together you can concentrate on getting well."
– CAROLYN OLSEN

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