

Council Communication

September 2, 2014, Business Meeting

A Resolution Establishing Fees and Charges Effective September 4, 2014, for Medical Marijuana Dispensary Application Processing

FROM:

Lee Tuneberg, Administrative Services/Finance Director, tuneberl@ashland.or.us

SUMMARY:

This resolution establishes the fees intended to cover the City's costs for processing applications for medical marijuana dispensary permits. On August 5, 2014, the Council adopted Ordinance No. 3099, establishing time, place and manner restrictions on medical marijuana dispensaries. The ordinance, which goes into effect on September 4, 2014, stipulates that dispensary owners must annually obtain a City permit, separate from their state license. The ordinance stipulates that the permit application must be accompanied by an application and investigation fee, which shall be established by Council resolution. The ordinance also creates a permit renewal fee, also set by Council resolution. This resolution sets the permit application fee at \$80 and the renewal fee at \$60.

BACKGROUND AND POLICY IMPLICATIONS:

The Council has agreed to allow state-licensed medical marijuana dispensaries to locate in Ashland, subject to certain zoning and time, place and manner restrictions. One of these restrictions is a requirement that dispensaries annually obtain a City permit. Processing these new permit applications and determining compliance with permit requirements requires additional administrative work. Although some fees necessary for administering dispensary permits have already been approved by Council, some others have to be added to the list of miscellaneous fees and charges currently revised by Resolution #2014-07.

An application fee of \$80 is proposed. An applicant would also have to pay other previously established fees. The estimated cost to an applicant under normal conditions (if new fees highlighted are approved) is as follows:

Application fee (Finance)	\$80.00
Inspection fee (Building)	\$65.00
Zoning/Building Review fee (Planning)	\$28.00
Background Processing (Police) per person	\$15.00
Fingerprinting fee (Police) per person	\$35.00
Total for City	\$223.00

This total for any particular permit applicant will depend upon how many people have to have background checks. The application fee will be prorated depending on the time of the application. Some fees will be reduced for the annual renewal if added work is not required. See the attached resolution for added detail.



Please note that the applicant will also have to pay to the Oregon State Police an amount for their processing, currently set by the state at \$12.00 per person.

FISCAL IMPLICATIONS:

The new and existing charges are believed to be sufficient to cover the City's costs. Since this is a new process there may be some adjusting in fees requested in the next year or two as staff submits the Miscellaneous Fees & Charges document for review.

If approved, the new fees become effective on September 4, 2014, in keeping with the already approved process for permitting medical marijuana dispensaries and lifting of the moratorium.

STAFF RECOMMENDATION AND REQUESTED ACTION:

Staff recommends that Council approve the attached resolution, adding necessary fees.

SUGGESTED MOTION:

I move to approve a resolution titled, "A Resolution Establishing Fees and Charges Effective September 4, 2014, for Medical Marijuana Dispensary Application Processing."

ATTACHMENTS:

Medical Marijuana Fees Resolution



RESOLUTION NO. 2014-

**A RESOLUTION ESTABLISHING FEES AND CHARGES EFFECTIVE
SEPTEMBER 4, 2014, FOR MEDICAL MARIJUANA DISPENSARY
APPLICATION PROCESSING**

Recitals:

- A. The City currently has many resolutions and ordinances that establish fees for different departments and activities that are included in a single document and updated annually.
- B. To fully recover its cost the City needs to charge fees for routine and establish new fees for unique additional work that relate to the application for operating a medical marijuana dispensary.
- C. The City approved operation of medical marijuana dispensaries on August 6, 2014, with the provision that fees would be charged for the series rendered to process applications. Acceptance of such applications will begin on September 4th, 2014, and the proposed fees need to be in place that day.
- D. Other fees may also be charged where applicable but do not require approval as part of this resolution.
- E. Staff recommends approved new fees be effective on September 4, 2014.
- F. The City desires to eventually incorporate these fees within the annual process and resolution to update all miscellaneous fees and charges.

THE CITY OF ASHLAND RESOLVES AS FOLLOWS:

SECTION 1. The new fees and charges identified within the attached Summary of Medical Marijuana Dispensary Permit Fees represents City staff's best estimates of related costs for the unique steps for processing medical marijuana dispensary applications. Existing fees are provided for informational purposes only.

The attached hereto and incorporated herein by this reference, is hereby approved and establishes the new fees and charges for City services provided to process medical marijuana dispensary applications. Other routine existing fees may also be charged for application processing where applicable.

SECTION 2. The new fees and charges will be incorporated in the City of Ashland Municipal Fees and Charges document and future changes will be considered as part of the annual review of that document.

SECTION 3. This resolution was duly PASSED and ADOPTED this _____ day of _____, 2014, and takes effect upon signing by the Mayor.

Barbara Christensen, City Recorder

SIGNED and APPROVED this ____ day of September, 2014.

John Stromberg, Mayor

Reviewed as to form:

David Lohman, City Attorney

Administrative Services Miscellaneous Fees & Charges

Medical Marijuana Dispensary Permit Fees:

Permit Application Fee

Initial application - July 1 – June 30

\$80.00

Applicant shall pay a prorated fee of \$10 for each month, or portion of a month, remaining in the fiscal year, from the date of the application with a minimum fee of \$40.00 and an \$80.00 maximum.

\$10.00/month

Permit Renewal Fee

Due each July 1

\$60.00

Late Application Fee

After the start of business

\$25.00

Late Renewal Fee (paid 30 days after the due date)
of \$25.00

10% with a minimum

Police Miscellaneous Fees and Charges

Medical Marijuana Dispensary Permit Fees:

Background, each occurrence
(requires fingerprinting at current charge)

\$15.00/person