

City of Florence

Recreational Marijuana Tax Fact Sheet

A proposed tax on the sale of recreational marijuana and marijuana items will appear on the November 8, 2016 ballot as Measure _____. The measure will give registered voters the opportunity to approve or disapprove a proposed city tax on recreational marijuana retailers' sale of marijuana items within the City of Florence.

Q. What does the marijuana tax measure purpose?

A. If adopted by the voters, this measure would impose a city tax on sales of marijuana items (including marijuana, marijuana products and marijuana extracts) by recreational marijuana retailers licensed by the Oregon Liquor Control Commission and located within the City of Florence. This tax would be in addition to the state tax already imposed on marijuana items.

Q. What would the city tax rate on recreational marijuana sales be in the City of Florence?

A. If adopted by the voters, the City Council would have the authority to set the amount of the city tax, but the city tax could not exceed the amount allowed by state law which is currently capped at three percent of the retail sales price of a marijuana item.

Q. How would the tax be collected?

A. The tax would be collected from consumers by recreational marijuana retailers at the point of sale. Recreational marijuana retailers would remit the tax to the City.

Q. Would the tax be imposed on medical marijuana sales?

A. No, if the tax is adopted by voters it will not be imposed on medical marijuana items.

Q. Where would the tax money go?

A. Revenue collected from the tax would be available for the City to use for any city purpose.

Q. How would this measure affect the state tax on recreational marijuana?

A. If the measure is adopted by voters, the city would impose a 3% city tax on top of the already existing 17% state tax, making the total tax 20% on recreational marijuana items within the City of Florence.

Q. Would this measure legalize recreational marijuana in the City of Florence?

A. No, recreational marijuana was legalized by Measure 91, passed by voters on November 4th, 2014. If adopted, this measure would allow the City of Florence to tax recreational marijuana retail sales within Florence city limits

Q. Are recreational marijuana sales allowed in Florence, and if so where?

A. Yes, recreational marijuana sales have been allowed in Florence since October 1st, 2015. For more information on the zoning districts where recreational marijuana retail stores are permitted, please visit the City of Florence website at: <http://www.ci.florence.or.us/planning/marijuana-business-regulations>

Q. Where can I read the full ballot measure and explanatory statement?

A. The full ballot title and explanatory statement, as well as other information on the measure, can be found on the City of Florence website at <http://www.ci.florence.or.us/council/city-recreational-marijuana-tax-measure>



CITY OF FLORENCE MEMORANDUM

TO: All Employees

FROM: Kelli Weese ` City Recorder

SUBJECT: GUIDELINES FOR EMPLOYEES
REGARDING OUR BALLOT MEASURE #20-251

DATE: September 16, 2016

Under Oregon statute ORS 260.432, public employees in the State of Oregon may not use their work time, public resources, or public supplies to support or oppose measures, candidates, political committees, or petitions. However, the statute also maintains that public employees have a right to express personal political views. We all need to be careful during the next several months before the election regarding our Ballot Measure #20-251

Here are some general guidelines to follow.

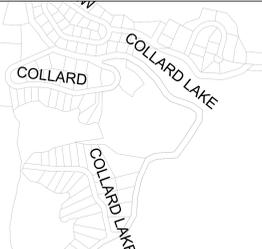
1. During work time, do not
 - a. Prepare or distribute materials which support or oppose our ballot measure, and do not advocate voting in favor or against the measure. In contrast, you may answer questions from the public and express statements of fact concerning the measure, or statements concerning your understandings of the impacts of passage or defeat of the measure, for example.
 - b. Be involved in activities such as collecting funds on behalf of or in opposition to our ballot measure.
 - c. Post website information, transmit emails or make any presentation that advocates a position on our ballot measure.
 - d. Make outgoing calls or send emails to schedule or organize campaign events which support or oppose our ballot measure.

2. Campaign materials and campaign buttons can be displayed in your private work space, so long as they otherwise comply with City policies (including uniform policies) and so long as you did not create the materials during work hours and no public resources were used to create the materials. Be mindful that the materials and buttons may not indicate that the City or its employees are taking an official position on the measure. For example, it is lawful to wear a button that states (union name) support or that states (union name) membership support.

3. You can use your personal time (lunch hour, breaks, authorized leave time, days off) for political activity in which you advocate for or against a measure or candidate, but this is strictly voluntary on your part. Again, you may not use public time or resources in doing so.
4. Exempt (salaried) staff must be careful both during their normal work hours and after their working hours. They must not advocate on behalf of or against our ballot measure if they are considered to be in their “official capacity.” We suggest you keep a log during this time of your on-duty time and the times you are engaging in political activity off duty. Also, if you do make a public appearance you should specifically announce to the audience that you are speaking about your personal views in your personal capacity and not as an employee or on behalf of the City.
5. You may address with other employees the possible effects of the ballot measure passage and/or failure while on the job, in a factual and impartial manner, so long as you do not advocate voting for or against it.
6. You may place a campaign sign on your own personal vehicle even if you park it at the City of Florence. You may place a lawn sign at your home.

Although these guidelines are stated to specifically address our ballot measure, they are guidelines you should follow for any measure or candidate on a ballot as these rules apply to public employees in all elections.

City of Florence Zoning Map



Zoning Districts

Residential

- Restricted
- Single-Family
- Mobile Home/
Manufactured Home
- Multi-Family
- Coast Village

Commercial

- Neighborhood (NA)
- Mainstreet Area A
- Mainstreet Area B
- North Commercial
- Commercial
- Highway

Industrial

- Marine
- Pacific View Business Park
- Limited Industrial
- Service Industrial

Mixed Use

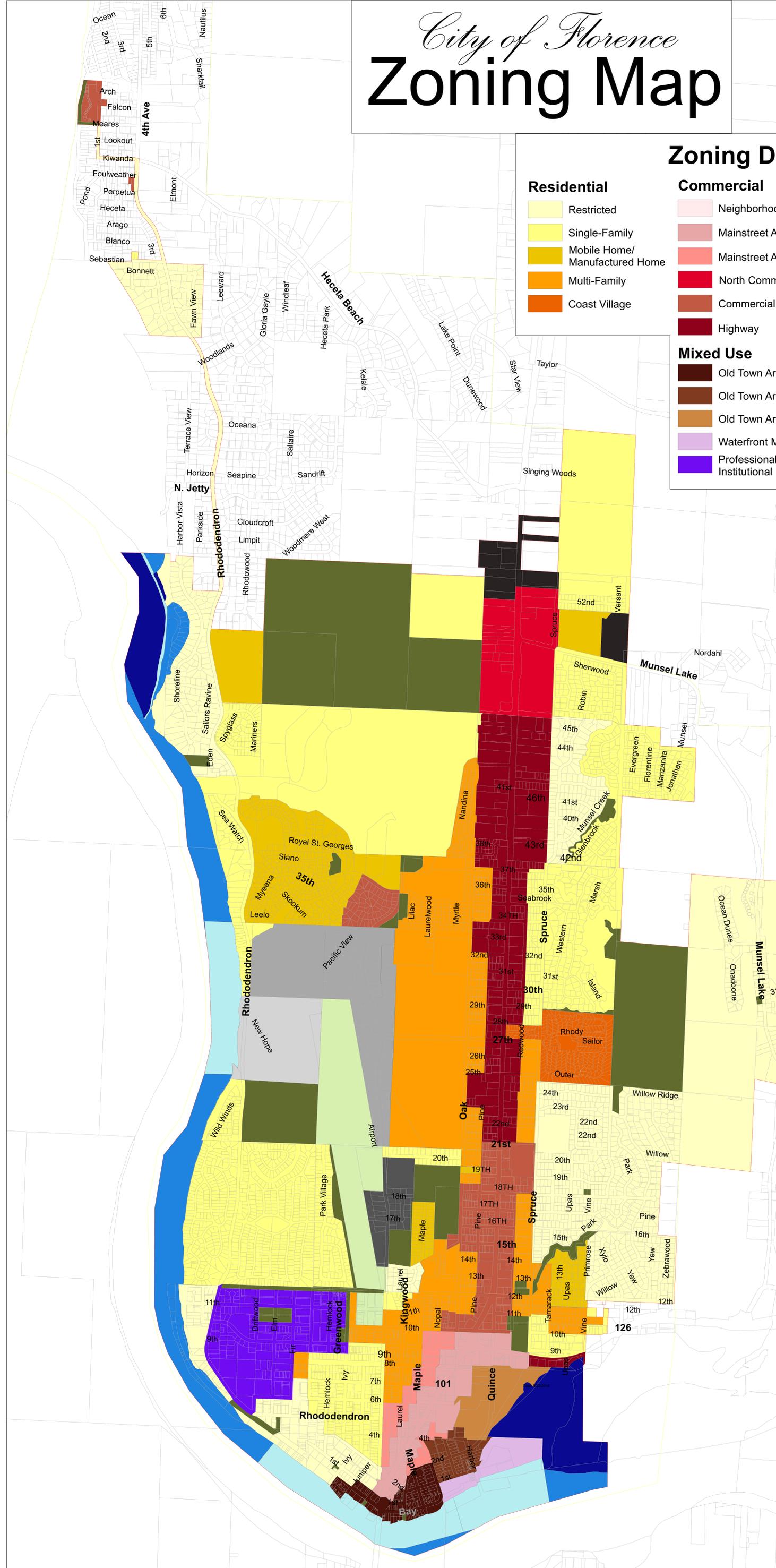
- Old Town Area A
- Old Town Area B
- Old Town Area C
- Waterfront Marine
- Professional Office/
Institutional

Other

- Open Space
- Public Use Airport
- City Limits
- UGB
- Development Estuary
- Conservation Estuary
- Natural Estuary

Other Overlays (See Separate Maps)

- Public Use Airport Safety & Compatibility
- Telecommunications Facilities
- Coastal Overlay Zoning Map





City of Florence
A City in Motion

250 Hwy 101 N.
Florence, OR 97439
(541) 997-8237
Date: 8/23/2016

Financial assistance for this map and the data contained was provided in part by the Coastal Zone Management Act of 1972, as amended, administered by the Office of Ocean and Coastal Management Program, Department of Land Conservation and Development.

Property lines shown on this map have been gathered from various sources and generally reflect tax lot lines. These lines do not necessarily correspond to legal, buildable lots. Prior to making any decisions about a property, it is advised that you check with the City regarding the status of the lot.

Memo:

To: Erin Reynolds, City Manager

From: Andy Parks, Finance Director

Date: August 23, 2016

Re: Status of Spruce Street Local Improvement District Assessments

District 302

Cannery Station, LLC - past due

Original assessment - \$193,937

Last payment – April 2013

Past due principal - \$ 29,091

Past due interest - \$ 25,092 (as of 5/1/2016)

Total past due - \$ 54,183

Total payoff amount - \$189,939 plus accrued interest from 5/1/2016

Interest rate - 5.06%

A change in ownership of the Cannery Station LLC occurred March 21, 2014, due to the death of one of the members. The City has previously communicated with the Owner/Representative of the LLC (Charles McGlade, M.D.), including providing detailed explanations of the benefits of the infrastructure improvements to the property and loan terms.

I spoke to Dr. McDiade today. He informs me that he is working with three groups for outside funding to move the project forward. He is also working with his lender to restructure existing financing. His objective is to restructure the loan and have funding in place by the end of this year.

The estimated real value of the property per the County Assessor is \$3.9 million.

District 301

Total original assessments - \$1,266,212

Total remaining principal balance - 937,471

Three primary owners:

McGill Holdings, LLC – Account is current

Original assessment - \$759,963

Current principal balance - \$552,383

James and Susan Genereaux - Account is past due

Original assessment -	\$316,406
Past due principal -	\$ 94,922
Past due interest -	\$ 81,191
Total due -	\$397,597

The above properties (lots 202 and 203) consists of approximately 10 acres. It has not been sub-divided for housing development. The land use approval for these parcels has expired. Mr. Genereaux plans to submit previously approved plans for land use approval, combining phase II and III into a single phase for a total of approximately 45-48 lots. Projected price range for finished homes is \$220,000 - \$300,000. He expects to submit his application in the next six-seven months. The estimated value of these parcels is \$652,000.

Hickson Development Group – Some accounts paid in full, others past due

Hickson Development Group is the development company that holds the sub-divided lots from Mr. & Mrs. Genereaux phase I development. A total of 21 lots, each had an original assessment of \$9,040. The assessments against thirteen of the original lots have been paid in full. Eight lots have the following individual balances:

Original assessment -	\$ 9,040
Past due principal -	\$ 2,486
Past due interest -	\$ 2,262
Total past due -	\$ 4,748
Total amount due -	\$11,076

Totals

Original assessment -	\$72,320
Past due principal -	\$19,888
Past due interest -	\$18,096
Total past due -	\$37,984
Total amount due -	\$88,608

Presently local homebuilder Dan Lewis is building a home each one-two months on the lots in this phase. At the time the home is completed and sold the assessment is paid in full. Based on current activity, and past transactions, all assessments for these lots are projected to be paid off within the next eighteen months to two years.

I did not research the underlying value or other information on these properties, however, the real market value of each lot is expected to be much greater than the total amount due.

Discussion of Alternatives:

1. Continue to provide flexibility and work with the property owners to achieve their development objectives. This includes extending repayment as long as the owner

continues to actively pursue development(s) and the City is adequately capitalized to make principal and interest payments on the outstanding debt obligations.

2. Initiate collection efforts.

Recommendation:

In addition to the communications above, I discussed the issue with the City Attorney. Based on our conversation and the following considerations:

- The City's previous flexibility working with these property owners,
- The status of the City's LID Debt Service Fund, i.e., adequate cash to repay debt service for four years,
- Outstanding balances earn 5.06% compared to cash balances earning less than 0.5%,
- Property values today are likely greater than they were in 2010 when the properties were assessed,
- Property values today appear to be greater than the outstanding total balances owed today, and
- Collection efforts will cost the City both in time and dollars and may send a message that the City of Florence does not work with property owners/developers during difficult times,

I recommend the City continue to work with the property owners to achieve their development objectives and provide flexibility to repay their outstanding assessments.

My recommendation includes the City making more frequent communication with the property owners/developers to remain current on their plans and encouraging or, potentially at some point depending on circumstances that may change, requiring timely payments of interest and possibly principal.

If the owners/developers do not make progress on the schedule they commit to or the City's ability to timely pay its debt obligation and or its security in the above properties appear to potentially impair the City's ability to repay its debt obligation the City should increase its efforts to collect the obligations.