

CALL TO ORDER The Regular meeting of the Seaside City Council was called to order at 7:00 PM by Mayor Don Larson.

Present: Mayor Don Larson; Council President Don Johnson; Councilors Jay Barber, Tita Montero, Randy Frank, and Stubby Lyons.

Absent: Councilor Dana Phillips

Also Present: Mark Winstanley, City Manager; Dan Van Thiel, City Attorney; Bob Gross, Seaside Police Chief; Russ Vandenberg, Convention Center & Visitors Bureau General Manager; Joey Daniels, Seaside Fire Chief; and Nancy McCarthy, Daily Astoiran/Seaside Signal.

COMMENTS – STUDENT REPRESENTATIVE

Mayor Larson stated he would allow Danny Leary, Student Representative, to speak prior to Council approving the agenda.

Danny Leary, Student Representative, stated everything had calmed down a little after winter break. There were many seniors scrambling to get applications and paperwork filled out. The Senior Research Papers were finished and turned in which needed to be done to graduate. The girl’s basketball team was doing very well and had lost only two games and was running fifth in the state.

AGENDA

Motion to approve the January 13, 2014 agenda; carried unanimously. (Lyons/Montero)

INTRODUCTION – SEASIDE POLICE DEPARTMENT

Bob Gross, Seaside Police Chief, swore in Seaside Communications Clerk, Diana Pappas and introduced her to the City Council.

COMMENTS – PUBLIC

Bud Earl, 40 Avenue ‘U’, Seaside, which was on the Prom and a series of condominiums at the Ambassador by the Sea. Mr. Earl stated he had concerns with the growth coming up between his condominium and the ocean. Mr. Earl had spoken to the gardener, who had cut the growth last spring for a neighbor. Mr. Earl had spoken to a Police Officer and also spoke to the owners at the Inn at the Shore and was told to go to City Council. Mr. Earl further stated he had spoke with Kevin Cupples, Planning Director, in October, 2013, and asked if he could have the blackberries, Ivy, and Scotch broom taken out and Mr. Cupples stated he would take a look at the growth and get back to Mr. Earl. Mr. Earl had still not heard back from Mr. Cupples.

Mr. Winstanley stated he would speak to Mr. Cupples about Mr. Earl’s concerns and asked Mr. Earl to leave his phone number so that Mr. Cupples could contact him.

Mr. Earl stated he lived in Seaside approximately sixty days out of the year and his permanent resident was in The Dalles. Mr. Earl gave Mr. Winstanley his phone number.

CONFLICT

Mayor Larson asked whether any Councilor wished to declare a conflict of interest.

Councilor Montero stated she had conversations two week ago with Steve Geiger, owner of Highway 420.

CONSENT AGENDA

Motion to approve payment of the bills in the amount of \$1,281,565.54; and December 9, 2013, regular minutes; carried unanimously. (Frank/Johnson)

VACANCY – LIBRARY BOARD

Mayor Larson stated there was one vacancy on the Library Board with two applications received from Gloria Linkey and Catriona Penfield. Mayor Larson asked Council what they wished to do.

Motion to close the vacancy on the Library Board and nominate Gloria Linkey and Catriona Penfield and conduct interviews at the next City Council meeting; carried unanimously. (Montero/Lyons)

Mayor Larson stated interviews for the Library Board would be conducted prior to the City Council meeting Monday, January 27, 2014.

**VACANCY –
PLANNING COMMISSION**

Mayor Larson stated there was one vacancy on the Planning Commission with one application received from Robert Perkel. Mayor Larson asked Council what they wished to do.

Motion to appoint Robert Perkel to the Planning Commission; carried unanimously.
(Barber/Frank)

Term expiration for Robert Perkel would be November 1, 2017.

**VACANCY –
TOURISM ADVISORY
COMMITTEE**

Mayor Larson stated there was one vacancy on the Tourism Advisory Committee with two applications received from Sadie Mercer and Patrick Duhachek and applications were closed December 31, 2013. Mayor Larson asked Council what they wished to do.

Motion to nominate Patrick Duhachek to the Tourism Advisory Committee, and conduct interviews prior to the City Council meeting Monday, January 27, 2014; carried unanimously.
(Johnson/Lyons)

**PRESENTATION –
2012-2013 CITY OF
SEASIDE AUDIT**

Mayor Larson stated Council had met with Rick Proulx prior to the City Council meeting to review the audit.

Rick Proulx, Kern & Thompson, stated for the year end of June 30, 2013, there was an audit performed of the financial statements in compliance with the City. Mr. Proulx further stated the audit was performed in accordance with general accepted auditing standards and rendered an opinion. The opinion on the financial statements for the City of Seaside was that the financial statements were fairly stated and all true in respects. The amounts and disclosures were proper and adequate and everything was recorded properly in the right year and the statements were suitable for the presentation and were available to the public.

Mayor Larson asked if Council had any questions for Mr. Proulx.

Motion to approve the 2012-2013 City of Seaside Audit; carried unanimously.
(Johnson/Lyons)

**LIQUOR LICENSE
APPLICATION**

Mayor Larson stated there was a liquor license application received from the Seaside Station located at 231 S. Holladay Drive. Mayor Larson further stated this was for change of ownership and the business was applying for an Off-Premises Sales License. Mayor Larson asked if the owner Wan Chul Yoo was present, and the owner was present for questions.

Councilor Frank asked if the business would be open year round.

Wan Chul Yoo, Seaside Station owner, stated the business would be open all year.

Councilor Barber stated he was glad to see the station open again which was a good location that serviced many people in the area.

Motion to approve the Off-Premises Sales License for the Seaside Station located at 231 S. Holladay Drive; carried unanimously. (Barber/Johnson)

**APPEAL BUSINESS
LICENSE DENIAL –
HIGHWAY 420**

Mayor Larson stated there was a business license denial appeal from Highway 420, 1803 S. Roosevelt, #C, Seaside. The owner was Steve Geiger and he was appealing the business license denial.

Mr. Winstanley stated in advance Council was given the following information pertaining to the denial of the business license. A letter from Bob Gross, Seaside Police Chief, a letter from Karen Lee Gillis who was commenting on the denial, and Highway 420 denial letter, appeal letter, business license application, and business license inquiry. Mr. Winstanley further stated the City of Seaside denied the business license renewal for "Highway 420", a retail store providing gifts, novelties, and kites. The City was made aware that marijuana was being distributed from this site. The retail distribution of marijuana was outside the scope of the owner's current business license and in violation of federal law. Mr. Winstanley further stated at present, Highway 420 was not a licensed medical marijuana distribution facility in the State of Oregon. The owner had not applied for nor received a business license authorizing the distribution of marijuana. Mr. Winstanley further stated he would turn this over to the Police Chief for further information for the Council.

Bob Gross, Seaside Police Chief, stated in November 2013, he met with City Attorney, Dan Van Thiel, to discuss the recent denial of a business that had applied to dispense medical marijuana in the downtown corridor as well as the ongoing operations of Puffin Tuff and Highway 420.

Based on that conversation and review of City Ordinances, the City Attorney felt the City was on solid ground to deny the recent application. In discussing the ongoing operations of Puffin Tuff and Highway 420, the City Attorney felt the City could refuse to renew their business license. Chief Gross stated he was asked to provide information to demonstrate the ongoing sale of medical marijuana at both locations to support the city's refusal to renew the business licenses. Chief Gross further stated on October 16, 2012, Highway 420 submitted an application for a city business license indicating their business was the sale of gifts, novelty, and kites. Although the Police Department recommended denial as "420" is a drug related term, the city did grant their application. Chief Gross further stated in the case of Highway 420, the Police Department learned in 2013, that they were selling medical marijuana out of the back of their store. This was not only a violation of Federal Law; it was outside the scope of the business license for which they had been granted. Chief Gross further stated on October 29, 2013, Sergeant Knight responded to a dog bite incident at Highway 420. Sergeant Goodding assisted on the call in an effort to gather more information about the business. During the conversation with the owner he represented himself as the "Seaside OMMMP" club. When asked to explain he responded that it was part of the Oregon Medical Marijuana Program. When asked what the club entailed, the owner stated it was like Puffin Tuff where someone with a medical Marijuana card or valid ID could reimburse the grower for medical Marijuana. When Sergeant Goodding explained that what the owner described was illegal, the owner responded "Once the Governor signed the bill, our attorneys tell us everything is in flux until the rules... we plan on paying for the license and becoming a state licensed dispensary at the time that happens. Right now we are on a flux period and my understanding was, until the rules were written stores could continue as they were". Sergeant Goodding also explained to the owner that he was in violation of some stated administration rules about displaying and selling drug paraphernalia as items to consume marijuana instead of tobacco and the owner responded, "I understand that, all of those rules are antiquated and going away". A video of the conversation was available. Chief Gross further stated after that contact it was clear that Highway 420 was not only a retail outlet but was engaged in a second business, selling medical Marijuana from the back portion of their business. Chief Gross further stated within the past 60 days, the Police Department conducted a controlled buy of medical Marijuana from Highway 420 using a confidential reliable informant (CRI). The purchase was overseen by Sergeant Barnett using standard control buy procedures. During the purchase of Marijuana, the CRI was not asked to provide any medical Marijuana card and had no identification with him. The CRI successfully purchased Marijuana and based on the description of the person selling marijuana, it appeared to be the owner. Chief Gross further stated Council had information that Highway 420 was clearly not only allowing Marijuana to be purchased in violation of Federal Law but had provided it to a person without the required medical marijuana card. In addition the business was untruthful on their application for a city business license. Highway 420 was clearly in violation of Seaside City Ordinance 110.04 Unlawful, Illegal, or Prohibited Businesses Not Authorized and Highway 420 was also in violation of Ordinance 110.07 Persons Operating More Than One Business. Chief Gross recommended Highway 420 was denied the renewal of their business license for 2014.

Steve Geiger, 1803 S. Roosevelt Unit C, Seaside, stated he was the owner of Highway 420 and was a Cannabis Activist. Mr. Geiger further stated he moved his family to Oregon in 1992 from California and purchased a home in Aloha and immediately became an activist and had been one since. Mr. Geiger was involved with the water department, water board, witness against lawless logging, various environmental groups, and became a national delegate for the green party on all levels. Mr. Geiger had stability in his life and was not a criminal but was an IT person for twenty-five years. Mr. Geiger further stated when he first moved to Seaside he saw the Rasta store which was very much like the store he owned which was kites, novelties, shirts, and jewelry. There was also water pipes and contrary to what was said earlier it was legal in Washington and for medical people in Oregon and the laws that applied to illegal uses did not apply to his store or the Seaside Tobacco shop which was a head shop masquerading as a tobacco shop for years. Mr. Geiger further stated his take was that his store was no different than the store that had been in Seaside for twenty years. Mr. Geiger further stated after the governor signed the bill to legalize dispensaries in Oregon there had been a great deal of contact at his store by locals asking for help and there was a decision to sublet a space in the store to a collective which then began helping people. Randy in the business office was contacted and added the sublet. There had not been any discussion with the Police Chief and that was a mistake Mr. Geiger had made. Mr. Geiger further stated he received the denial letter for the business license and he wanted Council to be aware that the sublease had been terminated with "Seaside Green Cross Collective" and all operations had ceased as of December 31, 2013. Once he was aware of the issue with the sublet he immediately contacted Mr. Winstanley and informed him that he would do whatever was necessary to meet all City ordinances. Mr. Geiger further stated considering the City had given the marijuana dispensary "Puffin Tuff" multiple renewals of their business license in the past, he thought it was reasonable to assume the city would approve the sublet of a collective and once the denial was received the sublease was terminated. Mr. Geiger further stated the store had been a welcome addition to the community and was not involved in any illegal activity. The community had welcomed the addition but did not want to damage the reputation or relationship with the City. Mr. Geiger further stated since there had been an immediate response to the surprise situation, he hoped to be given the right to resume the original business without the operation of the collective and wanted to cooperate with the City. Mr. Geiger further stated he wanted to address what the Police Chief had stated because it was the prime directive to look at cards and identifications and there was nothing more important when in the medical marijuana area.

There was no situation that could be possible where anyone who came into the store would be sold Marijuana without identification or a medical card. Without proof or something to see then that just did not happen because he was the only person other than his wife and they were the owners. The other members of the collective were in the back of the store and the identification would already have been checked. There had never been a non card holder that walked into the store and purchased medicine and he would guarantee that.

Mayor Larson stated the discussion was for Highway 420 and not the Tobacco Store for the last twenty years.

Mr. Geiger asked that Highway 420 not be confused with Puffin Tuff because they were two very different stores

Mayor Larson stated each business had separate issues. Mayor Larson further stated Mr. Geiger spoke about the rules and the laws being antiquated and going away.

Mr. Geiger stated he was referring to the incident when the police made an unrelated visit to the store about an officer commenting on some of the products in the store being illegal because they were for paraphernalia. Mr. Geiger's comment specifically to that was the fact that those laws did not apply when it was legal in the state that was twenty miles from here and was legal for medical people.

Mayor Larson stated the laws did apply to this specific issue and location.

Mr. Geiger asked which laws those were.

Mayor Larson stated the laws that the Chief of Police went by and just because there was going to be a change and it was antiquated had nothing to do with the issue right here tonight.

Mr. Geiger stated the issue was being confused and the Mayor was referring to dispensaries but he was referring to the products sold in his store not the marijuana medicine that was sold. Mr. Geiger was speaking specifically to his store about products like pipes that were sold and he knew what the law stated concerning medical marijuana.

Mayor Larson asked Chief Gross if the issue was being confused.

Chief Gross stated Mr. Geiger was referring to the violation with administrative rules when it had to do with marketing drug paraphernalia. The paraphernalia needed to state for tobacco purposes only.

Mayor Larson stated Mr. Geiger was also denying that the police made a buy.

Mr. Geiger stated it was never a buy but there was reimbursement. Mr. Geiger further stated he emphatically denied that there was marijuana purchased without identification and was willing to go with a lie detector test to prove this.

Mayor Larson stated the City had a marvelous Police Chief, Lieutenant, Detective, and four Sergeants.

Mr. Geiger stated he read about Detective Barnett earlier today which was the one that lied in court and had problems.

Mayor Larson asked Chief Gross where to go from there.

Chief Gross stated Detective Barnett was at the meeting and if Council wanted him to speak about how the buy was accomplished he would.

Mayor Larson stated he relied on what Chief Gross stated.

Chief Gross stated he was not sure there was a need for the explanation.

Mr. Geiger asked if he would get to hear whom the person was that made the buy and get to see their identification.

Chief Gross stated that information would not be released to protect the confidential informant.

Mr. Winstanley stated it might be helpful for Chief Gross to explain how a controlled buy would happen.

Chief Gross stated a controlled buy was where a confidential informant was first searched completely and everything was removed outside of what you exactly want him or her to take with them when they make a purchase. The Sergeant made a decision to not provide the confidential informant with identification and made sure that he only had enough money to purchase the medical marijuana. The informant was then observed going into the store and then coming out of the store and went immediately to the Sergeant and when searched the medical marijuana was the only thing on him.

Mr. Geiger asked if that person was a card holder.

Chief Gross stated that person was a card holder at one time but had never been to Highway 420.

Mr. Geiger stated this simply was not true and he did not know what was happening or if this was some small town politics. This was just not true and he did not appreciate what was happening here. He was a honest person and this had never taken place in his collective and had no idea what was going on but he did not like it. If this needed to go further and be taken to court and spend taxpayer's money then he would. Mr. Geiger further stated he was a business man and was a good person and did not deserve what was happening and did not think it was right.

Councilor Montero stated she was disturbed to hear what Chief Gross had reported to Council. The other issue was that Mr. Geiger sublet part of the store to a collective and she wanted to know for sure that the sub lease was terminated and if given another license that the parameters of the business license would be followed until such time as other changes had taken place.

Mr. Geiger stated absolutely he would follow all guidelines of the business license.

Councilor Montero asked when the sub lease was terminated.

Mr. Geiger stated the day the letter of denial was received was when the lease was terminated. There were many patients that were upset and now had to drive forty to fifty miles to get good quality. There were many people in Seaside and many of the patients were older like the people of the Council who were trying to get off Oxycontin and other things and that was what the store helped them to do. All products were tested and nothing was taken from outside of the store.

Councilor Frank stated Council was not arguing the good it might do or the need. There was a business license issued to Highway 420 for a certain reason and Mr. Geiger had stated he sublet part of the store out for something that was not legal.

Mr. Geiger asked if he could explain.

Councilor Frank stated it was like a speeding ticket either you went fast or you did not.

Mr. Geiger stated he did sublet part of the store and when he moved to Seaside he found out something disturbing and that was that people don't tell the truth but tell what others want to hear and that way you can be a tobacco store for twenty years and actually be a head shop or it can be a resource center and be a dispensary.

Councilor Frank stated Mr. Geiger lied.

Mr. Geiger stated when the City person called and asked about the business license she stated she had been hearing things and asked what type of business Mr. Geiger told her same business but would now be allowing a sublet for a collective.

Councilor Frank stated even if Council agreed with the thought of medical marijuana if it was illegal then it could not be approved. If that changed in the future that may be different.

Mr. Geiger stated House bill 3460 had it written into the law that communities could not do what Seaside was trying to do right now. They thought about this and wrote it into the law and places like Fairview, Gresham, Troutdale, and Tualatin had all tried to put up barriers and had been rebuked harshly.

Councilor Montero stated this was not about putting up a barrier but was about having a business license that was approved for a certain type of business and doing a different type of business. Currently there was no State license and was illegal the way it was being done. Councilor Montero further stated this was about what Mr. Geiger's business license stated, what had been done under that business license, and what was intended to be done.

Mr. Geiger stated he would be in Seaside long term which was his home and these were changing times and sometimes with the law you either step on it or step around it and I know that cannot be done. Once the business license was denied then the sub lease was stopped.

Councilor Barber stated his personal opinion was that he was looking forward to medical marijuana being available to patients that needed it. Councilor Barber's obligation as a Councilor was that the law was followed and it was clear that with the name of the store the intention was to provide access to medical marijuana out of the store. Councilor Barber asked what Highway 420 meant?

Mr. Geiger stated absolutely not and Highway 420 was a code name for cannabis related products which had been sold in the store. There could be a store that sold those types of products without being a dispensary.

Mr. Geiger further stated nothing illegal would be done in the future and he wanted to work with the City and had immediately stopped the business once the denial was received.

Chief Gross stated Mr. Geiger was part of the collective but did not indicate to the business license clerk that he was part of the collective but was subletting to a collective.

Mr. Winstanley asked Mr. Geiger to describe the operations of a collective.

Mr. Geiger stated medicine was never taken off the street and he had always had his own collective and was a grower. A collective works when someone came into the store and wanted to go to the back for medical marijuana there identification and medical card were looked at and compared. There was a room with different types of cannabis and once cannabis was selected and reimbursed, it was weighed out and put into a prescription bottle and that was the end of the transaction.

Councilor Johnson asked if there was a state license.

Mr. Geiger stated there was a state license and March 3, 2014 was when you could apply but was not available right now.

Councilor Montero asked if there was a license to be a grower.

Mr. Geiger stated there was a license to be a grower because they could take extra and sell to dispensaries.

Mayor Larson asked if the City Attorney had any comments.

Dan Van Thiel, City Attorney, stated the focus was correct and he was asked by the City if the businesses violated the law and his opinion was that it did violate the law. Things would become more complicated because the State of Oregon and the Federal Government meet head on with the issue. In March the State of Oregon would allow people to apply but the federal law would still be violated and the federal law was over the state law.

Mayor Larson stated the decision was not whether the issue was a good or bad item but whether the original business license should be renewed.

Councilor Montero stated there were two issues and that was the sales issue with the undercover buy and the other issue was having already terminated the sub lease with the collective.

Council President Johnson stated there were two issues, the person had made a mistake in operating a business in a false environment, and the other issue was a business that wanted to operate a business under the letter of the law and that was very difficult.

Councilor Montero asked Chief Gross if she sold someone pot and it was an undercover buy and was caught, what would happen.

Chief Gross stated that would be criminal charges, delivery of a controlled substance.

Motion to approve the business license for Highway 420, 1803 S. Roosevelt #C, Seaside, under the current business license application selling gifts, novelties, and kites with no sub lease ; carried with the following roll call vote. (Montero/Johnson)

YEAS: FRANK, LYONS, JOHNSON, MONTERO, BARBER,

NAYS: LARSON

ABSENT: PHILLIPS

ABSTAIN: NONE

**APPEAL BUSINESS
LICENSE DENIAL –
PUFFIN TUFF**

Mayor Larson stated there was a business license denial appeal from Puffin Tuff, 1525 S. Roosevelt. The owner was Jonathan Preuss and he was appealing the business license denial

Mr. Winstanley stated in advance Council was given the following information pertaining to the denial of the business license. A letter from Bob Gross, Seaside Police Chief, a letter from Karen Lee Gillis who was commenting on the denial, and Puffin Tuff denial letter, appeal letter, business license application, business license inquiry. Mr. Winstanley further stated the City of Seaside denied the 2014 business license renewal for Puffin Tuff, Patient Resource Center. The owner Jonathan Preuss was sent a letter of denial stating the City denied the business license renewal for Puffin Tuff a patient resource center providing education, training, safety, compliance, OMMP program guidance, laboratory testing social interaction, patient and grower match ups, and meeting facilities. The City was aware that marijuana was being distributed from the site. The retail distribution of marijuana was outside the scope of the current business license and in violation of federal law. At present, Puffin Tuff was not a licensed medical marijuana distribution facility in the State of Oregon.

Puffin Tuff had not applied for nor received a business license authorizing the distribution of marijuana. Mr. Winstanley further stated he would turn this over to the Police Chief for further information for the Council.

Chief Gross stated on May 24, 2011, Puffin Tuff submitted an application for a city business license indicating they were going to grow and dispense medical marijuana charging the patients. An inspection of the building and conversations with the owner confirmed that this was their intent. Based on their business plan, the Police Department recommended denial of the application as the business was in violation of federal law. On June 16, 2011, Puffin Tuff was sent a letter of denial to operate their business in Seaside. On June 21, 2011, the owners came to the police department with a new business plan and submitted a new application for a city business license on June 22, 2011. The new business plan indicated they would not be dispensing medical marijuana but only providing information as a "Patient Resource Center". Based on their new application, there was no reason to deny and the license was granted. Chief Gross further stated in the case of Puffin Tuff the police department learned that there was ongoing selling during 2011 and 2012. During that time information was passed to Clatsop County Interagency Task Force in an effort to build a criminal case. While information was gathered by the Task Force, no criminal charges were ever sought. Chief Gross further stated this was not only a violation of Federal Law; it was outside the scope of the business license for which they had been granted. Chief Gross further stated within the past sixty days, the police department conducted a controlled buy of medical marijuana from Puffin Tuff using a confidential reliable informant. The purchase was again overseen by Sergeant Barnett using standard control buy procedures. During the purchase of Marijuana, the CRI was not asked to provide any medical Marijuana card and if he had been asked would have provided one that was expired. The CRI successfully purchased the Marijuana. Chief Gross further stated Council had information that Puffin Tuff was clearly not only allowing Marijuana to be purchased in violation of Federal Law but had provided it to a person without the required medical marijuana card. In addition the business was untruthful on their application for a city business license. Puffin Tuff was clearly in violation of Seaside City Ordinance 110.04 Unlawful, Illegal, or Prohibited Businesses Not Authorized. Chief Gross recommended Puffin Tuff was denied the renewal of their business license for 2014.

Mike Mullins, 10308 SE 96th Avenue, Happy Valley, was the owner of Stoney Girl Gardens and was engaged by Jonathan Preuss for integration, oversight, and compliance with the City on this matter. They were in the process of preparing a compliance plan and were asking the City for a delay on the decision to deny the City Business License for Puffin Tuff located at 1525 S. Roosevelt. Currently Puffin Tuff was in the process of preparing for an application with the State of Oregon for a Medical Marijuana Facility license in accordance with ORS 475.00-475.346 and OAR 333-008-1000. Mr. Mullins further stated Puffin Tuff was family operated by local pioneer residents that had operated businesses and lived in the Seaside Community for generations. The City was first approached in June of 2011 and had operated since that time for two and a half years without any serious incidents. Mr. Mullins further stated they would make formal application to the State as soon as they were available on the morning of March 3, 2014 and asked the Council to review the decision pending successful completion and approval of application. Proof of Registration and Registration number would be provided to the City. In addition Puffin Tuff looked forward to working with the City on any details to include compliance, security, zoning, and other matters associated with the longstanding business relationship to the community. Mr. Mullins further stated they would like to propose that the City begin a discussion on Medical Marijuana Dispensaries and how to regulate the establishment of Medical Marijuana Dispensaries in Seaside. Many other Oregon cities were already setting examples and information about Central Point Medical Marijuana dispensaries was distributed to Council. The establishment of a dispensary would possibly include Ordinance changes with conditional use under state law. It would be municipal code amendments in regards to Title 2 the business regulations, licensing and zoning. This would discuss the allowance of certain zones as a conditional use and define dispensaries as specific conditions under which the dispensaries would be allowed. This was important for the City to look at and plan for as going forward. The State of Oregon was expected to be legal for recreation marijuana this year and dispensaries should not be allowed in the downtown core area nor would we want them around children.

Mayor Larson stated Puffin Tuff would like Council to delay a decision for the denial of the business license.

Mr. Mullins stated on the condition that Puffin Tuff would do exactly what was stated on the business license and would comply with going forward in making application and working with the City.

Mayor Larson stated apparently there was an issue with marijuana being sold in 2011, 2012, and 2013.

Mr. Mullins stated Mr. Preuss had brought Stoney Girl Gardens into the issue because there needed to be a compliance plan and a review. There would be changes made like retraining all the personnel, daily video monitoring of employees and operations, providing written recommendations and would like to provide those to the Police Chief and the City for review and comments. Puffin Tuff was using security systems and traceability systems for state compliance that were used in Colorado and Washington which allowed the owner to know what was going on at all times.

Mr. Mullins stated he would like to work with the City and Police Department on any concerns going forward.

Mr. Winstanley asked if Mr. Mullins was asking for Council to grant a business license for operations of Puffin Tuff as it originally was licensed or asking for a license to be issued where medical marijuana would be distributed.

Mr. Mullins stated they were asking that Puffin Tuff conduct business as originally licensed until such time the business could go forward with the procedures to clarify the issue with the City. Mr. Mullins further stated Puffin Tuff would look forward to becoming a Medical Marijuana Facility but at this point would be willing to go back to being a Patient Resource Center.

Mr. Winstanley stated if the City were to grant a business license to operate as originally issued the license would be acceptable to the owner until whatever time the State issued a Medical Marijuana License.

Mr. Mullins stated one additional thing for City Council was to take a look at what the Federal Laws were.

Mayor Larson stated that was not the issue. The issue was that based on Puffin Tuff business license there would be no Marijuana sold but there was Marijuana sold in 2011, 2012, and 2013. Council was aware of the changes that were coming and that it was needed but the issue was that Puffin Tuff apparently violated the law in 2011, 2012, and 2013. Mayor Larson asked if that was correct.

Mr. Preuss stated that was apparently what he was told. Mr. Preuss stated something about the legitimacy of the report from the Police Department was that obviously someone could walk through the front door.

Mayor Larson stated that could be stopped right now because the Council had a thousand percent faith in the Police Department.

Mr. Preuss stated his concern was that possibly the informant could walk in the door when nobody was out front and grabbed a bottle off the counter and just left. There were patients that brought in samples to be tested.

Mayor Larson stated then someone was not minding the store.

Councilor Montero stated the original business license application was to be a Medical Marijuana Outlet and that was denied. A second business license application was filled out to be a Patient Resource Center. It would appear that in saying that, you fully intended to continue to sell medical marijuana. What I believe about medical marijuana did not mean anything because the intention was to go outside the scope of the business license. After three years why would Council believe now that Puffin Tuff would go back to patient resource when there was three years of evidence that as an owner you did something you said you would not do?

Mr. Preuss stated he understood the concern and Puffin Tuff did go beyond the scope of the business license. This was not to be greedy but was for the patient.

Councilor Montero stated she did not care why it was done.

Mayor Larson stated that was not the issue and Council understood all of that.

Councilor Frank stated under the premise of the other business license where you were providing information to patients. Every business he was aware of opened their doors because they would make money. Councilor Frank asked if Puffin Tuff had to file taxes since tax returns were filed based on sales whether it was kites or other things.

Mr. Preuss stated Puffin Tuff did file taxes.

Councilor Frank asked if Puffin Tuff could make a living on giving advice to people and was trying to understand the business.

Mr. Preuss stated he had been hired by many people to set up grow rooms or just give advice on different items or consultations. There was a fair living made off of that business and aside of that it was still a non-profit.

Council President Johnson asked Mr. Van Thiel if this was in violation of the federal law and in violation with City ordinances if a business license for Puffin Tuff were granted as a resource center would he then be grandfathered in.

Mr. Van Thiel stated the Mr. Mullins and Mr. Preuss stated they would not dispense medical marijuana and would be a research and information center. If there was a medical problem someone could go to them and they would be charged for the resources that were needed.

Mr. Van Thiel further stated Councilor Montero raised an issue of why would I believe that Puffin Tuff would not sell marijuana when there was a history of already selling marijuana when the business license wasn't approved for that.

Councilor Barber suggested that Mr. Preuss come back before Council after a State license had been retained in March, 2014. That would give Council the opportunity to consider the application at that time. Councilor Barber stated that would be the only way that he would consider issuing a business license.

Councilor Lyons stated he agreed with Councilor Barber and this would give Mr. Preuss a tremendous chance to coach the employees to do the right thing.

Mayor Larson asked if that would keep the business license appeal open.

Mr. Winstanley stated that would not keep the business license appeal open and basically what Councilor Barber suggested was for Council to uphold the denial and Puffin Tuff would not have a business license and would need to come back and reapply once the State Statutes concerning Medical Marijuana Distribution came out.

Motion to deny the business license for Puffin Tuff, 1525 S. Roosevelt; carried with the following roll call vote. (Barber/Montero)

YEAS: FRANK, LARSON, LYONS, JOHNSON, MONTERO, BARBER,

NAYS: NONE

ABSENT: PHILLIPS

ABSTAIN: NONE

**VACANCY – TOURISM
ADVISORY COMMITTEE**

Mayor Larson stated there was one vacancy on the Seaside Civic and Convention Center Commission with the resignation of Terry Bichsel.

Motion to accept Terry Bichsel's resignation effective January 13, 2014; carried unanimously. (Johnson/Barber)

Mayor Larson asked the press to advertise the vacancy.

COMMENTS – COUNCIL

Councilor Frank stated obviously there were some tuff items on the agenda but it really came to whether something was legal or not legal, the integrity of the police force, and people worked for. The Council appreciated all the work the police force did.

Councilor Lyons stated it was not easy to turn things items down but sometimes that was what needed to be done.

Council President Johnson stated he had a great time at the Seaside Fire and Rescue Awards Banquet.

Mayor Larson stated he had a negative vote because when told that the Seaside Police Department did not know what they were doing or did something improper he did not agree. The City had a marvelous police department and he was very proud of the department and would back them one-hundred percent.

Councilor Montero stated her vote did not mean she did not appreciate the work of the Seaside Police Department and believed every part of the information that Chief Gross had shared. Councilor Montero further stated her vote was based on the fact that this business owner had remedied the reason for the denial.

Mayor Larson stated Council did their best and the decision was difficult at times.

COMMENTS – STAFF

Chief Gross stated recently the police department arrested a couple for tipping the waitress with Meth and the story had now gone world wide with one-hundred eighty news organizations that had picked up the story. That demonstrated the partnership that the police had with the business community that when an incident like this happened there was no hesitation to call the police right away and in this case remove a lot of Methamphetamines from the community.

Russ Vandenberg, Convention Center & Visitors Bureau General Manager, stated the Convention Center had the Seaside Fire and Rescue Awards Banquet in the building on Saturday when Seaside lost power and the generators worked very well. The Executive Leadership Committee was in the facility and the new Visitors Guide was out and there were 100,000 copies ordered. Mr. Vandenberg further stated the Convention Center would say goodbye to Patrick Ragan who was retiring after twenty-six years with the City of Seaside and his last day would be January 22, 2014.

Joey Daniel, Seaside Fire Chief, stated the Seaside Fire and Rescue had a very good turn out at the awards banquet and there were forty to fifty years of fire chiefs at the banquet with approximately eighty people attending. The volunteer staff put many hours into the community. The EMS Officer of the year was Genesse Dennis, Firefighter of the year was Jacob Rose who was also an intern, and the Fire Officer of the year was David Rankin.

Mayor Larson stated the banquet this year awarded more people for education and Chief Daniels should be proud of the department.

ADJOURNMENT The regular meeting adjourned at 8:20 PM.

Kim Jordan, Secretary

DON LARSON, MAYOR