OFFICE OF Community & Civic Life

Bureau of Development Services FROM CONCEPT TO CONSTRUCTION

CANNABIS INDUSTRY GUIDE

Welcome to Portland's Cannabis Business Community!

The City of Portland is dedicated to encouraging entrepreneurship, supporting small business owners, and promoting the health and success of the cannabis industry. We appreciate your interest in joining the new world of regulated cannabis!

Applicants for cannabis businesses will primarily work with the Cannabis Program in the Office of Community & Civic Life (Civic Life) and the Bureau of Development Services (BDS) to complete their licensing and permitting processes. Other City and State agencies have additional requirements for specific aspects of cannabis businesses.

This Cannabis Industry guide is meant to help you successfully navigate Civic Life and BDS requirements. Whether you're starting a retail business, extract processing, delivery service, or production, the road to a licensed, permitted, and fully legal cannabis business can seem daunting, but it doesn't have to be. The dedicated staff of Civic Life and BDS can help get your business up and operating as quickly as possible.

As of June 15, 2018, the OLCC has put a pause on processing ALL NEW LICENSE APPLICATIONS. As of May 2019, there has not been any update on when processing new license applications may continue. When you submit your application and Land Use Compatibility Statement form to the OLCC, they will review the LUCS and the application and decide on the status of your application. For more information on the OLCC's application process, please visit their marijuana licensing website.

PHASE ONE: The lay of the land

Which licenses are required? What does each entail?

Before getting your cannabis business licensed by Civic Life, you should know:

- **Obtaining a license from Civic Life does not absolve you from the regulatory requirements of other City and State bureaus and agencies.**
- Based on your business type (options listed below), licensing requirements vary.
- Your license could be suspended or revoked if you change your business or location without informing Civic Life staff. Or, if you fail to comply with regulatory requirements of other City and State bureaus and agencies on an ongoing basis (such as obtaining permits for future alterations to building).

Check out these business types and their basic requirements:

- **Extract Processors** are required to show all FINAL approved building permits and trade permits (mechanical, plumbing, electrical, etc.) before being licensed by Civic Life.
- **All other Processors and Production/Grow (Agriculture Use)** are required to show that an applicable Commercial Building Permit has at least been ISSUED before being licensed by Civic Life.
- **Retailers, Wholesalers, and Retail Couriers** do not have building or trade permit requirements before being licensed by Civic Life.

Ask the Oregon Liquor Control Commission (OLCC): What requirements does each business type have?

The type of business guides the Civic Life license type, and OLCC requirements vary based on license type.

PLEASE NOTE: The OLCC changed its rules around extract Processors in 2018! Check out the updated Oregon Administrative Rule (OAR).

All OLCC-licensed extract Processors must:

- "Provide proof in a form and manner specified by the commission that the premises proposed to be licensed has received a Certificate of Occupancy for the intended use issued by the appropriate local building official" (OAR 845-025-3260 2. b. A.)
- "List all equipment used in extraction and, if applicable, provide proof that equipment and process has been inspected by a…" certified mechanical or electrical engineer, industry recognized third party, or manufacturer (OAR 845-025-3260 2. b. B.)
- Must process, "…if using hydrocarbon solvents, in a room with equipment, including all electrical installations that meet the requirements of the Oregon Structural Specialty Code, related Oregon Specialty Codes and the Oregon Fire Code." (OAR 845-025-3260 2. c. B.)

Other OLCC license types have different requirements. Please be sure to check with the OLCC to make sure your business does (or can, with some work) meet these statewide requirements.

Your business may be eligible for the Civic Life Office Cannabis Reduced Fee Program

Through Civic Life's licensing process, small businesses and individuals directly impacted by previous policies of cannabis prohibition may be eligible for a license fee reduction (effective Sept. 26, 2018).

The Cannabis Program will reimburse qualifying businesses for a portion of the costs the applicant has paid to BDS for Early Assistance and Preliminary Life Safety meetings.

To be considered, the applicant must apply at least 30 days before the license is scheduled to be issued. More information about the Reduced Fee Program is available here.

Ask BDS: Can my proposed business be located at this specific site?

Civic Life, BDS and OLCC each have their own siting requirements. Before signing a binding agreement at a potential site, research the property's legal description and zoning restrictions to determine whether your project is permissible at that location. Collect documentation, including the address, tax account number, legal description of the property, owner's name, building code requirements, and permit history. You can learn a lot about a potential site from the permits that have been issued in the past. Please remember that zoning designations and regulations change, and any new use must conform to the regulations in place at the time permits are applied for.

Need help finding this information? BDS has Property Research Guidelines that should help get you started. You can also search for information on any City of Portland property address at www.portlandmaps.com. And if you're looking for a list of permits and land use reviews for a specific property, you can find them on the BDS Permit/Case Search website.

Most of the information about properties and buildings can be found at the Resource/Records Counter at the Development Services Center, or by calling the Land Use File Request Archive at 503-823-7617. Still curious? Visit Planning and Zoning staff at the Development Services Center or call 503-823-7526.

Once you've found a site to consider for your business, do your research to determine the zoning regulations applicable to the potential site. It is critical to first understand the applicable Zoning Code requirements for a specific site, since they may greatly impact the scope of work that can be approved under a building permit. Follow this quick search to get the facts fast:

- Go online and view official zoning maps.
- View the map of the base zone that is applied to the site.
- Check if the site is subject to any overlay zones or plan districts.
- Last but not least, zoning maps can tell you if the site contains a historical landmark or recreational trail.

Next, assess the corresponding regulations for the site in the Zoning Code. If your site cannot meet the standards and requirements, then you might need a Land Use Review. You can contact the Planning & Zoning Team at 503-823-PLAN (7526) with specific questions about Zoning Code and Land Use Review requirements.

If the potential site is located within unincorporated Multnomah County, you can get planning documents and information online here. Before signing any binding agreement, confirm that the building owner and/or lessor approves of your proposed use. The Office of Community and Civic Life requires a Zoning Verification Map when you apply for a cannabis license. These maps, maintained by BDS, provide an official determination of whether a proposed use is allowed on a specific site. Zoning Verification Maps are available at the BDS Development Services Center and require a fee.

OLCC: Site Location Requirements

Civic Life, BDS and OLCC each have their own siting requirements. OLCC requirements are:

- No recreational cannabis business can be located in an exclusively residential zone (OAR 845-025-1115), so please make sure that the site you're considering is an appropriate zone for your type of business.
- Cannabis Retailers must be located at least 1,000 feet away from schools.

Civic Life: Site Location Requirements

Civic Life has additional requirements:

- No recreational cannabis businesses of any license type can site in residential zones, which means any zone beginning with "R."
- Cannabis Retailers must be located at least 1,000 feet away from schools.
- Retailers in Portland must be located at least 1,000 feet away from other Retailers.
- Our Map of Cannabis Retailers shows schools, locations for which the Civic Life has received a cannabis business application, locations of licensed businesses. **PLEASE NOTE:** This map is a just tool; it should NOT be relied upon for distance verification. If your proposed Retailer location is close to being within 1,000 feet of a school or another Retailer, you may want to hire a surveyor to verify.

PHASE TWO: Learning About Building Permits

Permitting with BDS: What do I need for a permit?

Building permits are required for a business to safely and legally operate on any site and in any structure. If you plan to build, modify, or use a some or all of a building, you will need to meet applicable zoning and building code requirements before you can occupy the space. The cannabis industry is subject to the same planning and zoning regulations and building codes that govern all 40,000 businesses in Portland.

The BDS Cannabis Code Guide includes building and mechanical code requirements and interpretations. Before starting your project, we recommend becoming familiar with the requirements in the Cannabis Code Guide.

IMPORTANT: Don't get stuck leasing a building that may not be able to support your business or be too expensive to bring up to code!

To identify any potential permitting challenges, participate in BDS Early Assistance (EA) and Preliminary Life Safety Meetings before you sign a lease. It's helpful to have all the information that could streamline the permitting process.

Early Assistance (EA) Meetings: During EA meetings, applicants meet BDS staff, build relationships and receive information on the zoning code and requirements for the Water Bureau, Bureau of Environmental Services, Bureau of Transportation, Parks and Recreation and Fire Bureau and/or BDS life safety, structural, and mechanical plans examiners.

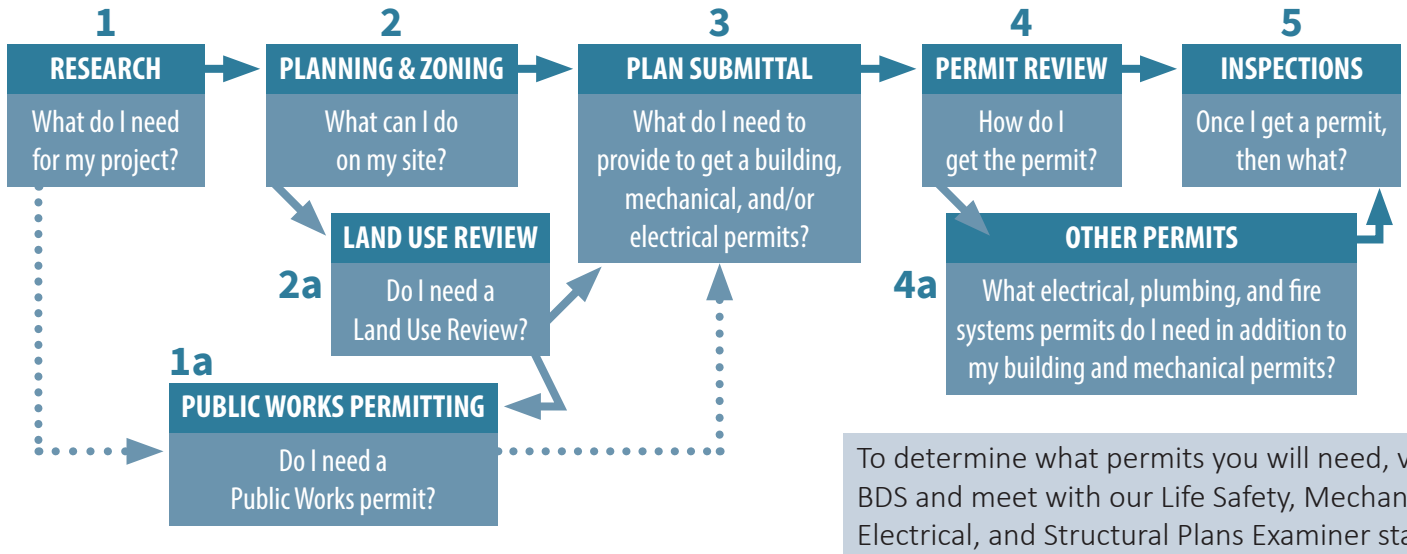
If you'd like to participate in an early assistance meeting, you must submit an application (in person) at BDS. Staff perform a thorough review of the materials before the meeting, so please be aware that City staff need a minimum of ten business days to carefully review your materials in advance.

Application materials for Early Assistance Meetings
More information about Early Assistance Meetings

Life Safety Preliminary Meetings: During Preliminary Life Safety meetings, applicants can meet with Life Safety, Structural, Fire, and Mechanical Plans Examiners to discuss questions related to the Building Code, Fire Code, and Mechanical Code.

Life Safety Preliminary Meeting Request Packet

Understanding the permitting process: BDS works collaboratively with interagency partners to review your project proposal. If you've never worked with BDS to apply for a permit before, this video will help describe the process. Here are the basic steps:



To determine what permits you will need, visit BDS and meet with our Life Safety, Mechanical, Electrical, and Structural Plans Examiner staff.

BDS Permitting: What Comes Next?

Portland has some very old buildings that may have changed a lot over the years. Sometimes, improvement work isn't done properly or the records on file are different from how the building looks in person or how it is used. Nobody wants to sign a lease to a building that needs much more expensive safety upgrades than the budget can handle.

BDS staff can help you check the building for any modifications or upgrades or changes of use/occupancy that may be required by the building code, including seismic upgrades per Portland City Title 24.85, accessibility requirements, zoning code and mechanical, plumbing, and/or electrical upgrades.

BDS Building Permit Basics

When buildings are built, they are assigned an occupancy classification. Occupancy classifications indicate what the building is supposed to be used for. Some typical occupancy classifications that may apply to buildings used by cannabis facilities include:

- Group B (Business)- QC testing labs, office space
- Group F (Factory)- indoor grow rooms, some extraction/processing operations
- Group H (Hazardous)- some extraction/processing operations
- Group M (Mercantile)- dispensaries
- Group S (Storage)- product storage space
- Group U (Utility)- outdoor greenhouses

Each occupancy classification has different building code requirements and within each occupancy classification, different uses may have different requirements (previous use as Group F woodworking shop vs. proposed use as Group F cannabis grow room, for example). Depending on the use of a building, there are unique requirements for safety and accessibility standards. Cannabis Producers, Processors, and Retailers have different occupancy and use classifications, different risk levels and different requirements.

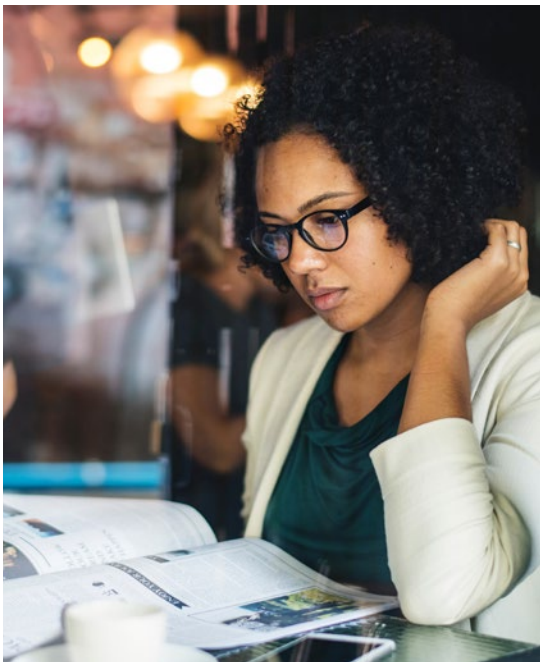
If the building you've chosen doesn't meet the occupancy classification and building code requirements for your type of business, you will need to submit a building permit for Change of Occupancy to reclassify the building to the proposed occupancy/and or use, in addition to any proposed floor plan changes that may occur. In such cases, current code requirements of the new occupancy or use classification will apply.

Find more information on changes of use or occupancy and property upgrades here.

Ask Public Works Permitting: What permits are required, and what does each permit entail?

If your project includes or will include any of the following, you may need to work with Portland's public works bureaus to obtain the necessary permits. Some of this information can be obtained in the Development Services Center during business hours by speaking with staff from city agencies. For more detailed information in writing, you may be referred to an Early Assistance appointment (see page 3).

- Fire department access
- Sidewalk reconstruction
- Curb and street construction
- Street lighting
- Storm water facilities for street drainage
- Sewer mainline extensions
- Water main extensions
- Backflow preventers
- Urban Forestry (street trees)



Once your project is permitted and completed, the public works improvements become public assets that are maintained permanently by the city.

Research the requirements of City infrastructure bureaus, including the Water Bureau, Bureau of Environmental Services, Portland Bureau of Transportation, Portland Parks and Recreation, and Portland Fire & Rescue.

To make things easier, you can meet with staff from these bureau partners at the Development Services Center. For more detailed answers in writing, you may be referred to an Early Assistance appointment (see page 4).

BDS will contact the applicant to schedule an intake appointment. The appointment will take place in the Development Services Center at 1900 SW 4th Ave., Portland, OR 97201.

Other Requirements

There may be requirements from County and State departments, including local water and drainage districts, health departments, environmental organizations, etc. Contact the following agencies to determine whether their requirements will impact your project:

- Oregon Department of Environmental Quality
- Oregon Department of Transportation
- Oregon Health Authority for Medical Grow Facilities
- Multnomah County Health Department

Some cannabis businesses will require a Food Processing, Bakery, Warehouse or Retail license from the Oregon Department of Agriculture Food Safety Department.

For information about cannabis and food safety, check out the Oregon license requirements for all cannabis/food facilities.

PHASE THREE: Applying for Licenses and Permits

Once you've considered zoning and occupancy requirements, researched all the state and local government agencies, public works processes, selected a location, and met with city staff to discuss permit requirements, you're now ready to apply for a license with Civic Life and permits from BDS.

Before moving onto the application process, make sure you're covering all your bases:

- Research the licensing and permitting processes of all agencies involved.
- Schedule your project and plan for possible delays and include costs and timelines in your business plan.
- Research fee schedules for permitting with BDS.
- Ensure compliance with business and revenue requirements.
- Vet any design professionals- architect, engineer-contractors, etc. that you plan to work with. Have other businesses worked with them successfully? Have they demonstrated they can complete the kind of work your building will need? How busy are they, what is their availability to take on and give necessary attention to new projects, and how long has it taken them to go through a permitting process with BDS on other similar projects?
- Consult with financial and legal professionals for a feasibility analysis and business planning.

How to Apply for a Civic Life License

OFFICE OF Community & Civic Life

Reminder: Before applying for a license from Civic Life, you may need to have some steps completed at BDS.

- **Extract Processors** are required to show all FINAL approved building permits and trade permits (mechanical, plumbing, electrical, etc.) before being licensed by Civic Life.
- **All other Processors and Producers** are required to show that an applicable Commercial Building Permit has at least been ISSUED before being licensed by Civic Life.
- **Retailers, Wholesalers, and Retail Couriers** do not have building or trade permit requirements before being licensed by Civic Life. **Reminder:** Even if Civic Life only requires an issued building permit or no building permit required to obtain a business license, BDS still requires such permits (and associated trade permits) to be issued and receive final inspection approval in order to make the use and condition of the building legal. Failure to obtain and receive final inspection approvals on all required building and trade permits could result in future revocation of the Civic Life business permit and/or enforcement actions from BDS under a violation case.

When you are ready to apply for a Civic Life license, visit portlandoregon.gov/cannabis and click on "Apply/License Cannabis Businesses" to request an intake appointment (see more about intake appointments on page 6).
PLEASE NOTE: You'll have to make an account with portlandoregon.gov before submitting the form.

Civic Life provides checklists for each cannabis business license type to help you keep track of to-dos. This checklist tells the applicant what they'll need to bring to the intake appointment. Download the checklist that matches your license application type, and be sure to read the checklist carefully.

- Retailer Checklist
- Producer Checklist
- Processor Checklist
- Retail Courier (Delivery ONLY) Checklist
- Wholesaler Checklist

Civic Life will contact the applicant to schedule an intake appointment. The appointment will take place at the Civic Life offices in downtown Portland. Our address is: Portland City Hall, 1221 SW 4th Ave., Portland, OR 97204. Our office is located in Room 110 on the first floor.

During the 15-minute intake appointment, Civic Life staff will review all documents being submitted, map out the application/licensing process, and help answer any questions applicants may have. We're also happy to spend more time with any applicant who needs assistance. We want to help and make sure you feel comfortable before applying.

At the intake appointment, you will need to submit the required documents (outlined on the checklists on page 6). Application fees must be paid at the appointment. You're also required to submit a completed Land Use Compatibility Statement (LUCS) form to the OLCC. The LUCS form is used by the OLCC and local governments to show whether the proposed use at the location is consistent with local government rules and regulations.

The LUCS form is required for all proposed cannabis businesses before an OLCC license will be issued.

The LUCS form is filled out in stages, so read these instructions carefully. First, the applicant completes Section 1 of the LUCS form and submits it to Civic Life during the intake appointment. If you want to confirm with Civic Life staff that you have all the documents you need to submit the form to our office, please give us a call at 503-832-9333 or send us an email.

After you've submitted the LUCS for at the intake appointment, Civic Life will complete Section 2 of the LUCS form and return the form to you (within 21 calendar days of submittal).

Once you have the completed LUCS form, you can submit it to the OLCC with your State license application.

After the intake appointment, don't forget about any forms or documents that are still incomplete. Some of the documents listed in the checklists don't need to be submitted until after the intake meeting, but please note the deadlines to submit them on your checklist.

If you miss an initial deadline to submit a required document, you may submit a Deadline Extension Request with an explanation for the deadline extension. Extensions will be granted by Civic Life on a case-by-case basis.

How to Apply for a License with the OLCC

As of June 15, 2018, the OLCC has put a pause on processing **ALL NEW LICENSE APPLICATIONS**. As of May 2019, there has not been any update on when processing new license applications may continue. When you submit your application and LUCS form to the OLCC, they will review the LUCS and the application and decide on the status of your application. For more information on the OLCC's application process, please visit their marijuana licensing website. The OLCC also has a Business Readiness Guidebook.

How to Apply for a BDS Permit

Bureau of Development Services FROM CONCEPT TO CONSTRUCTION

Applying for a building permit for a cannabis business is just like applying for any other kind of business. Whether you're submitting a permit for new Commercial Construction or Commercial Alterations, your permit application submission to BDS should include:

- Completed Building permit application for commercial, mechanical, electrical and plumbing;
- Four copies of architectural plans and supporting documents and mechanical plans along with building and mechanical permit applications. Note that for some extraction/processing facilities, electrical plans may also need to be reviewed;
- Completed Life Safety Completeness Checklist;
- Completed Commercial system development charge form;
- Don't forget to submit applications for Public Works Permitting! For answers to frequently asked questions about Public Works Permitting, please click here.

If you're submitting a permit for New Commercial Construction or Addition, pay special attention to the following:

- See Submittal Standards and drawing criteria listed in handout Commercial – New Construction, Additions, Alterations with Exterior Work, or Structural Changes.
- Erosion control measures must be installed, inspected and approved, prior to beginning any further ground disturbing activities.
- Completed Shell Permit Acknowledgement Statement if your project includes space that defers occupancy to a future tenant improvement permit.
- Mitigation form and/or a stormwater plan.

If you are submitting a permit for Commercial Alterations—Tenant Improvements (NOT new construction or addition), pay special attention to the following:

- For Major Commercial Alterations, including projects with a valuation of $158,400 or more with only minor changes to the exterior, please refer to the Major Commercial Alterations Submittal Guidelines.
- For Minor Commercial Alterations, including projects with a valuation of less than $158,400 and only minor changes to the exterior, please refer to the Minor Commercial Alterations Submittal Guidelines.

Once your application is submitted, our BDS staff will review your application and help you through the process to permit issuance. First, BDS staff will review the application for completeness, then for code conformance.

If our BDS reviewers find items in your plans that don't meet code or need to be adjusted, you'll receive a checksheet that lists what you need to do to bring your plans up to code.

There may be multiple rounds of checksheet responses, revisions, and submittals that lead to your plans being approved. It's particularly important to work with an architect or design professional who has experience with the kind of work your building needs. Generally, the more rounds of checklists and responses your permit application requires, the longer it will take to be approved, and the more it will cost in fees.

Remember, you cannot start work or commence with the proposed use of your building until your building permit and associated mechanical, plumbing, and electrical trade permits have been issued, and you will need to pay all fees associated with your permit before your permit is issued.

PHASE FOUR: BDS and Civic Life Inspections

BDS Inspections

Once your permit has been issued, you can start construction on your project. During construction, BDS staff will perform routine inspections of the work to ensure safety and make sure the work conforms with the approved plans. Work that fails to conform with the approved plans may necessitate the issuance of a permit revision prior to further inspection approvals.

You will receive an inspection card that lists all BDS-specific inspections required. Details on each inspection type are available on the BDS website. Public Works Permits will also be inspected by the responsible bureaus during construction.

When you are prepared to have a BDS Commercial inspector visit your site for a specific inspection, please call to schedule the inspection on our automated line at 503-823-7000.

We understand there may be special scheduling needs or cancellations of requested inspections. In this event, please contact the Commercial Inspections Office Support Team as soon as possible at 503-823-7303, as accommodations may be made on a case-by-case basis.

Successful inspections take some preparation, and inspections are smoother when you can be present for them. However, if you can't be on location during the inspection, please ensure that your site is accessible by the inspector, that they have somewhere to park, and that your approved plans and mechanical equipment manufacturer's installation instructions are easily located.

For more tips on commercial inspections, check out the BDS Customer Guide to Commercial Permit Inspections.

When your final inspections are complete and all inspection correction notices have been resolved, you will receive your Certificate of Occupancy. In certain circumstances, if only minor corrections remain unresolved, you may be able to obtain a Temporary Certificate of Occupancy for a specific period of time, which will allow you to begin your business operations while completing the remaining corrections. As you get closer to the end of your project, this is an option that you can discuss with your inspector and the Commercial Inspections team. Congratulations! You're nearly there.

Civic Life Inspections

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Once you have submitted all of the required documents on the checklist for your license type, your business will be ready to be inspected by Civic Life staff.

Civic Life inspections are different from BDS inspections. Instead of checking to see that building, mechanical, and fire code requirements are being met, Civic Life staff makes sure your security system is operational, all required signage is posted, and other Civic Life requirements are being met.

Once your business has passed Civic Life inspections and you have an OLCC license or an OLCC Conditional Letter of Authority to operate, you will be notified via email that your Civic Life license is complete. You can come down to City Hall to pay for and pick up your license!

Having a Civic Life license does NOT necessarily mean that you have met all BDS or other agency requirements. Remember that some Civic Life license types do not require an issued or final permit from BDS, but like any other business in Portland, you will still have to meet the BDS requirements before you can operate.

PHASE FIVE: Success after Permitting and Licensing

Congratulations, your business is now licensed and has been permitted and inspected to completion!

All businesses will be inspected annually by Civic Life. If you are a Producer or a Processor, a BDS inspector may accompany Civic Life to make sure that your business meets Civic Life's licensing requirements. If your business is an Extract Processor, a BDS inspector will accompany Civic Life to make sure all of your locations permits have received final inspection approval. Businesses will also be inspected annually or semi-annually by Fire Inspectors from the Fire Marshal's Office to make sure that applicable Fire Code requirements continue to be met.

REMEMBER: Just because your business meets Civic Life's licensing requirements does NOT necessarily mean it meets BDS' permitting or Fire Code requirements. Civic Life may also ask BDS and/or Fire Inspectors to participate in other inspections if there is reason to believe that the business is operating in a manner that threatens the health or safety of the business' staff, customers, or neighbors.

There are a few things to remember to make sure your business continues to thrive:

- **Inform BDS and/or Civic Life if anything changes.** Civic Life requires that you inform staff within 10 business days of any ownership changes, changes in your floor plan, or anything submitted in your license application. If you want to make structural changes to your building or add new major equipment or make alterations to permitted plumbing, electrical, or mechanical systems, connect with BDS and ensure you have any necessary permits.
- **Stay informed of rule changes.** The OLCC made changes to their requirements in summer 2018. As of February 2019, the legislature is considering bills that would further shape the industry. The City of Portland may decide to make changes to cannabis regulations in the future. And the Oregon Structural Specialty Code is due for an update later in 2019, as well as regular updates to the plumbing, electrical, and mechanical codes in coming years. At the end of the day, things can and will change, and it's critical to be aware of the current policies and regulations and ensure your business remains compliant.
- **Get involved.** Interested in City of Portland cannabis policy? Portland's advisory body on cannabis policy meets every month at City Hall. Click here for more information about The Cannabis Policy Oversight Team.

List of Resources

- Bureau of Development Services
- Office of Community & Civic Life
- Portland Parks and Recreation
- Water Bureau
- Fire & Rescue
- Portland Bureau of Transportation
- Bureau of Environmental Services
- Portland City Council
- Oregon Liquor Control Commission
- Department of Environmental Quality
- Multnomah County Health Department
- Department of Agriculture
- Oregon Department of Transportation
- Oregon Health Authority for Medical Grow Facilities

All Information is Subject to Change.