

OLCC PRESENTATION TO HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

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GENERATING REVENUE

STATE GENERAL FUND & CITIES/COUNTIES

Liquor Store Sales are exceeding
2019-2021 LAB forecast

\$33 million more in sales

\$6.2 million more in distributable revenue

Marijuana sales are exceeding 2019-
2021 LAB forecast

Tax revenue forecast increased
by \$30.2 million due to increased
sales (OEA)

FIRE DAMAGE TO HOSPITALITY INDUSTRY

IMPACT AND AGENCY RESPONSE

Distilled Spirits Program and Alcohol Licensing

- One liquor store destroyed. Several liquor agents and 50 liquor licensees within the fire perimeter.
- OLCC took three immediate actions:
 1. Enabled liquor store owners to shorten their hours or close due to smoke.
 2. Provided flexibility for depositing and submission of sales reports due to banks being closed and stores being forced to evacuate.
 3. Instructed carriers to hold shipments due to closed roads and stores unable to receive delivery.
- We are still determining the overall impact of the fires on liquor licensees.

FIRE DAMAGE TO HOSPITALITY INDUSTRY

IMPACT AND AGENCY RESPONSE

Marijuana Program

- 12 licensee operations destroyed. 20 licensees total within the fire perimeter.
- OLCC took five immediate actions:
 1. Designated a single point of contact for licensees.
 2. Field offices providing case-by-case technical support.
 3. Obtained 71 responses about how to help impacted licensees through an emergency response survey.
 4. Prioritizing damaged licensees in future licensing activities.
 5. Developed a temporary rule for devastated licensees to operate at another licensed location. Ready to implement, if a use-case emerges.



ALCOHOL PROGRAM PANDEMIC RESPONSE

ACTION PRINCIPLES AND ACTIVITIES

- We provided economic relief to Oregon's hospitality industry by streamlining existing policy and deferring operational fees.
- We adapted our workforce to ensure public health, pursuant to the Oregon Health Authority's Covid-19 disease transmission guidance.



6160

INSPECTIONS
SINCE ASKED
BY THE GOVERNOR



93%

BUSINESS VISITED IN
COMPLIANCE WITH FACE
MASKS AND SOCIAL
DISTANCING



4

IMMEDIATE
SUSPENSIONS

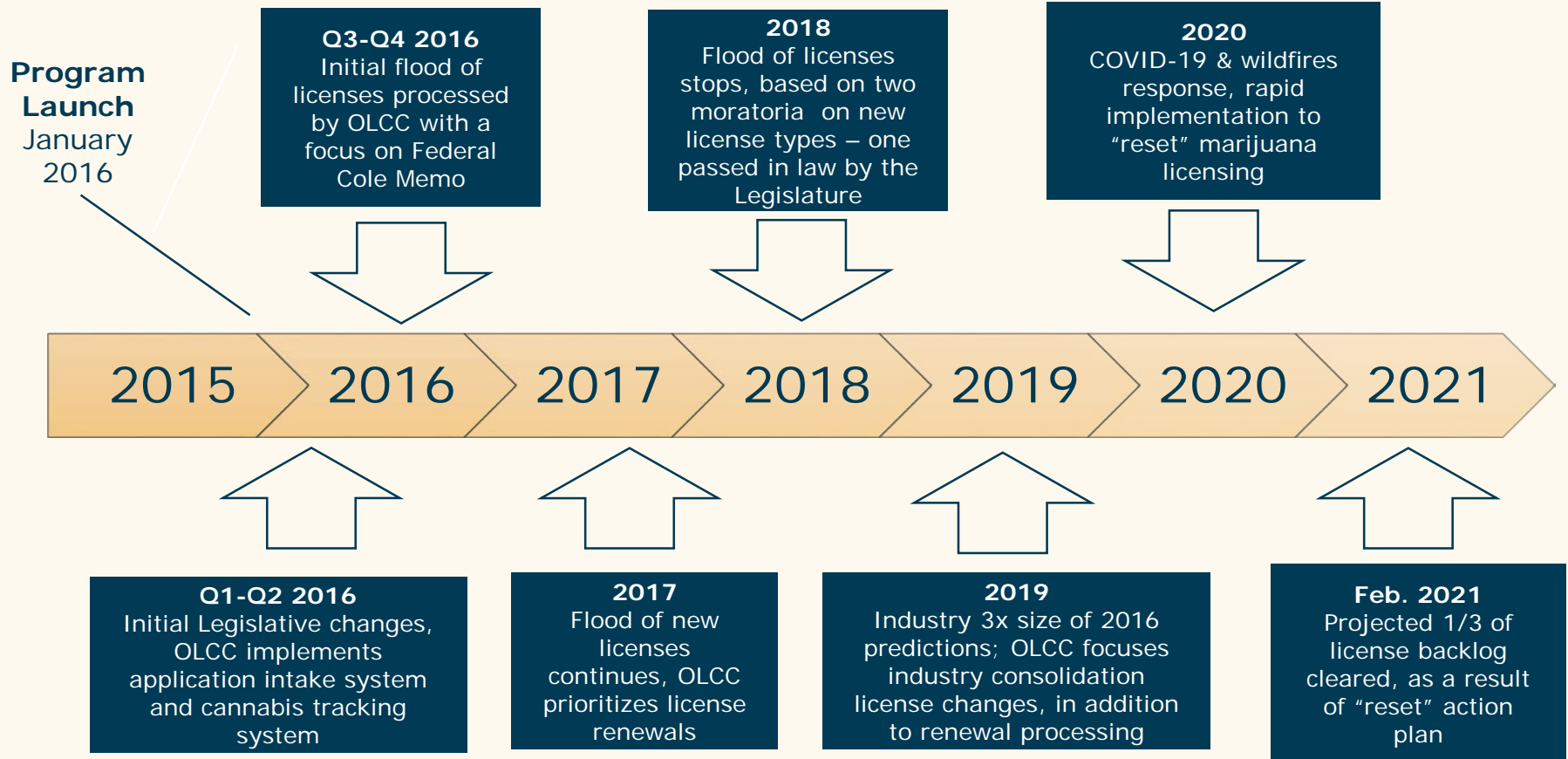


51

TOTAL REFERRALS
TO OSHA

MARIJUANA PROGRAM UPDATE

PROGRAM TIMELINE



“TOTAL RESET” OF MARIJUANA LICENSING ACTION PLAN #1

- Objective
 - Modernize the marijuana licensing program.
- Reducing License Processing Time
 - Reduced by an average of 203 days the time it takes to process a license renewal, between Q1 and Q3 2020.
 - Reduced by an average of 150 days the time it takes to process a “change of ownership”, between Q1 and Q3 2020.
 - Reduced by an average of 52 days the time it takes to process a new license application, between Q1 in Q3 2020.
- Expected Improvements
 - Reduce time to process new applications and *clear out a minimum of 350 out of about 1,120 licenses of our backlog of new applications* by February 2021.
 - Release RFP for unified licensing and compliance case management system in February 2021.

VERIFICATION OF COMPLIANCE (“VOC”)

ACTION PLAN #2

- Objective
 - Resolve minor and non-flagrant compliance issues by issuing, tracking, and verifying compliance with notices similar to “fix-it” tickets. These range in severity.
- Implementation Planning
 - Input offered by marijuana industry July 2020.
 - Program design completed in August 2020.
 - Internal training complete in September 2020.
- Expected Improvements
 - Faster compliance by licensees in 10, 30, or 60 day increments, depending on complexity of problem identified.
 - Re-categorization of all marijuana violations after 5 years of program operations
 - Reduce cases that move forward to Administrative Hearings.

2021 PRIORITIES AND PLANNED WORK

ACTIVE AND RESPONSIVE TO EMERGING NEEDS

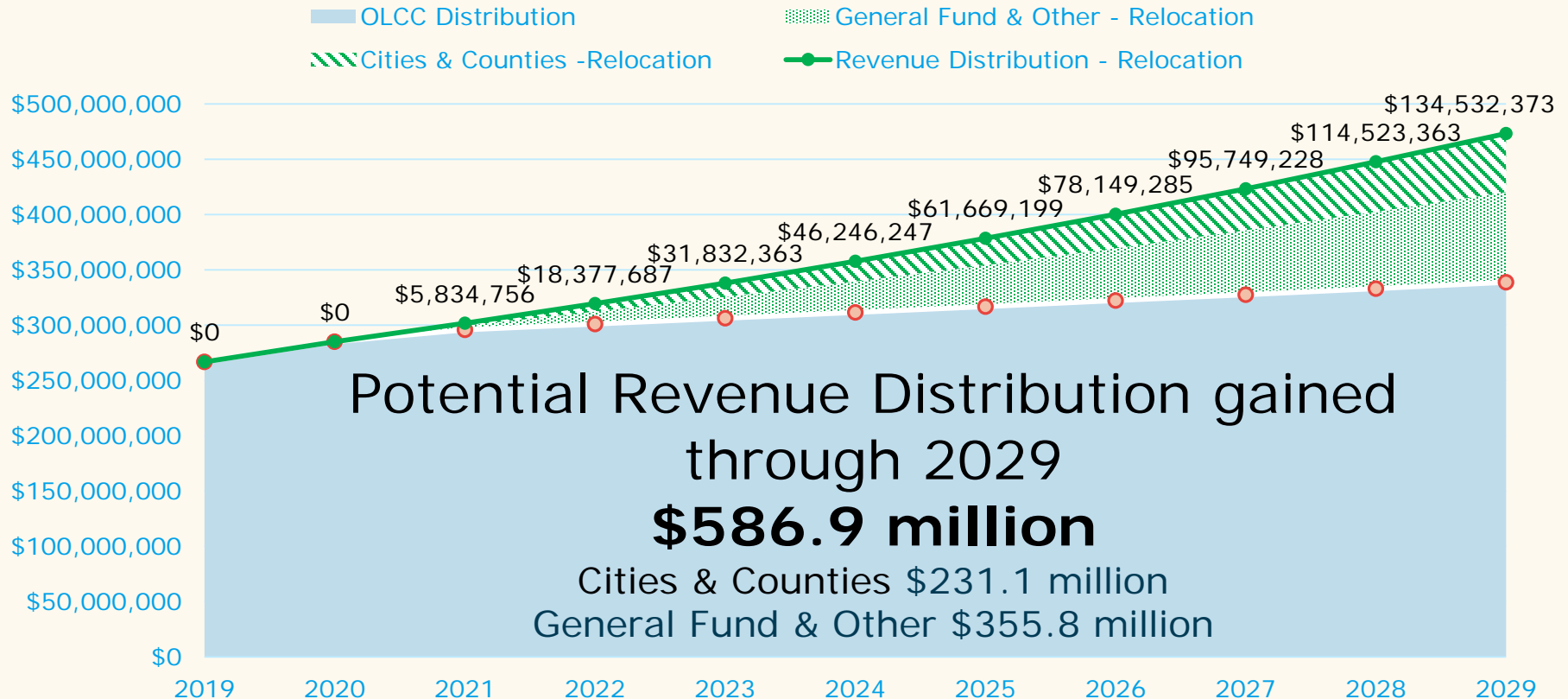
- Issue RFP for comprehensive alcohol and marijuana licensing, compliance, and administrative hearings case management system in February 2021.
- Actively participate in legislatively-led and industry-driven concepts for social equity in marijuana industry.
- Consumer protection, transparency, and promoting public health for marijuana products with ingredients added (e.g. not derived from marijuana) in alignment with 2020 Governor's Vape Task Force.
- Continuing the strong focus on preventing access and sales to minors and over service to adults.
- Support industry as it continues to adapt and change.

NEW WAREHOUSE FINANCIAL RISK

10-Year Revenue Risk
through 2029
(\$1.5 billion)

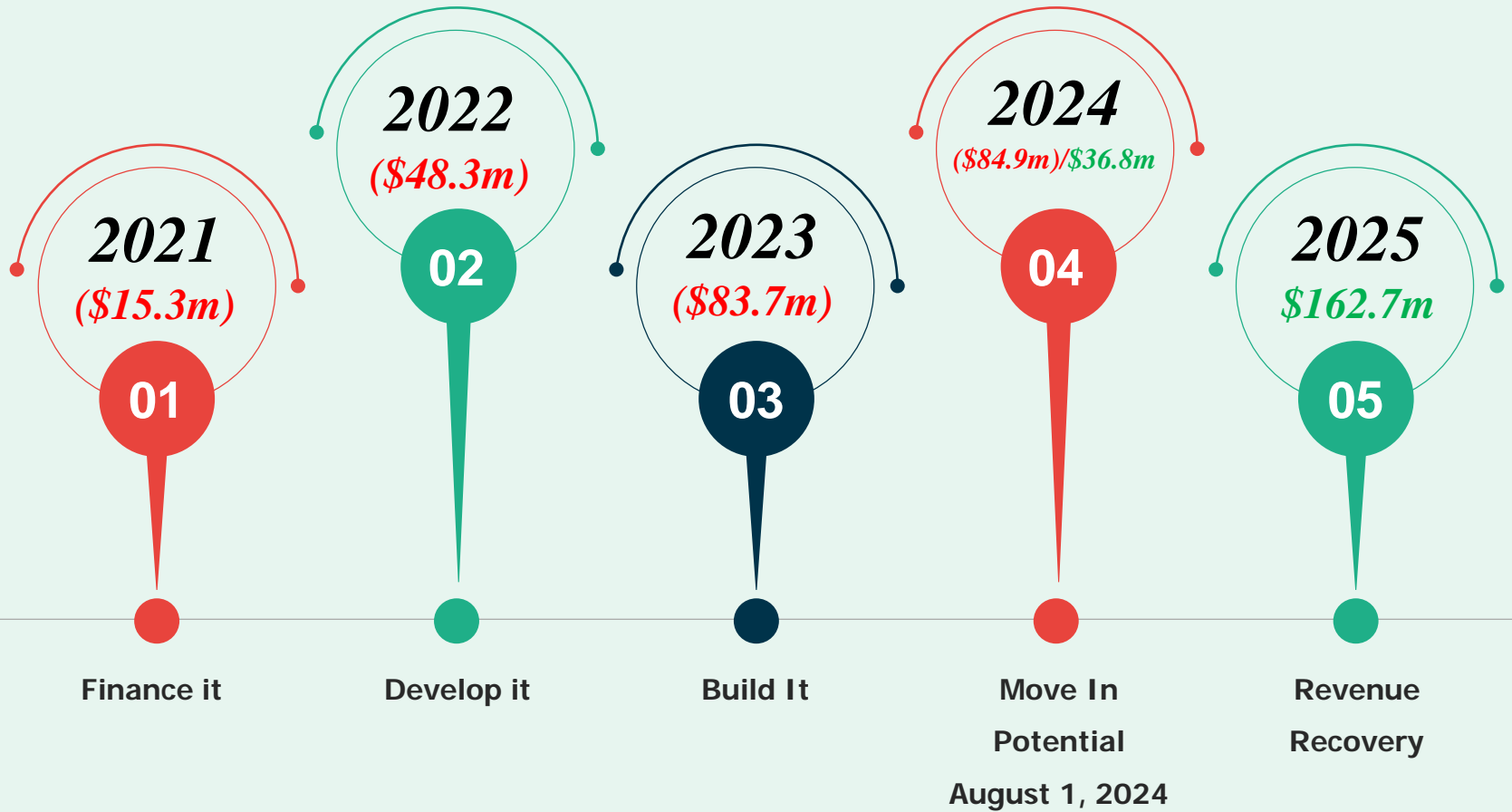
10-Year Distribution
Risk through 2029
(\$586.9 million)

WHAT IF? RELOCATE & CONTINUE STORE EXPANSION



Revenue and distributions for 2020 and beyond are based on OLCC case sales forecast, revenue per case forecast and a 38% profitability rate. OLCC warehouse capacity is based on "OLCC Capacity Assessment" prepared by Deloitte on January 23, 2020

NEW WAREHOUSE TIMELINE



OLCC'S MISSION

Support businesses, public safety,
and community livability
through education and the enforcement
of liquor and marijuana laws.

