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City Council

Proposed Permanent Retail Cannabis Regulations Ordinance

Agenda Date: 10/28/2014

Agenda Item Number: 4.G

File Number: 14-1042

Type: ordinance **Version:** 2 **Status:** Passed

Title

Proposed Permanent Retail Cannabis Regulations Ordinance

Recommended Action

Commission Recommendation:

Adopt Proposed Permanent Retail Cannabis Regulations.

Staff Recommendation:

Adopt Proposed Permanent Retail Cannabis Ordinance on First and Final Reading

Report

Issue:

On October 22, 2013, Council approved interim regulations regarding the retail production, processing, and sales of I-502 recreational marijuana. The interim regulations were referred to the Olympia Planning Commission for public hearing and review. Should the interim regulations be adopted as permanent regulations?

Staff Contact:

Chris Grabowski, Code Enforcement Officer, CP&D, 360.753.8168

Presenter(s):

Chris Grabowski, Code Enforcement Officer

Darren Nienaber, Interim City Attorney

Background and Analysis:

In response to voter approved Initiative 502, the Washington State Liquor Control Board adopted regulations for the licensing of recreational marijuana production, processing and retail. The Liquor Control Board has begun processing applications for production, processing and retail establishments. However, the Liquor Control Board does not have control over or enforce local zoning regulations. Accordingly, the Olympia City Council considered the appropriate location of such uses, as well as appropriate conditions of approval, within the City of Olympia.

At its May 7, 2013 meeting, the City Council adopted a moratorium on all new cannabis related land uses, and directed staff to conduct research and develop interim zoning regulations. Subsequently,

the United States Department of Justice issued a memorandum indicating that those jurisdictions which allow the use of recreational cannabis do so with the "expectation that states and local governments...will implement strong and effective regulatory and enforcement systems that will address the threat those state laws could pose to public safety, public health, and other law enforcement interests."

On October 15, 2013, the City Council conducted a public hearing on draft interim zoning regulations concerning state-licensed recreational cannabis producers, processors, and retailers. Based on public testimony at the hearing, Council directed staff to move the ordinance forward to first reading at its October 22nd meeting. Being approved at the October 22nd meeting, the ordinance was moved to second reading on November 4, 2013. The ordinance was adopted and enacted as Chapter 18.51 of the Olympia Municipal Code.

Some key features of the ordinance are:

- * A conditional use permit would be required for all cannabis related uses - retail, production and processing. The conditional use permit would be reviewed by the Hearing Examiner after a public hearing.
- * Retail sales would only be allowed in the High Density Corridor-4 (HDC-4) and General Commercial (GC) Zones.
- * Production and processing would be allowed only in the Light Industrial (LI) Zone.
- * As with the State rules, on premises consumption of cannabis products is prohibited.
- * Retail hours are limited from 8:00 a.m. to 9:00 p.m.
- * Associated uses, like a dance venue, are prohibited.
- * As with the State rules, cannabis related uses must maintain a security system, including video camera surveillance.
- * That part of the Moratorium concerning recreational retail, production, and processing will be repealed. All other new cannabis uses, such as medical collective gardens, remain prohibited under the Moratorium adopted by Council.

On June 11, 2014, the City received an application for a Conditional Use Permit for sales of recreational cannabis at 3044 Pacific Avenue East under the project name Green Lady, Inc. On June 26, 2014, an informational meeting was held on the proposed use. On July 28, 2014, a Public Hearing was held before the Olympia Hearing Examiner. One person spoke at the hearing. The Hearing Examiner gave verbal approval of the Conditional Use Permit that evening and rendered his written decision later that week. Based on this process, staff concludes that the regulations provide adequate protection of the City's interest in the sitings of these facilities.

On August 18, 2014, the Olympia Planning Commission conducted a public hearing on proposed permanent retail cannabis regulations. No one from the public spoke at that hearing. At its September 22, 2014 meeting, the Planning Commission discussed the interim regulations, and, after a brief deliberation resulting in no changes, recommended forwarding the existing regulations to Council for adoption.

Final SEPA Determination of Non-Significance was issued on September 18, 2014. No public comment was received.

On October 8, 2014, the Washington State Department of Commerce determined that the regulations met the Growth Management Act notice to state agency requirements in RCW 36.70A.106. No state agencies commented.

Neighborhood/Community Interests (if known):

One citizen spoke at the Public Hearing for the Conditional Use Permit for the Green Lady Inc. project. Her comments were about pedestrian safety on Pacific Avenue. She indicated that she had no issues with the nature or location of the proposed retail cannabis business.

Options:

1. Adopt the Interim Retail Cannabis Regulations as permanent on First and Final reading.

Financial Impact:

None anticipated.