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City Council

Approval of Interim Ordinance on Proposed Zoning and Buffer Changes for Cannabis Land Uses

Agenda Date: 12/15/2015

Agenda Item Number: 4.I

File Number: 15-1172

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

Title

Approval of Interim Ordinance on Proposed Zoning and Buffer Changes for Cannabis Land Uses

Recommended Action

Committee Recommendation:

The Land Use and Environment Committee recommendation is to adopt an interim zoning ordinance to allow cannabis sales in High Density Corridor - 3 and Medical Services zones, reduce buffers on restricted land uses (except schools and playgrounds) from 1,000 feet to 500 feet, and forward to Olympia Planning Commission.

City Manager Recommendation:

The City Manager makes no recommendation.

Report

Issue:

The City currently allows sales of recreational cannabis in High Density Corridor-4 (HDC-4) and General Commercial (GC) zones, in conjunction with 1,000 foot buffers separating such uses from the following: schools, playgrounds, licensed daycares, parks, arcades, libraries, and public transit centers. Should the City consider an interim ordinance expanding its zoning to include High Density Corridor-3 (HDC-3) and Medical Services (MS) zones, and/or reduce certain buffers?

Staff Contact:

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Presenter(s):

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

Background and Analysis:

Background and analysis have not changed from first to second reading.

The City Council referred this issue to the Land Use and Environment Committee at its Nov. 10, 2015, meeting.

The City of Olympia allows the sale of recreational cannabis in its High Density Corridor-4 and General Commercial zones, subject to Hearing Examiner approval. Two such retail stores exist at present.

The Washington State Legislature passed comprehensive legislation (2SSB 5052 & HB 2136) creating new regulations for the largely unregulated medical cannabis collectives and establishing a system that will be overseen by the Liquor and Cannabis Board and the Department of Health. The legislation was signed into law by Governor Jay Inslee on April 24, 2015. The long-standing "collectives" are now much smaller and more tightly regulated "cooperatives" that cannot easily rotate their four-person membership. The four-person cooperative can grow up to fifteen (15) plants per member. Cooperatives cannot sell or donate their product to other medical users, even those registered with the State, and members have to work the plants rather than pay into the cooperative. This step alone effectively ends the proliferation of medical collective storefronts. The State's new regulations mandate that all existing collective storefronts cease operation by July 1, 2016. Along with the above changes, the legislature also authorized local jurisdictions to reduce the 1,000 foot buffers to as low as 100 feet on all protected uses except schools and playgrounds, which must remain at 1,000 feet.

There are a number of shops currently serving the medical cannabis community that are termed as existing, non-conforming "collective gardens" and which came into existence prior to the City's moratorium. Some of these shops may be able to transition to being State licensed medical cannabis providers. This will become clear when the State establishes its rules by the end of this year. Those shops which are unable to make the transition will be required by the State to shut down by July 1, 2016.

Most, if not all, of the existing, non-conforming "collectives" are located in zones which, even if they were able to obtain a State license, would place them in violation of our current zoning. This would put them in the position of having to look for a new location in either the High Density Corridor-4 or General Commercial zones.

There are approximately 243 parcels of land that can be used for recreational sales of marijuana under our current regulations. Most of these are located along the Pacific Avenue/Martin Way corridors. There are few viable locations on the West side. Adding the High Density Corridor - 3 and Medical Services zones would add another 216 parcels. Reducing buffers only (not adding any new zones) to a median 500 feet, would add 149 parcels to the list of those eligible. By adding both High Density Corridor -3 and Medical Services zones and reducing the buffers, an aggregate 427 parcels are gained. (See Attachment 1)

The Washington State Liquor and Cannabis Board (LCB) is conducting public hearings across the state and has not finalized its rules governing the new licenses. It is anticipated that this will be completed by the end of December 2015. There has been much speculation about the number of licenses that will ultimately be granted. Indications from the LCB are that they will be limiting the number of licenses issued once they determine how best to meet the needs of the medical cannabis community.

Neighborhood/Community Interests (if known):

Several citizens who attended the LUEC meeting on November 19 spoke in support of the changes,

including medical cannabis users and business owners.

Options:

1. Do not change current zoning. Retain existing zoning regulations and buffers for retail cannabis sales.
2. Add High Density Corridor-3 and/or Medical Services zones to those allowed for retail sales, but do not reduce buffers. This will retain buffers from all restricted land uses at 1,000 feet.
3. Reduce buffers on restricted land uses (except schools and playgrounds) but do not add new zones.
4. Add High Density Corridor-3 and Medical Services zones and reduce buffers on restricted land uses (except schools and playgrounds) from 1,000 feet to 500 feet. (Land Use and Environment Committee recommendation)
5. Add High Density Corridor-3 and Medical Services zones and add a greater reduction in buffers on restricted land uses (except schools and playgrounds), from 1,000 feet to as low as 100 feet.

Financial Impact:

None. Changing zoning and/or buffers will not directly impact the City financially.