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City Council

Approval of Ordinance Extending for an Additional Six Months the Moratorium on Medical Marijuana Collective Gardens and Other Cannabis-Related Uses not Licensed by Washington State

Agenda Date: 4/26/2016
Agenda Item Number: 4.G
File Number: 16-0481

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

Title

Approval of Ordinance Extending for an Additional Six Months the Moratorium on Medical Marijuana Collective Gardens and Other Cannabis-Related Uses not Licensed by Washington State

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve the ordinance extending the moratorium on medical marijuana collective gardens for an additional six months on second reading.

Report

Issue:

Whether to extend for an additional six months the City's existing moratorium on new Medical Marijuana Collective Gardens and other cannabis related land uses not licensed by Washington State.

Staff Contact:

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Presenter(s):

Chris Grabowski, Code Enforcement Officer, 360.753.8168
Darren Nienaber, Deputy City Attorney, 360.753.8338

Background and Analysis:

The background and analysis have not changed from first to second reading.

In November of 2012, Washington State voters passed Initiative Measure No. 502

(I-502) legalizing the sale of recreational cannabis in the State of Washington. Subsequently, on May 7, 2013, the Olympia City Council established a moratorium on all new cannabis related land uses. The moratorium was for one year. On October 15, 2013, Council approved interim zoning regulations for I-502 recreational marijuana and lifted that portion of the moratorium which applied to those uses. The moratorium on new medical marijuana collective gardens and other cannabis land uses not addressed by I-502 remained in place.

The Washington State Legislature passed comprehensive legislation (2SSB 5052 & HB 2136) creating rules for the largely unregulated medical cannabis collectives and establishing a state regulated system overseen by the Liquor and Cannabis Board, and the Washington State Department of Health. 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. The state's new regulations mandate that all existing collective storefronts cease operation by July 1, 2016.

The number of state licensed retailers has been increased in the City of Olympia to meet demand previously met by the collective storefronts. To serve the medical users who will need or want access to marijuana at a store, the state authorized the creation of 222 licenses in addition to the 334 it originally authorized. The state allotted the City of Olympia three new retail cannabis licenses, in addition to the two licenses it received in the original round of licensing. All of five of these retail licenses have been assigned. The three new licensees are going through the Hearing Examiner review process.

The Olympia City Council approved interim regulations for state licensed retailers which add more allowed zones for sales, and reduces certain buffers to restricted land uses as authorized by state law. Under its 2014 regulations, the City allowed retail sales of cannabis through state licensed retail stores in General Commercial (GC) and High Density Corridor 4 (HDC-4) zones and production and processing in Light Industrial (LI) zones. The interim regulations approved by Council in 2015 added High Density Corridor 3 (HDC-3) and Medical Services (MS) zones to those allowed for retail sales, and reduced buffers on restricted land uses to 500 feet, except for schools and playgrounds, which remain at 1,000 feet. There was no change to the zoning for producers/processors. These interim regulations are scheduled to be taken up by the Olympia Planning Commission later this year.

At its September 22, 2015 meeting, the City Council extended the moratorium for an additional six months after holding the requisite public hearing. That extension is set to expire the first week of May 2016. It is necessary to extend the moratorium an additional six months in order to cover that time period until the July 1 deadline for pre-existing medical collectives to cease operations and the enforcement of that deadline, if necessary.

City staff requests that the Council extend the City's moratorium on marijuana establishments that are not State-licensed.

Neighborhood/Community Interests (if known):

There are a number of pre-existing collective garden shops currently serving the medical marijuana community which came into existence prior to the City's moratorium. Those shops which were unable to obtain a state retailer license will be required by the State to shut down by July 1, 2016.

Options:

1. Conduct public hearing, pass moratorium extension on second reading.
2. Do not extend moratorium and do not pass on second reading.

Financial Impact:

None

Attachments:

Ordinance