



Planning Commission

Public Hearing on Proposed Changes to Regulations Pertaining to Zoning and Buffers for Cannabis Land Uses

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Title

Public Hearing on Proposed Changes to Regulations Pertaining to Zoning and Buffers for Cannabis Land Uses

Recommended Action

Hold public hearing on proposed changes to Zoning Regulations concerning retail sales of cannabis and, if the Commission has enough information, deliberate and formulate a recommendation to the City Council. The ordinance was previously approved on an emergency interim basis at Council's December 8, 2015 meeting.

Report

Issue:

The City is required to have the Planning Commission review and hold a public hearing on the zoning ordinance expanding recreational cannabis production, processing, and sales.

Staff Contact:

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Background and Analysis:

The Washington State Legislature passed comprehensive legislation (2SSB 5052 & HB 2136) creating new regulations for the largely unregulated system of medical cannabis collectives and establishing a system that is overseen by the Washington State 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 ended the proliferation of medical collective storefronts. The State's new regulations mandated that all collective garden 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.

The Liquor and Cannabis Board (LCB) commissioned a study by BOTEK Analysis to determine the number of new licenses to be issued by the State. The study sought to determine by “best estimates” the market need for medical use by population and existing sales. The report was presented to the LCB on December 15, 2015. Statewide the number of retail licenses was increased by 222, from a prior cap of 334 to a new cap of 556. The State determined that the Counties with the highest medical sales would receive a 100% increase in the number of licenses granted. Thurston County’s allocation doubled from 11 to 22. Of the 11 new, Olympia’s allocation was originally 2, later revised to 3, bringing the total to 5 including the 2 licenses previously issued. As of the writing of this report, all 5 licenses have been issued and the licensees received Conditional Use Permits and are currently open for business.

Concerns were raised by members of the medical cannabis community that, under the City’s existing cannabis zoning regulations, there were not enough commercial parcels available for relocation of existing medical collectives to an approved zone. Consequently, Council asked staff to look at ways to increase the number of potentially available commercial properties.

At its December 8, 2015 meeting, the Olympia City Council approved emergency interim zoning regulations expanding the allowed zoning for cannabis retail sales from HDC-4 and General Commercial zones, to include HDC-3 and Medical Services zones. It also reduced buffers on all restricted uses from 1,000 feet to 500 feet (with the exception of schools and playgrounds, which remain at the State mandated 1,000 feet). The issue was referred to the Planning Commission for further review.

Neighborhood/Community Interests (if known):

City Council conducted a public hearing on the interim regulations. Representatives of Green Lady Inc., a licensed retail marijuana establishment located on Pacific Avenue, requested a separation requirement be considered for the regulations. City Council declined to consider such a requirement, primarily on the basis that a separation requirement is not required of other retail establishments, even though they may be restricted to specific zones.

A few jurisdictions, most notably Seattle, do have a separation requirement. In Seattle this is due to the higher number of licenses issued in that jurisdiction and the potential for higher density of such businesses in specific zones. Seattle’s regulations stipulate that a cannabis retailer can only be within 500 feet of one other retailer. Clackamas County requires a 1,000 foot separation between retailers.

Staff feels that adding further restrictions on location will potentially make it more difficult to find a parcel where a cannabis retailer can locate. The aim of this zoning expansion is to alleviate that and provide more potential locations, rather than less.

Currently, all five licensees in the City are more than 1,000 feet from each other. They range in distance from 1,395 feet to 3,293 feet. See attached maps for more detail.

Options:

1. Hold public hearing and hold deliberations on the proposed changes to regulations.

2. Hold public hearing and schedule deliberations for a future date.

Financial Impact:

None

Attachments:

Interim Zoning Expansion Ordinance as adopted by City Council on December 8, 2015

Map showing distances between cannabis licensees on the Eastside

Map showing distances between cannabis licensees on the Westside