



## City Council

### Approval of Ordinance Adopting Permanent Regulations for Cannabis Land Uses

**Agenda Date:** 12/6/2016  
**Agenda Item Number:** 4.J  
**File Number:** 16-1240

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

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#### **Title**

Approval of Ordinance Adopting Permanent Regulations for Cannabis Land Uses

#### **Recommended Action**

##### **Committee Recommendation:**

The Planning Commission recommends adopt permanent zoning regulations allowing cannabis sales in High Density Corridor - 4, High Density Corridor - 3, Medical Services, and General Commercial zones, and reducing buffers on restricted land uses (except schools and playgrounds) from 1,000 feet to 500 feet.

##### **City Manager Recommendation:**

Move to approve on second reading the ordinance adopting permanent regulations for Cannabis Land Uses

#### **Report**

##### **Issue:**

Whether to adopt permanent zoning regulations allowing cannabis sales in High Density Corridor - 4, High Density Corridor - 3, Medical Services, and General Commercial zones, and reducing buffers on restricted land uses (except schools and playgrounds) from 1,000 feet to 500 feet.

##### **Staff Contact:**

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

##### **Presenter(s):**

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

##### **Background and Analysis:**

Background and Analysis has not changed from first to second reading.

The City currently allows interim sales of cannabis in High Density Corridor-4 (HDC-4), High Density Corridor-3 (HDC-3), Medical Services (MS) and General Commercial (GC) zones, in conjunction with 500 foot buffers separating such uses as licensed daycares, parks, arcades, libraries, and public transit centers, while maintaining a 1,000 foot buffer from schools and playgrounds. The interim regulations were sent to the Olympia Planning Commission for public hearing and deliberation.

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 initially, and is renewed every six months after holding a public hearing, per State law. 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. At its April 19, 2016 meeting, the City Council extended the moratorium for an additional six months after holding the requisite public hearing. That extension expired the first week of November, 2016.

In 2015, 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 former "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 regulations mandated 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 have gone through the Hearing Examiner review process and are open for business.

The Olympia City Council approved interim regulations for State licensed retailers which added more allowed zones for sales, and reduced 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 requirements for producers/processors. The interim regulations were forwarded to the Olympia Planning Commission for public hearing and deliberation.

The Olympia Planning Commission held a public hearing on the regulations on August 15, 2016. The Commission deliberated immediately after the public hearing and approved the regulations with no changes. The ordinance was referred back to City Council for final adoption.

**Neighborhood/Community Interests (if known):**

No one spoke at the public hearing before the Planning Commission.

**Options:**

1. Adopt the interim regulations as permanent.

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2. Refer back to Planning Commission if there is any new direction from Council.

**Financial Impact:**

None