



TO: T.C. Broadnax, City Manager
FROM: Elliott Barnett, Associate Planner;
Peter Huffman, Planning and Development Services Department
COPY: City Council and City Clerk
SUBJECT: **Resolution – Set Public Hearing Date for Adoption of Marijuana Businesses
Permanent Regulations – January 13, 2015**
DATE: December 4, 2014

SUMMARY:

Adopting a resolution on January 13, 2015, to set February 3, 2015, at approximately 5:30 p.m. as the date for a public hearing on the proposed adoption of permanent land use regulations concerning the production, processing, and retail sale of recreational marijuana.

STRATEGIC POLICY PRIORITY:

The development of permanent marijuana business regulations is best aligned with the following strategic policy priority:

- Foster neighborhood, community, and economic development vitality and sustainability.

BACKGROUND:

State Initiative 502 (“I-502”), approved by Washington voters in November 2012, provides a framework for licensing and regulating the production, processing, and retail sale of recreational marijuana. The WSLCB was tasked with establishing rules and procedures to implement I-502 and determining a “maximum number of retail outlets that may be licensed in each county”. According to the WSLCB, the rules became effective on November 16, 2013.

On November 5th, 2013, the City Council adopted Substitute Ordinance No. 28182, enacting interim land use regulations concerning the production, processing, and retail sale of recreational marijuana. The interim regulations were intended to provide policy and regulatory guidance to facilitate the review, in a proactive and timely manner, of those marijuana license applications within the City limits that were expected to come forward starting December 2013. They were also intended to provide adequate time for the City to evaluate the operations and impacts of the licensed marijuana businesses and allow the state to rectify the outstanding problems with the existing, largely unregulated medical marijuana system before deliberating on a permanent local regulatory resolution. The WSLCB began issuing marijuana production and processing licenses in March 2014, and marijuana retail licenses in July 2014. The state legislature deliberated potential changes to the legislation to address the medical marijuana industry in 2014, but has not as yet adopted any changes.

On September 30, 2014, the City Council adopted Ordinance No. 28250, extending the interim regulations through May 16, 2015. The Council further directed staff and the Planning Commission to develop recommendations for permanent recreational marijuana regulations to address community concerns and replace the interim regulations, prior to their expiration on May 16, 2015.

The Planning Commission is now completing its task of developing draft permanent recreational marijuana regulations, which would retain most parts of the current interim regulations and make some modifications to the Tacoma Municipal Code (TMC), Section 13.06.565 Marijuana Businesses. The Commission is developing the proposed code amendments through a public process including a public hearing on December 3, 2014, and is scheduled to make a recommendation to the City Council on



December 17, 2014. Pursuant to TMC 13.02, the City Council is required to conduct a public hearing before enacting any amendments to the Land Use Regulatory Code.

ISSUE:

Setting the public hearing date is a significant milestone and a required public and stakeholder engagement component of fulfilling the City Council’s directive to develop permanent marijuana business regulations.

ALTERNATIVES:

There are two potential alternatives available to the City Council in regards to marijuana business regulations at this time. The Council could continue to extend the current, interim regulations pursuant to consideration of permanent regulations at a later date. Or, the Council could adopt some or all components of the Planning Commission’s proposals for permanent marijuana regulations. This alternative has gone through a thorough public and stakeholder engagement process and represents a well-vetted approach to enhance the City’s capacity to appropriately regulate marijuana businesses.

City staff are recommending February 3, 2015, as the date for the public hearing. However, if more time is desired by the Council, a later date could be selected. The interim marijuana business regulations are effective through May 16, 2015.

RECOMMENDATION:

Set January 6, 2015 as the date for the public hearing. Subsequent steps necessary to accomplish the adoption of permanent marijuana business regulations are outlined below:

- February 3 Study session and public hearing
- February 10 Study session and first reading of ordinance for adopting permanent regulations
- February 17 Final reading of ordinance
- March 1 Effective date for the permanent regulations

FISCAL IMPACT:

There is no fiscal impact.