



TO: T.C. Broadnax, City Manager
FROM: Brian Boudet, Planning Manager, Planning and Development Services Department
Peter Huffman, Director, Planning and Development Services Department
COPY: City Council and City Clerk
SUBJECT: Resolution – Set Public Hearing Date for Extension of Marijuana Interim Regulations –
Requested City Council Date: August 26, 2014
DATE: August 8, 2014

SUMMARY:

Adopting a resolution on August 26, 2014 to set September 16, 2014 as the date for a public hearing on the proposed six-month extension of the interim land use regulations concerning the production, processing, and retail sale of recreational marijuana.

STRATEGIC POLICY PRIORITY:

The public hearing is a required step in the process for extending the interim regulations. Keeping the interim regulations in effect will continue to facilitate the City’s review of marijuana license applications and support continued evaluation of the operations and impacts of the licensed marijuana businesses. This is best aligned with the following strategic policy priority:

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

BACKGROUND:

Initiative 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 Washington State Liquor Control Board (“WSLCB”) was tasked with establishing rules and procedures to implement Initiative 502 and determining a “maximum number of retail outlets that may be licensed in each county.” The WSLCB was scheduled to release the rules and procedures and begin accepting applications for all license types in November 2013.

On November 5, 2013, the City Council enacted the interim land use regulations concerning the production, processing, and retail sale of recreational marijuana, effective for one year from November 17, 2013 to November 16, 2014. 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. The interim regulations 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 a permanent local regulatory resolution.

The WSLCB began issuing marijuana production and processing licenses in March 2014 and marijuana retailing licenses in July 2014. As of the end of July 2014, within Tacoma, two production/processing licenses have been issued and one retail shop has opened. While the state legislature deliberated potential changes to address the medical marijuana industry in 2014 they did not adopt any changes. Considering the fledgling stage of recreational marijuana licensing and operation within the city, the unresolved issues regarding medical marijuana at the state level, and the unresolved conflict between Initiative 502 and federal law, it is premature to develop a permanent regulatory resolution. Therefore, it is in the best interest of the City to keep the interim regulations in effect upon their expiration in November 2014.



Pursuant to RCW 36.70A.390 and Tacoma Municipal Code Section 13.02.055, interim regulations may be renewed for an unlimited number of six-month intervals and prior to each renewal, a public hearing shall be held by the City Council and findings of act are made which support the renewal.

ISSUE:

There are no known issues with respect to the proposed extension of the interim regulations or the selection of September 16, 2014 as the date for a public hearing.

ALTERNATIVES:

In terms of extending the interim regulations, alternatives could include letting the interim regulations expire, modifying the interim regulations, or enacting permanent regulations. Simply letting the interim regulations expire would discontinue the desired and necessary local land use and zoning controls of the matter. Developing and adopting permanent regulations or modifying the existing interim regulations would involve a longer process and is considered premature as the WSLCB has not completed its licensing process and the effectiveness of the current interim regulations has not been fully evaluated.

In terms of the timing for the public hearing, there are a few alternative dates available after September 16. However, conducting the public hearing on September 16 would allow adequate time for issues and concerns, if any, to be addressed by the Planning Commission and/or City Council before the interim regulations expire in November 2014 and the extension is ordained.

RECOMMENDATION:

Set September 16, 2014 as the date for the public hearing. Subsequent steps necessary to accomplish the extension of the interim regulations are outlined below:

- September 16 Public hearing
- September 23 First reading of ordinance for extending the interim regulations
- September 30 Final reading of ordinance
- November 16 Current interim regulations expire
- November 17 Effective date for the extension of the interim regulations (through May 16, 2015)

FISCAL IMPACT:

There is no fiscal impact.