



**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:** **Ordinance – Adopting Permanent Recreational Marijuana Regulations** – Requested  
City Council Date: February 10, 2015  
**DATE:** January 27, 2015

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**SUMMARY:**

An ordinance amending Title 13 of the Municipal Code establishing permanent land use regulations concerning the production, processing, and retail sale of recreational marijuana; and superseding the City’s interim recreational marijuana regulations adopted by Ordinance Number 28182.

**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 Washington State Liquor Control Board (WSLCB) was tasked with establishing rules and procedures to implement I-502. According to the WSLCB, the rules became effective on November 16, 2013.

On November 5<sup>th</sup>, 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, as codified in Tacoma Municipal Code (TMC) Chapters 13.06, 13.06A, and 13.10, 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 state law to address the medical marijuana industry in 2014, but has not 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 expedite the development of recommendations for permanent recreational marijuana regulations to replace the interim regulations prior to their expiration on May 16, 2015.

The Planning Commission has now completed its task of developing recommended permanent recreational marijuana regulations, through a public process including a public hearing on December 3, 2014. The Commission has now forwarded to the City Council its recommendations as documented in the Planning Commission’s Findings of Fact and Recommendations Report, dated January 7, 2015. The recommendations would retain most of the provisions of the current interim

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regulations while making some modifications to TMC Sections 13.06.300 Mixed-Use Center Districts, 13.06.400 Industrial Districts, and 13.06.565 Marijuana Businesses. Said modifications would clarify that all licensed marijuana uses must comply with City requirements, and expand areas where Marijuana Production and Processing, as well as Urban Horticulture, are permitted to include the M-1 Light Industrial and the CIX Commercial Industrial Mixed-Use Districts. The City Council is scheduled to conduct a public hearing on February 3, 2015, to receive public comments on the Planning Commission's recommendations.

**ISSUE:**

Given the provisions of state law allowing for recreational marijuana businesses, there is a need to develop permanent recreational marijuana regulations that reflect community perspectives regarding this new industry, that prepare the City for state legislative action, and that eliminate the need to renew the interim regulations upon expiration every six months.

The Commission's recommendations give deference to the will of the voters in adopting I-502, and to prior Council action, by reaffirming that licensed marijuana businesses have a legitimate place in Tacoma. The Commission considered but does not recommend additional regulations on marijuana businesses including further limitations on retail marijuana business permitted hours of operation, creating a distribution requirement between retail marijuana businesses, and adding to the list of uses with required buffers from proposed marijuana businesses. However, the Commission recommends improvements to the City's marijuana business review process, including provision of informal notification for proposed marijuana retail business locations.

**ALTERNATIVES:**

The Council could adopt some or all of the Planning Commission's recommendations, or alternatively could continue to extend the interim regulations pursuant to consideration of permanent regulations at a later date. Based on Council direction, City staff established an expedited timeline, and recommend February 10, 2015 as the most expedient date for Council action. Should the Council wish to adopt permanent regulations but desire more time for consideration, a later date could be selected. The interim marijuana business regulations are effective through May 16, 2015.

Tacoma's recreational marijuana regulations exist within an uncertain context, reflecting the status of state-level marijuana law and administration, and the Council's consideration of unlicensed medical marijuana enforcement strategies. However, some action is required in the near term pursuant to the City's requirements to revisit the interim regulations prior to their expiration. Staff note that while the proposal would adopt "permanent" regulations, those could and probably would be amended in the future to reflect state action and community input.

**RECOMMENDATION:**

Conduct the first reading of an ordinance on February 10, 2015, followed by the final reading on February 17, 2015, to adopt the Planning Commission's Findings and Recommendations Report of January 7, 2015 and amend the Tacoma Municipal Code accordingly.

In addition, the Council has set February 3<sup>rd</sup> for a Study Session and public hearing, and February 10<sup>th</sup> as a second Study Session to discuss public comments received as well as any potential changes to the proposal.

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**FISCAL IMPACT:**

There is no direct fiscal impact. However, the development of the recreational marijuana industry may have a positive effect in terms of economic development.