



TO: T.C. Broadnax, City Manager
FROM: Peter Huffman, Director, Planning and Development Services
Brian Boudet, Planning Manager, Planning and Development Services
COPY: City Council and City Clerk
SUBJECT: Resolution – Initiating a Moratorium on Marijuana Regulations – Requested City Council
January 5, 2016
DATE: January 5, 2016

SUMMARY:

Initiating the process to consider enacting a temporary moratorium on new marijuana retail uses, setting January 12, 2016 as the date for a public hearing, and requesting the Planning Commission to develop findings of fact and a recommendation.

STRATEGIC POLICY PRIORITY:

Initiating the process to consider enacting a marijuana moratorium would support the following strategic policy priorities:

- Strengthen and support a safe city with healthy residents.
- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.

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. In response, the City adopted pertinent land use regulations in February 2015 to provide policy and regulatory guidance to facilitate the review of those recreational marijuana license applications within the City limits.

The State Legislature enacted the Cannabis Patient Protection Act in 2015, establishing regulations for the formerly unregulated medical marijuana system and aligning it with the existing recreational system. In response, the City Council and Planning Commission have begun a process of developing appropriate revisions to the Land Use Regulatory and Nuisance Codes. The Planning Commission is expected to forward its recommendations to the City Council in March 2016 with final Council consideration in April/May.

The City Council intends to enact a temporary moratorium on new marijuana retail uses in order to allow adequate time for local policy discussion at the Planning Commission and City Council level. Said moratorium, if enacted, would expire within six months, or upon completion of the regulatory amendments process currently going through the Planning Commission.

Tacoma Municipal Code 13.02.055 requires that, upon initiating a moratorium, the City Council shall conduct a public hearing to receive public comments on the proposed action and refer to the Planning Commission for findings of fact and a recommendation to justify the proposed action.

The City Council’s tentative schedule for enacting a temporary moratorium on new marijuana retail uses is as follows: initiating the process on January 5, 2016; conducting a public hearing on January 12, 2016; consider the first and the final readings of adopting ordinance on, respectively, January 12 and 26, 2016; and requesting the Planning Commission to develop findings of fact and a recommendation by January 20, 2016, regarding the proposed moratorium.



ISSUE:

In response to changes in state law adopted in the last legislative session, the State Liquor and Cannabis Board has been working through its rulemaking process to establish the administrative procedures and standards for the integration of medical marijuana into the existing recreational marijuana marketplace. As part of that process, the state is looking to expand the existing cap on retail marijuana stores in Tacoma and other potential rule changes. This process also involves the establishment of a new class of use – the marijuana cooperative.

The City's existing regulations were adopted in February 2015 in response to I-502 and the associated state rules regarding the recreational marijuana marketplace. They were not designed to adequately address the changes made subsequently by the State regarding medical marijuana, including a potential significant increase in the number of stores allowed and the potential incorporation of new uses.

The State is again processing applications for retail marijuana uses. It is not appropriate for additional applications to be reviewed under the existing regulations, particularly while the City is in the process of reevaluating our regulations and potentially making changes. In order to preserve the City's regulatory authority and the validity of our legislative process it is necessary to put a temporary hold on the establishment of new marijuana retail uses until that process has completed.

ALTERNATIVES:

The City could choose to not adopt a temporary moratorium. However, considering that the State is again processing applications for new marijuana retail uses, it is very possible that additional retail uses could be permitted and licensed prior to the conclusion of the local legislative process and any changes in local standards that result from that process, thus effectively being exempt from those updated standards.

RECOMMENDATION:

Initiate the process to consider enacting a temporary moratorium on new marijuana retail uses, set January 12, 2016 as the date for a public hearing, and request the Planning Commission to develop findings of fact and a recommendation by January 20, 2016.

FISCAL IMPACT:

There is no fiscal impact.