



**CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT**

ITEM NUMBER: 6b

DATE: March 22, 2018

SUBJECT: Community Development Committee Meeting Minutes

CONTACT PERSON: Ryan C. Larsen, City Administrator/Community Development Director

ATTACHMENTS: A – March 8, 2018 Meeting Minutes

SUMMARY STATEMENT

Minutes from the March 8, 2018 meeting are attached to this staff report for approval as presented.

**City Council
COMMUNITY DEVELOPMENT COMMITTEE**

March 8, 2018 Meeting

The Community Development Committee met on March 8, 2018 with councilmembers Judy Williams, Conrad Ryer, and Elizabeth Callaghan; as well as Ryan C. Larsen, Community Development Director. In addition Cathy Wooten and Tim Schmitt were also in attendance.

Community Development Director Ryan Larsen reviewed and discussed the following items with the Committee.

1. Election of Chair

This item was postponed until the April 12, 2018 meeting.

2. Code Edits Title 17- Tattoo and B&B Changes (Zoning Use Table)

City staff discussed the proposed changes with the Committee. City staff has proposed changes to Title 17 based on the desire of the Planning Commission and the mayor. The Commission held a public hearing on January 22, 2018, at which time the Commission made the following recommendation to City Council:

“I MOVE TO RECOMMEND CITY COUNCIL APPROVE THE PROPOSED CODE EDITS TO TITLE 17 AS OUTLINED IN ATTACHMENT A.”

The motion from the Commission passed with four members in favor, one no vote, one abstention, and one not present. The motion included support for the proposed changes in Ordinance 1455.

Also, during public comment, there was concern expressed over the number of rooms allowed in the residential zone for bed and breakfast. The change would allow for six rooms in all residential zones for both bed and breakfast residences and bed and breakfast inns. Before the proposed change only two rooms were allowed for bed and breakfast residences.

Staff has further evaluated the proposed change and realized the change suggested by staff would be in contradiction with the definitions (below).

“Bed and breakfast house or inn” means a building other than a hotel or nursing home where meals and short-term lodging of **more than two rooms** are provided for compensation to guests and other transient persons.

“Bed and breakfast residence” means a building other than a hotel or nursing home where meals and short-term lodging of **two rooms or less** are provided for compensation to guests and other transient persons.

One alternative discussed with the City Council Community Development Committee was to make a change to address the number of rooms for bed and breakfast residences under section 17.30.050 Zoning use conditions subsection (6) from staff’s suggested change and to make the definition consistent found under section 17.20.030.

Staff offered the following additional suggested change:

17.20.030 “B” definitions

“Bed and breakfast house or inn” means a building other than a hotel or nursing home where meals and short-term lodging of more than ~~two~~ four rooms are provided for compensation to guests and other transient persons.

“Bed and breakfast residence” means a building other than a hotel or nursing home where meals and short-term lodging of ~~two~~ four rooms or less are provided for compensation to guests and other transient persons.

17.30.050 Zoning use conditions

(6) A business license and compliance with conditions in SMC 17.100.060 for permitting a bed and breakfast use are required. Bed and breakfast residence use is limited to ~~two~~ four rooms per residence. Bed and breakfast inn use is limited to six rooms in the SR 5.0 zone, 10 rooms in the MR zone and 16 rooms in the GC zone.

The change to the Personal Services section of the zoning use table under SMC 17.30.040 adds Tattoo Parlors as a permitted use in the MBI and GC zones. The other original change was to the zoning use table changing Bed and Breakfast Inns as an Administrative Conditional Use permit under Single-Family Residential SR5.0 (SR5.0), Multi-Family Residential (MR), and General Commercial (GC) from a Conditional Use Permit and changes Bed and Breakfast Residence from a Conditional Use to an Administrative Conditional Use permit under the SR12.4, SR9.6, SR7.0, SR5.0, MR and GC zones. Staff also changed footnote (6) to allow up to 6 rooms in all SR zones from 2 rooms under SMC 17.30.050.

The Community Development Committee suggested changes to the Bed and Breakfast Inns and Bed and Breakfast Residence section of the ordinance. The changes proposed are to not allow for them to be processed as a conditional use permit but rather make no change to the permitted use table under 17.30.040, and to change the definitions for both B&B Inns and B&B Residences to be consistent with footnote (6) found under SMC 17.30.050. The Committee did not suggest tattoo parlor changes.

3. Retail Marijuana Language

City staff discussed the proposed rules relating to marijuana with the Committee. Below is a list of issues discussed on recreational marijuana.

Number of Businesses

There are three types of potential I-502 businesses: Producers, processors and retailers. A retailer cannot be a producer or a processor, and a retail operation cannot take place in the same location as a producer or processor. However, a producer and a processor may co-locate in the same place.

There is no limit on the number of producers or processors that may choose to locate in a jurisdiction. The actual number in each jurisdiction will depend upon the number of applicants who meet the requirements of the WSLCB and the local jurisdiction.

The state has established a limit on the number of I-502 retail locations in each jurisdiction.

Location

One of the big changes to the rules is the allowance for reduced buffer setbacks. RCW 69.50.331 allows a city to reduce buffers from 1,000-feet to not less than 100-feet for recreation center or facility, child care center, public park, public transit center*, or library, or any game arcade admission to which is not restricted to persons aged twenty-one years or older. Staff produced a map showing recommended buffers.

* It should be noted the City currently does not have any public transit centers or game arcade admission to which is not restricted to persons aged twenty-one years or older.

Helpful RCW and WAC sections:

RCW 69.50.331

Application for license.

(8)(a) Except as provided in (b) through (d) of this subsection, the state liquor and cannabis board may not issue a license for any premises within one thousand feet of the perimeter of the grounds of any elementary or secondary school, playground, recreation center or facility, child care center, public park, public transit center, or library, or any game arcade admission to which is not restricted to persons aged twenty-one years or older.

(b) A city, county, or town may permit the licensing of premises within one thousand feet but not less than one hundred feet of the facilities described in (a) of this subsection, except elementary schools, secondary schools, and playgrounds, by enacting an ordinance authorizing such distance reduction, provided that such distance reduction will not negatively impact the jurisdiction's civil regulatory enforcement, criminal law enforcement interests, public safety, or public health.

(c) A city, county, or town may permit the licensing of research premises allowed under RCW 69.50.372 within one thousand feet but not less than one hundred feet of the facilities described in (a) of this subsection by enacting an ordinance authorizing such distance reduction,

provided that the ordinance will not negatively impact the jurisdiction's civil regulatory enforcement, criminal law enforcement, public safety, or public health.

(d) The state liquor and cannabis board may license premises located in compliance with the distance requirements set in an ordinance adopted under (b) or (c) of this subsection. Before issuing or renewing a research license for premises within one thousand feet but not less than one hundred feet of an elementary school, secondary school, or playground in compliance with an ordinance passed pursuant to (c) of this subsection, the board must ensure that the facility:

WAC 314-55-010

(4) "Child care center" means an entity that regularly provides child day care and early learning services for a group of children for periods of less than twenty-four hours licensed by the Washington state department of early learning under chapter 170-295 WAC.

(11) "Game arcade" means an entertainment venue featuring primarily video games, simulators, and/or other amusement devices where persons under twenty-one years of age are not restricted.

(26) "Public transit center" means a facility located outside of the public right of way that is owned and managed by a transit agency or city, county, state, or federal government for the express purpose of staging people and vehicles where several bus or other transit routes converge. They serve as efficient hubs to allow bus riders from various locations to assemble at a central point to take advantage of express trips or other route to route transfers.

(27) "Recreation center or facility" means a supervised center that provides a broad range of activities and events intended primarily for use by persons under twenty-one years of age, owned and/or managed by a charitable nonprofit organization, city, county, state, or federal government.

City staff created a map representing the 1,000 foot separation distances from such uses and the WSLCB has clarified that "The distance shall be measured as the shortest straight line distance from the property line of the licensed premises to the property line of an elementary or secondary school, playground, recreation center or facility, child care center, public park, public transit center, library or arcade where admission is not restricted to those age 21 and older". The map indicates that several locations may be viable to locate such facilities with the City.

Potential Impacts to City Services

State rules for I-502 regulate the majority of activities that are related to recreational marijuana businesses. I-502 does not specifically address impacts to City services such as traffic or utilities. However, I-502 prevents waste disposal from entering public utilities and specifically regulates how waste shall be transported from the facility to another location.

For the purposes of water and sewer use staff recommends that potential regulations include that applicants for marijuana producers and processors provide calculations estimating water and sewer use. By receiving an estimate of water and sewer use, and with the knowledge that waste is strictly controlled, the City can be better assured that the review and associated fees will be based on overall demand. For the purposes of water and sewer use, retail businesses would not be required to provide

an estimate of water and sewer use. Instead the City would utilize existing Equivalent Residential Unit Calculations for retail businesses to determine the appropriate sanitary sewer General Facilities Fee.

For traffic impacts staff recommends using existing traffic impact fees for producers and processors due to the limited visitors to these operations, such as manufacturing uses and existing tables for retail sales of marijuana.

Odor

Marijuana can and does produce an odor during its life cycle. Some cities have taken the approach to regulating this through the new regulations within the proposed recreational marijuana regulations. They have accomplished this by considering the smell to be a nuisance and regulating for the installation of ventilation within the facility.

Other Topics

Another questions is where to permit these types of facilities. Staff is suggesting allowing producers and processors within the Light Industrial and General Industrial zones and then to allow retail use within the Mainstreet Business I and II and in the General Commercial zones. Some cities are allowing for the retail use within industrial type zones and not allowing them within any of their retail zones. Also, we are suggesting to make them a permitted use with the zone.

The final area staff would like to draw attention to is that staff is proposing to have all marijuana uses located within a closed facility. This would assist in ensuring greater protection of the facility.

So, staff has drafted a set of rules that allow for the retail sale of marijuana as well as producers and processors in the City.

Here are a few highlights from the set of rules:

- Marijuana retailers may not locate within one thousand feet of any parcel containing an elementary or secondary school, playground, recreation center or facility, child care center, public park, public transit center, or library, or any game arcade admission to which is not restricted to persons aged twenty-one years or older.
- Marijuana retailers may not locate within two thousand five hundred feet of any other legally established marijuana retailer whether said marijuana retailer is within the City limits or not.
- Customer parking for marijuana retailers must be on the public street side of the structure.
- Vehicular access to the parking lot for a marijuana retailer shall be from the public street frontage and may not be from an alley.
- Marijuana retailers shall not be allowed on any parcel that is contiguous to a parcel containing residential use.

- The Community Development Director shall have the authority to require improvements.
- The front facade of marijuana retail stores shall consist of storefront window(s), doors, and durable, quality building materials consistent with the design standards of the zone in which the property is located.
- Design standards could apply if located in a zone that does not have them.
- The maximum number of retail marijuana stores allowed in the City of Stanwood shall not exceed two.

The Planning Commission reviewed this issue at their February 26, 2018 meeting. There was several community members in attendance and the majority of speakers spoke in opposition to the change. At the end of the meeting the Commission briefly discussed the proposed language. The Commission seemed to indicate that they only wanted to review the issue of retail sales and not the processing or production of marijuana. At this time, staff is recommending to present only the language adding retail sales as an allowable use at an upcoming public hearing. The Committee also seemed to support the concept of only moving forward with the retail sales portion of the ordinance and not with processing and production.

Chair