

City of Poulsbo

Planning & Economic Development



To: Planning Commission
From: Heather Wright, AICP, Planning and Economic Development Director
Date: November 28, 2023
RE: Cannabis Retail Discussion

A. Background, 2012-2014

- I-502 passed in 2012 with 52% of Poulsbo residents approving the legalization of recreational marijuana.
- City of Poulsbo passed interim regulations to allow marijuana –related uses (retailers, producers, processors and medical marijuana collective gardens) in 2013 in Light Industrial zoning district.
- Planning Commission recommended approval of allowing recreational marijuana uses and collective gardens within Light Industrial zoning district, May 2014.
- City Council prohibited production, processing and retailing of marijuana, June 2014.

B. Recent City Council and Planning Commission Discussions

On April 5, 2023, as part of the city budget discussion and following an initial discussion in March, the City Council decided they wanted to allow cannabis retail in the City of Poulsbo and they requested that the Planning Commission make a recommendation on options as to where retail sales could be located with an acknowledgement that 1,000 foot buffer would be very restrictive.

Prior to requesting the commission recommendation, the City Council wanted to know from Poulsbo Police Chief, Ron Harding, the potential impact retail sales could have on crime. Ron reached out to the neighboring jurisdiction, and was informed that the impact has not been measurable. They encouraged the Chief to work closely with the owners before establishing their shops for security protocol and cooperation.

The Planning Commission had their first discussion on April 11, 2023 and requested staff return with information on what has been successful in other jurisdictions and the requirements of the RCW. There was also a request to speak from someone at the Liquor Control Board and a cannabis business owner.

1) Planning Commission Inquiry:

The City utilized the services of Municipal Research and Services Center (MRSC) to pose seven (7) questions to various jurisdictions to respond to the Planning Commission inquiry. The survey was launched in June 2023 and 11 jurisdictions across the state responded, including both cities that do and do not allow cannabis retail sales. All responders found that their retail cannabis regulations were successful in addressing the use. As for lessons learned, it was expressed that hearings did not seem necessary as their community has become accustomed to the use, that the applicant should have the burden of showing they meet the buffer requirements and that state regulations address safety concerns.

2) State Law Considerations:

The RCW's and WAC's provide the parameters for cannabis retail and provide buffer standards with the opportunity for reduction around certain uses, and provide limitations on hours of operation and restrictions on signage. Excerpts and code references are provided below:

a) Location and Buffers:

Except as provided in (b) through (e) of this subsection, the board may not issue a license for any premises within 1,000 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 21 years or older.

A city, county, or town may permit the licensing of premises within 1,000 feet but not less than 100 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.

b) Advertising, Signage:

Except for the use of billboards as authorized under RCW [69.50.369](#) and as provided in this section, licensed cannabis retailers may not display any outdoor signage other than two separate signs identifying the retail outlet by the licensee's business name or trade name, stating the location of the business, and identifying the nature of the business. Both signs must be affixed to a building or permanent structure and each sign is limited to 1,600 square inches.

(i) All text on outdoor signs, including billboards, is limited to text that identifies the retail outlet by the licensee's business or trade name, states the location of the business, and identifies the type or nature of the business.

(ii) No outdoor advertising signs, including billboards, may contain depictions of cannabis plants or cannabis products. Logos or artwork that do not contain depictions of cannabis plants or cannabis products as defined in this section are permissible.

(A) A depiction of a cannabis plant means an image or visual representation of a cannabis leaf, plant, or the likeness thereof that explicitly suggests or represents a cannabis leaf or plant.

(B) A depiction of a cannabis product means an image or visual representation of useable cannabis, cannabis-infused products, or cannabis concentrates, or an image that indicates the presence of a product, such as smoke, etc.

- (iii) Stating the location of the business may include information such as the physical address or location, directional information, website address, email address, or phone number of the licensed business.
- (iv) Identifying the nature of the business may include information related to the operation of the business, what the business is engaged in, or the goods the business offers for sale.
- (v) Double-sided signs or signs with text visible on opposite sides are permissible and count as a single sign so long as the sign is contained in or affixed to a single structure.

No cannabis licensee may use or employ a commercial mascot outside of, and in proximity to, a licensed cannabis business. (WAC 314-55-155)

c) Hours of Operation:

A cannabis retailer licensee may sell usable cannabis, cannabis concentrates, cannabis-infused products, and cannabis paraphernalia between the hours of 8 a.m. and 12 a.m.

These regulations provide parameters for the location, advertising, signage, and operating hours of cannabis retail establishments, aiming to balance commercial interests with considerations for public safety and health. (WAC 314-55-147)

C. Analysis of the Zoning Map with Buffers

As allowed by the state, the City of Poulsbo could allow cannabis retail sales on lands zoned Commercial (C), Office, Commercial Industrial (OCI), Business Park (BP) or Light Industrial (LI). Buffer distances are established in the RCW and only the buffers for properties developed with an elementary or secondary schools and parks with a playground are prohibited from reducing the buffer below 1,000'. In no circumstance can the buffer be reduced to less than 100'.

Staff recognizes that LI was the favored location in discussions dating back to 2014. However, subsequent developments, such as the public works, Edward Rose project, and Kitsap Transit expansion projects, have constrained current opportunities for the intended use to find a suitable location.

A buffer of 1000' would provide very limited opportunities within City limits, especially along the north end of Viking Way and the Bond/SR305 intersection. Buffer reductions open up properties in all zoning districts and particularly along SR 305 on 7th and 10th Avenues (see Attachment B, Cannabis Buffer).

D. Staff Recommendation

Staff recommends allowing cannabis retail in the C-2 zoning district by reducing the buffer to 100' along Viking Avenue. The reasons for this recommendation include:

1. **Compatibility with the purpose of the C-2 zoning district.** Every zoning district has a purpose that it is intended to accomplish. For C-2, the purpose is to 1) encourage commercial uses and activities that depend upon safe and efficient access to major transportation routes, 2) provide a compatible mix of office, commercial and residential use, 3) allow for residential and mixed-use projects to increase the opportunities for people to live, work, shop and

recreate within walking distance and 4) ensure that projects are designed using consistent and compatible architectural design.

Cannabis retail aligns with the specified purposes of the C-2 zoning district for several reasons. Firstly, it encourages commercial uses that depend on safe and efficient access to major transportation routes, as cannabis retail can benefit from strategic locations with convenient access for customers and suppliers. Secondly, the inclusion of cannabis retail contributes to a compatible mix of office, commercial, and residential uses, fostering a diversified and balanced urban environment.

Thirdly, allowing cannabis retail supports the goal of increasing opportunities for people to live, work, shop, and recreate within walking distance. This is particularly relevant as the northern end of Viking is primarily residential and connects by sidewalks to the southern commercial area, promoting a more comprehensive and accessible community. Lastly, any newly proposed buildings to contain cannabis retail establishments shall adhere to design guidelines.

2. **Existing development patterns and character.** Viking Way is undergoing a revitalization, marked by renewed development that encompasses the revival of former establishments and the occupation of previously vacant buildings. The area provides a diverse array of retail choices, featuring a mix of eclectic options such as a nursery, breweries, RV sales, hair salon and drive through coffee to name a few. Additionally, there are vacant lots and storefronts situated beyond the 100-foot buffer zone.

E. Next Steps

If comfortable with staff recommendation, the planning commission may hold a public hearing on a zoning amendment to allow cannabis retail sales on December 12th. The planning commissions recommendation is forwarded to the city council to hold a workshop and a subsequent meeting in early 2024.

Staff also recommends that as part of the SR305 moratorium, the commission and council consider also allowing it in the C-3 zoning district.

Attachments:

- A. Retail Cannabis Survey for Washington Cities, MRSC compiled responses.
- B. Cannabis buffer infographic

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10 Jason Sullivan City of Bonney Lake sullivanj@cobl.us

11 Carol Helland Redmond chelland@redmond.gov

Does your city allow retail cannabis? If no, please do not answer Q 5 - Q 9.	When were your city's regulations allowing retail cannabis adopted?	RCW 69.50.331(8) requires licensed cannabis producers, processors or retailers to be located at least 1,000 feet from the following entities. Local governments may reduce the 1,000 feet buffer to ...
Yes	City accepted state law and did not change municipal code - no code changes made. Consider it retail.	No
Yes	2014	No
No		

Yes	2015	No
Yes	2017	No
No	2016	No
No		

Yes	2014	Yes
Yes	2013	No
No		
Yes	2014	Yes

If yes to Q6, from which entities do you allow reduced buffers?

If yes to Q6, would you recommend that other cities also reduce their buffers? Please explain.

n/a

n/a

N/A

N/A

Yes. We used GIS mapping and found that the 1,000' buffer was incredibly limiting for siting. It is unclear what 1,000' distance provides in the way of protections. How to measure the distance is not clear (bird flies or walking distance?). Ultimately, we have seen many of those uses go in to existing vacant retail spaces after the marijuana retailer was established. This means the retailer is not meeting the buffer (ours is 500'), by no means of their own. The Marijuana retailer is not in control of what businesses move in adjacent to them. This has resulted in most retailers having most of those other business types well within 1,000' of them. The purpose of the buffer has therefore become unclear. It is also impossible to track as businesses can relocate/move from year to year.

recreation center or facility, child care center, public park, public transit center, or library, or any game arcade

Demonstration of buffer compliance is therefore challenging and only relevant when the Marijuana retailer moves but not the other way around.

Recreation center or facility, childcare center, public park, public transit center, library, game arcade.

It is a community related decision. This decision was concluded to be right for Redmond, because we lacked locations to permit marijuana related uses when the 1000 foot buffer was applied beyond schools and public playgrounds.

Do you consider your city's retail cannabis regulations successful in addressing this use? Please explain.

Do you have any other lessons learned you'd like to share with other WA jurisdictions regarding your retail cannabis regulations?

Using state law has met basic needs. No additional regulations have made it easy for us to process. We have very few establishments in City Limits.

Make the applicant show that they meet buffer requirements vs. leaving burden on City.

n/a

No.

It works.

Separation requirements and license limits result in city-enforced monopolies within a business area, and encourages businesses to stick in the first place they had rushed to get permitted at years ago, whether it's a good fit or not. Seems like a lot of stores are in odd and oversized buildings (e.g. ex car dealership) just because they could get permitted. It's wasting otherwise valuable property and building space.

Unsure what constitutes "success," but they are definitely limited in geographic reach in Kirkland,

Yes

Yes and no.

Yes - because it is nice to have clarity on what uses are permitted and where.

No - because:

~Our regulations are much the same as the state regulations. There is substantial duplicity, which seems unnecessary.

~ We require a CUP for retailers, but the process of a hearing seems unnecessary. There was a lot of concern from the community in the beginning, but now its not seen as any different than a regular retailer. Its therefore odd to send one retail store to a hearing and all others through an administrative process. There are usually no exterior changes to the site and could otherwise be processed as a tenant improvement.

~ For a while Marijuana retailers had limited hours of operation by municipal code than state requirements. These limited hours were found unnecessary and later removed from code.

My preference at this point would be to treat the use much the same as any other retail operation. We have not had any applications for producers or processors so I cannot speak to that.

Olympia has 5 retailers, and one that moved therefore there have been 6 Conditional Use Permit Hearings before the examiner. In the earlier years the hearings were well attended (20-40 people) each. Most in support. They were some of the most lively hearings I have experienced with people sharing their personal stories and one memorable hearing ending with a standing ovation to the Examiner who ruled to approve from the bench. In the last 5 years or so, the hearing attendance has dwindled to none. It would seem the community has become accustomed to marijuana retail businesses within the community. I suspect this is true for other jurisdictions and am glad to see some renewed interest on the topic of buffers and process. Thanks for letting me share.

The current state regulations for retail cannabis sales fully addresses the communities concerns for safety. I have worked in other jurisdictions where the buffer was reduced to 500 ft when allowable by state law and there were no issues associated with it there.

N/A

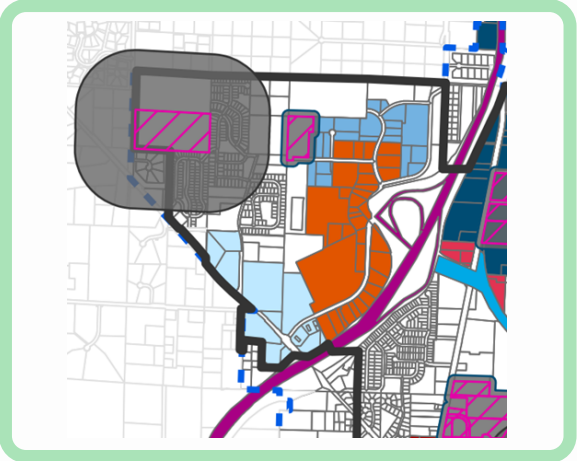
yes

No

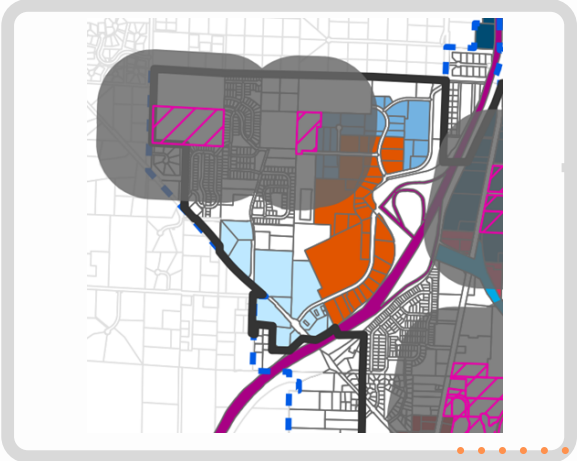


CANNABIS RETAIL BUFFER COMPARISON

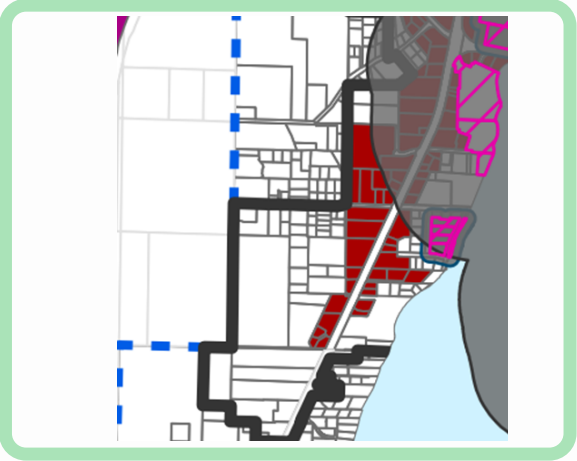
1 - Olhava - 100'



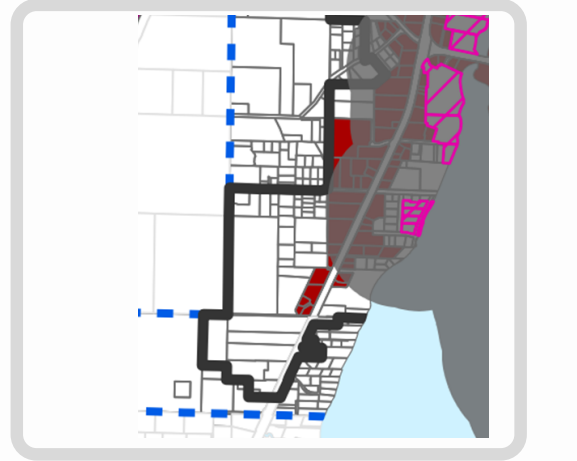
Olhava - 1,000'



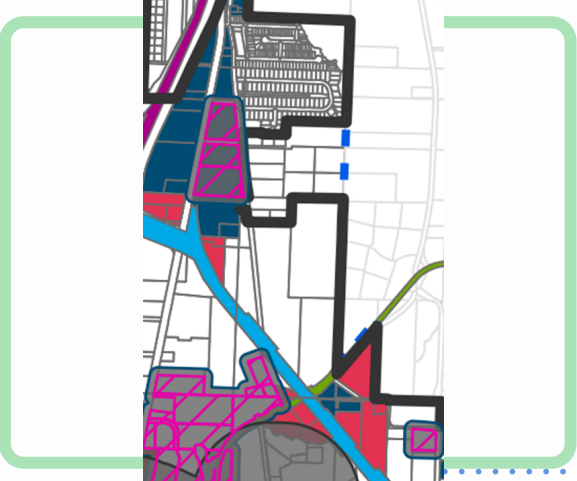
2 - Viking - 100'



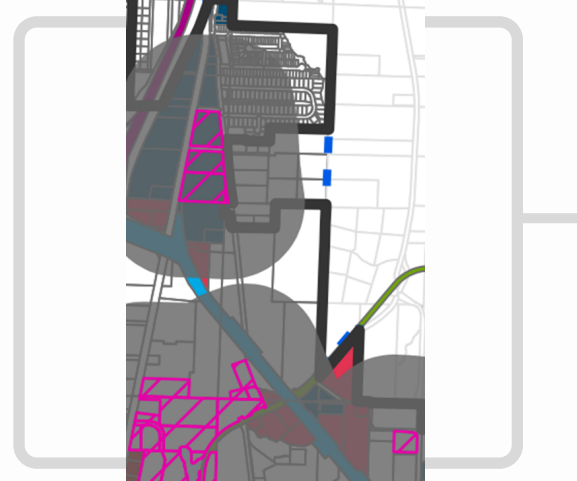
Viking - 1,000'



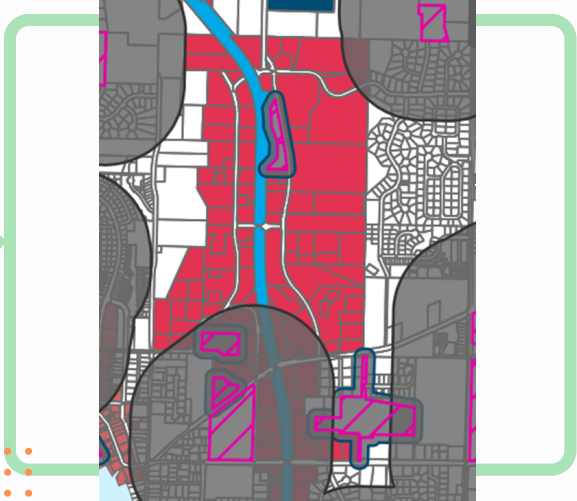
3 - Light Industrial - 100'



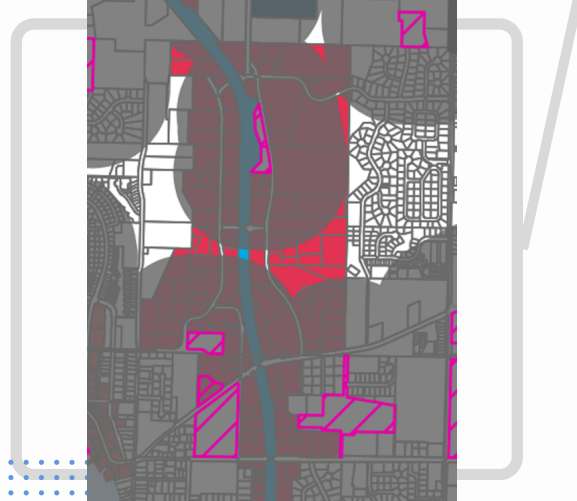
Light Industrial - 1,000'



4 - C-3, SR 305 - 100'



C-3, SR 305 - 1,000'



Map Locator Guide and Legend

