

**CITY OF MARYSVILLE**

**EXECUTIVE SUMMARY FOR ACTION**

**CITY COUNCIL MEETING DATE: September 9, 2013**

<b>AGENDA ITEM:</b> Public Hearing- Consideration of an Ordinance adopting a moratorium on the establishment, siting, location, permitting, licensing or operation of marijuana cultivation, production of marijuana or marijuana derivatives.	<b>AGENDA SECTION:</b> New Business	
<b>PREPARED BY:</b> Gloria Hirashima, Chief Administrative Officer	<b>DIRECTOR APPROVAL:</b>	
<b>ATTACHMENTS:</b> 1. Draft Ordinance. 2. Initiative 502 Retail Prohibitions Map		
	<b>MAYOR</b>	<b>CAO</b>
<b>BUDGET CODE:</b>	<b>AMOUNT:</b> \$	

**DESCRIPTION:**

Initiative Measure No. 502 approved by the voter of Washington State on November 6, 2012, purports to legalize various activities relating to the cultivation, production and use of marijuana and marijuana derivatives. The measure includes provisions for establishment, siting, location, permitting, licensing or operation of marijuana cultivation, production and sales of these substances. The Washington State Liquor Control Board (WSLCB) has been charged with implementation of Initiative 502. WSLCB must adopt rules for implementation by 12/1/13. The Board’s current schedule provides for rule adoption on October 16, 2013, with an effective date of November 16, 2013. The WSCLCB would potentially begin accepting applications for Producer, Processor and Retail licenses on November 18, 2013.

The City of Marysville is reviewing its development regulations and areas to identify appropriate responses to the anticipated rules and applications. Exhibit 2 of the agenda bill identifies retail prohibitions identified within I-502 as applied to properties within the city of Marysville.

Staff is recommending adoption of a 12-month moratorium to evaluate implementation of a zoning and licensing strategy for these uses within the city limits.

<b>RECOMMENDED ACTION:</b> <b>Recommend approval of the ordinance establishing a 12 month moratorium.</b>
<b>COUNCIL ACTION:</b>

Draft

7/31/13 For discussion

CITY OF MARYSVILLE  
Marysville, Washington

ORDINANCE \_\_\_\_\_

**AN ORDINANCE OF THE CITY OF MARYSVILLE, WASHINGTON, ADOPTING A TWELVE (12) MONTH MORATORIUM WITHIN THE CITY OF MARYSVILLE ON THE ESTABLISHMENT, SITING, LOCATION, PERMITTING, LICENSING OR OPERATION OF MARIJUANA CULTIVATION, PRODUCTION OF MARIJUANA DERIVATIVES, AND THE SALE OF MARIJUANA OR MARIJUANA DERIVATIVES OR ANY OTHER ACTIVITIES ASSERTED TO BE AUTHORIZED OR ACTUALLY AUTHORIZED UNDER WASHINGTON STATE INITIATIVE NO. 502 OR ANY OTHER LAWS OF THE STATE OF WASHINGTON AND SETTING A DATE FOR A PUBLIC HEARING ON THE MORATORIUM, ADOPTING A WORK PLAN, PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, Initiative Measure No. 502 (I-502), approved by the voters of Washington state on November 6, 2012, purports to legalize the production, sale and use of marijuana products purchased from State licensed stores for adults age twenty-one (21) and over; and

**WHEREAS**, I-502 Section 1 (3) authorizes the state liquor control board to regulate and tax marijuana for persons twenty-one (21) years of age and older, and add a new threshold for driving under the influence of marijuana; and

**WHEREAS**, I-502 Section 4 (1) allows the Washington State Liquor Control Board to license marijuana to process, package and label usable marijuana and marijuana-infused products for sale at wholesale to marijuana retailer;

**WHEREAS**, I-502 Section 4 (3) allows the Washington State Liquor Control Board to license marijuana retailers to sell usable marijuana and marijuana-infused products at retail in retail outlets; and

**WHEREAS**, I-502 Section 6 (7) states that before the Washington State Liquor Control Board issues a new or renewed license to an applicant, it must give notice to the application to the chief executive officer of the incorporated city, and the city has the right to file its written objection to such licenses within 20 days after transmittal of the notice of application, but the Board makes the final decision whether to issue a license; and

**WHEREAS**, I-502 Section 6(8) establishes certain limitations on the Washington State Liquor Control Board's issuance of licenses for any premises that are within 1,000 feet of the perimeter of the grounds of any elementary school or secondary school, playground, recreation

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 (21) years or older; and

**WHEREAS**, I-502 Section 9 contemplates that the Washington State Liquor Control Board will adopt rules to implement the provisions of I-502, which includes the equipment and management of retail outlets and premises where marijuana is produced and processed, and the inspection of same; methods of producing, processing, and packaging the marijuana and marijuana products; security requirements at such establishments; retail outlet locations and hours of operation; labeling requirements and restrictions on advertising of such products; licensing and licensing renewal rules; the manner and method to be used by licensees to transport and deliver marijuana and marijuana products (among other things); and

**WHEREAS**, I-502 Section 10 contemplates that the Washington State Liquor Control Board will adopt procedures and criteria by December 1, 2013 for issuing licenses to produce, process and sell marijuana (among other things) and

**WHEREAS**, I-502 Section 13 limits the number of retail outlets to be licensed in each county, for the purpose of making useable marijuana and marijuana-infused products available for sale to adults twenty-one (21) years of age or over; and

**WHEREAS**, I-502 decriminalizes, for purposes of state law, the production, manufacture, processing, packaging, delivery, distribution, sale or possession of marijuana, as long as such activities are in compliance with I-502; and

**WHEREAS**, at this point in time, the City of Marysville does not have specific regulations addressing the facilities or uses identified in I-502, other than the requirement for a general business license; and

**WHEREAS**, I-502 prohibits anyone from engaging in the activities identified in I-502 without first obtaining a license from the Washington State Liquor Control Board; and

**WHEREAS**, the uses described in I-502 have never been allowed in any state or city in the United States, and City needs time to study the secondary land use impacts of these marijuana uses and the various development standards that should be considered to mitigate these impacts before adoption of any regulatory ordinance or issuance of any business license; and

**WHEREAS**, the Marysville City Council hereby finds that a moratorium to preserve the status quo is necessary, until the State Liquor Control Board definitively acts to establish a final and complete set of rules for the licensing of all of the new marijuana facilities and uses identified in I-502, and until the City can study, draft, hold public hearings and adopt the appropriate land use and/or licensing regulations to address these new uses; and

**WHEREAS**, RCW 36.70A.390 authorizes the City Council to adopt an immediate moratorium for a period of up to twelve months if a public hearing on the proposal is held within

at least sixty days of its adoption and a work plan is developed for related studies providing for the twelve-month moratoria period; and

**WHEREAS**, the City Council desires to impose an immediate twelve month moratorium on the acceptance of any development permit application or business license or application for the siting, location or operation of any marijuana processor, marijuana producer, or marijuana retailer; and

**WHEREAS**, RCW 69.51A. 140 authorizes cities to adopt and enforce zoning requirements, business licensing requirements, health and safety requirements, and business taxes pertaining to the production, processing, or dispensing of marijuana or marijuana products within their jurisdiction; and

**WHEREAS**, RCW 36.70A.390 provides that, "A county or city governing body that adopts a moratorium, interim zoning map, interim zoning ordinance, or interim official control without holding a public hearing on the proposed moratorium, interim zoning map, interim zoning ordinance, or interim official control, shall hold a public hearing on the adopted moratorium, interim zoning map, interim zoning ordinance, or interim official control within at least sixty days of its adoption, whether or not the governing body received a recommendation on the matter from the planning commission or department. If the governing body does not adopt findings of fact justifying its action before this hearing, then the governing body shall do so immediately after this public hearing. A moratorium, interim zoning map, interim zoning ordinance, or interim official control adopted under this section may be effective for not longer than six months, but may be effective for up to one year if a work plan is developed for related studies providing for such a longer period. A moratorium, interim zoning map, interim zoning ordinance, or interim official control may be renewed for one or more six-month periods if a subsequent public hearing is held and findings of fact are made prior to each renewal"; and

**WHEREAS**, 35.63.200 provides a similar process as described above for adopting and extending land use moratoriums; and

**WHEREAS**, moratoriums enacted under RCW 36.70A.390 and/or RCW 35.63.200 are methods by which local governments may preserve the status quo so that new plans and regulations will not be rendered moot by intervening development; and

**WHEREAS**, the Marysville Municipal Code does not currently have specific provisions addressing licensing, producing, processing or retailing of recreational marijuana; and

**WHEREAS**, in conformity with the responsibilities of the City of Marysville to meet public health, safety and welfare requirements and provide zoning and land use regulations pursuant to state law, and the City's authority to regulate land use activity within its corporate limits, the City intends to develop appropriate public health, safety and welfare requirements and zoning and land use regulations for the establishment of facilities producing, processing and retailing of recreational marijuana; and

**WHEREAS**, the City Council has determined it needs additional time to conduct appropriate research to analyze the effects of the pending rules and regulations to be established by the Washington State Liquor Control Board pursuant to I-502; and

**WHEREAS**, a moratorium will provide the City with additional time to review and amend its public health, safety and welfare requirements and zoning and land use regulations related to the establishment of facilities producing, processing and retailing recreational marijuana as authorized by I-502; and

**WHEREAS**, the City Council concludes that the City does have authority to establish a moratorium and that the City must adopt a moratorium concerning the filing, acceptance, and processing of new land use applications or licensing for the establishment of, or operation of, any facility, building or premises used for the production, processing or retailing of recreational marijuana, to protect the health, safety and welfare of the citizens of Marysville; and

**WHEREAS**, In addition, the cultivation, possession or distribution of cannabis marijuana, and marijuana products has been and continues to be a violation of federal law through the Controlled Substances Act (“CSA”); and

**WHEREAS**, the activities purported to be legalized under Initiative Measure No. 502 remain violations of federal law through the Controlled Substances Act, and the United States Supreme Court in Gonzales v. Raich, 545 U.S. 1, (2005) which held that the CSA’s categorical prohibition of the manufacture and possession of marijuana as applied to the intrastate manufacture and possession of marijuana for medical purposes superseded a conflicting California State law; and

**WHEREAS**, two U.S. Attorneys (Federal Department of Justice) situated in Washington have gone on record stating that marijuana is a Schedule I controlled substance under federal law, and as such, growing, distributing and possessing marijuana in any capacity other than as part of a federally authorized research program is a violation of federal law, regardless of state laws permitting such activities, and also concluded publicly that local governmental employees who conducted marijuana regulatory activities under Washington State law are subject to prosecution under the CSA; and

**WHEREAS**, in 2012, the Board of Clark County Washington Commissioners requested a determination from the federal government whether such enforcement efforts would extend to local government activities implementing Washington state laws on marijuana, where those laws conflict with the CSA, and the responsive letter from Joseph T. Rannazzisi, Deputy Assistant Administrator, Office of Division Control, U.S. Department of Justice, Drug Enforcement Administration, states that anyone who knowingly carries out the marijuana activities contemplated by Washington state law which are inconsistent with the CSA, as well as anyone who facilitates such activities, or conspires to commit such violations of the CSA, is subject to criminal prosecution as provided in the CSA, including both local elected officials and local government staff; and

**WHEREAS**, the recently approved Initiative Measure No. 502 does not appear to change the basis for the analysis by the U.S. Attorneys, and any State or local officials who undertake marijuana regulatory activities remain subject to federal prosecution; and

**WHEREAS**, because prior to the passage of Initiative Measure No. 502, the possession or distribution of marijuana was a violation of both the Washington Uniform Controlled Substances Act and a violation of the federal CSA, the City has not studied or implemented zoning for uses involving the production or distribution of marijuana; and

**WHEREAS**, the City requires time to conduct appropriate research to understand the extent and validity of the changes provided in the new law to analyze impacts and potential liabilities under federal law and to determine an appropriate regulatory framework for the uses and activities that are allowed under Initiative Measure No. 502; and

**WHEREAS**, in addition to the legal issues, the City must study, without limitation, the impacts of the location of uses and facilities for the production, sale and use of marijuana products and the siting of marijuana cultivation facilities, facilities for the creation of marijuana products, and State licensed marijuana stores in commercial and residential zones, as well as impacts arising from the proximity of these uses, activities and facilities to schools, day cares, parks, religious and cultural facilities, and accordingly the City Council finds that a zoning, licensing and permitting moratorium should be established pending local review of appropriate locations and design requirements of these operations and impacts of the newly amended law and its interaction with federal law; and

**WHEREAS**, the City Council adopts the foregoing as its findings of facts justifying the adoption of this ordinance;

**NOW THEREFORE**, the City Council of the City of Marysville, Washington do ordain as follows:

**Section 1. Preliminary Findings.**

The recitals and findings set forth above are hereby adopted as the City Council preliminary findings in support of the moratorium imposed by this ordinance in compliance with RCW 36.70A.390 and RCW 35.63.200. The City Council may in its discretion adopt additional findings at the conclusion of the public hearing referenced in Section 6 below.

**Section 2. Moratorium Imposed.**

Pursuant to Washington State law, a moratorium is hereby enacted prohibiting within the City of Marysville the establishment, siting, location, operation, licensing, or maintenance of facilities, structures, businesses or any other activities involving the production, sale and use of marijuana and marijuana products asserted to be authorized or actually authorized under Washington State Initiative No. 502 or any other laws of the state of Washington (Marijuana Business). No building permit, occupancy permit, or other development permit or approval shall be issued for any of the purposes or activities listed above and no business license shall be granted or accepted while this moratorium is in effect. Any land use permits, business licenses, or other permits for any of these operations that are issued as a result of error or by use of vague or deceptive

descriptions in any license or development application during the moratorium are null and void and without legal force or effect.

**Section 3. Definition of Marijuana Use.**

As used in this ordinance the following list of terms shall have the meaning set forth below:

Marijuana Definitions.

"Marijuana Use" includes any store, agency, organization, dispensary, cooperative, network consultation, operation, or other business entity, group or person, no matter how described or defined, including any associated premises and equipment which has for its purpose or which is used to grow, select, measure, process, package, label, deliver, dispense, sell or otherwise transfer for consideration, or otherwise, marijuana in any form.

"Cannabis or Marijuana" means all parts of the plant Cannabis, whether growing or not, with a THC concentration greater than 0.3 percent on a dry weight basis; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin. For the purposes of this Ordinance, "cannabis" or "marijuana" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stalks, except the resin extracted therefrom, fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.

"Marijuana processor" means a person licensed by the State Liquor Control Board to process marijuana into useable marijuana and marijuana-infused products, package and label usable marijuana and marijuana-infused products for sale in retail outlets, and sell usable marijuana and marijuana-infused products as wholesale to marijuana retailers.

"Marijuana producer" means a person licensed by the State Liquor Control Board to produce and sell marijuana at wholesale to marijuana processors and other marijuana producers.

"Marijuana-infused products" means products that contain marijuana or marijuana extracts and are intended for human use. The term "marijuana infused products" does not include useable marijuana.

"Marijuana retailer" means a person licensed by the State Liquor Control Board to sell usable marijuana and marijuana-infused products in a retail outlet.

"Retail outlet" means a location licensed by the State Liquor Control Board for the retail sale of useable marijuana and marijuana-infused products.

"Usable marijuana" means dried marijuana flowers. The term "usable marijuana" does not include marijuana-infused products.

**Section 4. No Nonconforming Uses.**

No use that constitutes or purports to be a Marijuana Use as that term is defined in this ordinance that was engaged in that activity prior to the enactment of this ordinance shall be deemed to have been a legally established use under the provisions of the Marysville Municipal Code and that use shall not be entitled to claim legal nonconforming status.

**Section 5. Effective Period for Moratorium.**

The moratorium set forth in this ordinance shall be in effect for a period of twelve (12) months from the date this ordinance is passed and shall automatically expire at the conclusion of that twelve (12) month period unless the same is extended by the City as provided in State law or unless terminated sooner by ordinance.

**Section 6. Public Hearing.**

The City Council will hold a public hearing at the regular City Council meeting of \_\_\_\_\_ at \_\_\_\_\_ p.m. or as soon thereafter as the business of the City Council shall permit and which date is no more than sixty (60) days after the date of adoption herein in order to take public testimony and to consider adopting further findings.

**Section 7. Work Program.**

The City Administrator and other responsible staff are hereby authorized to study and address issues related to determining the legality of Marijuana Uses as defined herein, including but not limited to review of the pending dispute between State and federal law enforcement authorities regarding the legality of Marijuana Uses under any circumstances and notwithstanding the adoption of Initiative Measure No. 502. In the event that such uses are ultimately determined to be legal, the work program should also develop appropriate land use regulations pursuant to the newly amended law, for review and recommendation for inclusion in the zoning regulations or other provisions of the Marysville Municipal Code, including business licensing and other regulations for review for inclusion in the Marysville Municipal Code.

**Section 8. Severability.** If any section, subsection, paragraph, sentence, clause, or phrase of this ordinance or its application to any person or situation should be held to be invalid or unconstitutional for any reason by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance or its application to any other person or situation.

**Section 9. Effective Date.**

This Ordinance shall become affective five (5) days following passage and publication as required by law.



PASSED by the City Council and APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

CITY OF MARYSVILLE

By \_\_\_\_\_  
Jon Nehring, Mayor

ATTEST:

By \_\_\_\_\_  
April O'Brien, Deputy City Clerk

Approved as to form:

By \_\_\_\_\_  
Grant Weed, City Attorney

Date of Publication: \_\_\_\_\_

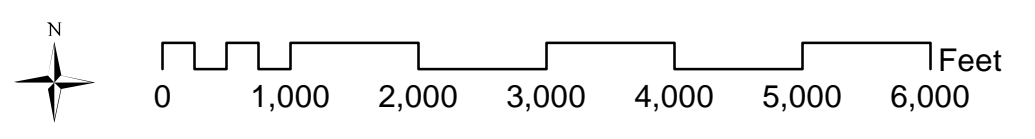
Effective Date : \_\_\_\_\_



# I-502 Retail Prohibitions

July 2013

## DRAFT



- legend*
- Marysville city limits
  - Daycare facilities (DOR Oct. 2012)
  - Schools - public
  - Schools - private
  - Parks
  - Library
  - Transit centers
  - Parcels
  - Library 1000 ft buffer
  - Public schools 1000 ft buffer
  - Private schools 1000 ft buffer
  - Parks 1000 ft buffer
  - Daycare 1000 ft buffer
  - Transit centers 1000 ft buffer

NOTE: Daycare facilities provided by the Dept. of Revenue, Oct. 2012 - not field verified.

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## **Considerations for an affirmative approach to the new marijuana law**

(Using my proposed grow operation as the model)

1. 0 (Zero) negative impact on the city from allowing producer/processor operations
  - No smell
  - No increase in traffic (no retail operation at site)
  - No public awareness issues (minimal signage/generic name)
  - No increase in safety/security issues (tightly mandated)

The reality is that no one is likely to even be aware of the low-profile operation.

2. Positive benefits to the city/community
  - Estimated over \$100,000 annual tax revenue to city
  - Employment for approximately 20 individuals
    - Preference will be given to local residents
    - Background checks will be performed (no employees with criminal records)
    - Additional revenues from employees
  - Additional revenues from city utilities
  - Civic-minded business owner
    - Donations to local sports and groups
    - Sponsor health activities and local foundations
    - Adopt-a-road
3. Legal Aspects
  - Reduce black market activity
  - Reduce crime
  - The "Will of the People" - this initiative produced the highest voter turnout in the nation, at 81%. Governor Inslee himself has committed to being "fully supportive of protecting, defending, and implementing the will of the voter."
  - The new law does not allow an opt-out clause for cities - the board will issue licenses even in cities with moratoria and obstacles.
  - The Justice Department has officially stated that it will not focus on prosecuting marijuana operations in Washington or Colorado.
  - Approving legal marijuana operations is a forward-thinking position. According to Kent city council president, Dennis Higgins, "By being proactive, we will head off all kinds of costs for the city, for police, for detective work, for having to deal with bad actors instead of people operating in good faith under the law."

- Allowing legal marijuana operations will protect cities from unnecessary legal battles. Candice Bock, government relations advocate for the Association of Washington Cities (AWC), says that for those cities who continue their resistance, "I fully expect litigation, and the courts will end up being the ones who sort it out."

4. Health reports on marijuana

- Annual causes of deaths in the US:
  - Tobacco 435,000
  - Alcohol 85,000
  - Car Accidents 26,000
  - Prescription drugs 32,000
  - Marijuana 0
- Research shows that THC and cannabidiol are protective antioxidants. Rat studies have shown that cannabidiol was significantly more protective than either vitamin E or vitamin C
- Cannabinoids have been show to improve the efficiency of mitochondria and potentially help cure Alzheimers, Parkinsons, and Huntingtons diseases, as well as ward off some of the symptoms of premature aging (*interestingly, marijauna was demonized in the 1930s largely as an effort by William Randolph Hearst (paper mogul), Andrew Mellon (Secretary of the Treasury and investor in nylon) and the Duponts (nylon creator) so that hemp, as a product competitor, would be removed from the scene*)

In summary, the legality of marijuana in Washington state, as well as the practical considerations above and, in fact, the relatively harmless effect of marijuana are all valid and worthy reasons for the city of Marysville to approve legal, carefully mandated marijuana operations within its city limits, particularly in the light industrial and commercial zoned areas.

Thank you.

Catherine Mighell  
cjmighell@gmail.com  
425.870.6335