Cannabis Study & Title 17 Amendments

July 25, 2024
General Stakeholders Meeting
Introduction

• Kirk Skierski, Senior Planner
  • Project lead
• Presentation focus:
  • Comprehensive Cannabis Study
  • City Code zoning amendments
• What’s not going to be covered:
  • Cannabis consumption lounges
Agenda

• Background

• City Council Policy Direction
  • Issues
  • Current Zoning Regulations
  • Preliminary Zoning Amendment Recommendations

• Project Timeline

• Q&A
Background – How We Got Here

• Council directed study preparation in 2021
• Study purpose:
  • Evaluate City’s cannabis program
  • Track industry evolution
  • Guide future cannabis policy

• Study completed in 2022
• Findings on cannabis businesses:
  • Do not negatively impact surrounding uses
  • Do not increase crime
  • Are good neighbors
Policy Direction

1. Review cannabis zoning regulation purpose(s)
2. Consider additional zones for dispensaries in RMX & C-3 zones
3. Consider additional zones for nonvolatile manufacturing
4. Reevaluate sensitive use buffers
5. Evaluate mixed-light facilities
6. Consider cannabis R&D uses & zones
7. Remove distribution from district-based cap
Policy Direction Point #1

Review current cannabis business zoning to determine if they continue to serve the purpose for which they were adopted.
Issues

• Most all cannabis land uses require CUP

• CUP purpose = land uses “that are known to have a distinct impact on the area” and which “are capable of creating special problems”

• CUPs cost between $7,000-$14,000 & take 4-9 months to process

• Public discourse on CUP applications:
  o Cannabis should not be legal / is harmful / leads to crime
  o Excessive regulations inhibits repair to harm from past practices
## Existing Land Use Permits

<table>
<thead>
<tr>
<th>By-Right</th>
<th>Administrative Permit</th>
<th>Conditional Use Permit</th>
</tr>
</thead>
</table>
| • No application  
  • No cost  
  • Business license | • Ministerial  
  • Objective standards  
  • Staff level review  
  • Low cost: $500-$1,200  
  • 1 to 2-months | • Discretionary  
  • Objective standards + ad hoc requirements  
  • PDC or ZA Review  
  • High cost: $7 to $14k  
  • 4 to 9-months |
Existing Cannabis Permit Requirements

<table>
<thead>
<tr>
<th></th>
<th>Dispensary</th>
<th>Cultivation</th>
<th>Distribution</th>
<th>Nonvolatile Manufacturing</th>
<th>Volatile Manufacturing</th>
<th>Testing</th>
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<tbody>
<tr>
<td>By-Right/No Permit</td>
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<td>✓ 1</td>
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<tr>
<td>Ministerial Permit</td>
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<td>Discretionary Permit</td>
<td>✓</td>
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<td>✓ 3</td>
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1. Type-S and Type-T distribution licenses allowed by-right.
2. Packaging, labeling, and infusion uses allowed by-right.
3. Nonvolatile extraction subject to CUP.
## Recommended Cannabis Permit Requirements

### Recommended Land Use Permit Requirements for Cannabis Businesses

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Rationale

- Admin Permit aligns w/ known impacts of land use
  - No distinct impacts
  - Not capable of creating special problems
- Permit verifies compliance w/ standards
- Other business standards still required (i.e., odor control & Security Plans)
  - Approved as part of BOP process

Results of permit type change:
- Permitting risk is removed
- Permit application fees are ~10% of current cost
- Permit review timeframe is ~25% of current average processing time
Policy Direction Point #2

Consider additional zones for dispensaries & allowing storefront dispensaries in RMX and C-3
Issues

• CD-2 & CD-6 = most land zoned for dispensaries
  • CD-2, CD-4, & CD-6 highest % of dispensaries
• Central city appears to be desirable
  • CD-4 has ~10% of land available for dispensaries
  • CD-4 has ~30% of city’s storefront dispensaries
• Current regs = incentivize industrial areas
  • ~45% of storefront dispensaries in industrial zones
• Industrial areas generally not walkable or close to transit
  • ~58% of storefront dispensaries are w/in ½ mile of a transit* stop
Storefront Dispensary Zones
Rationale

• Small but focused increase (~10%)
  • Negligible changes to saturated areas (i.e., Southeast industrial area)
• Walkable areas (i.e., central city)
• Areas near transit (i.e., south)
Current Delivery-Only Dispensary Zones
Recommended Delivery-Only Zones

- No additional zones

Rationale:
- Industrial areas suited for operational needs
  - ~30% located in commercial zones
- Allowed in most industrial zones
- Benefit from other recommendations
Policy Direction Point #3

Consider additional zones for nonvolatile manufacturing including infusion and packaging
Issues

- Cannabis manufacturing = high growth potential
- Significant role in other cannabis business sectors
- Reasonable zoning standards to accommodate growth?
- Allowed in all industrial zones + C-2 & C-4
- Nonvolatile extraction requires CUP
Current Novolatile Manufacturing Zones
Recommended Zones for Nonvolatile Manufacturing

- No additional zones

Rationale:
- Manufacturing uses best suited for industrial zones
  - Currently allowed in all industrial zones
  - ~93% existing manufacturers located in industrial zones
- Benefit from Admin permit for nonvolatile extraction
Policy Direction Point #4

Consider limiting cannabis sensitive uses to schools, youth-oriented facilities, drug and treatment centers, faith-based institutions, and neighborhood and community parks.
Issues

• Current sensitive uses effect 92% of property zoned for cannabis
• 82% of storefront dispensaries w/in sensitive use buffer
• What is a “sensitive use”?
  • No studies on “sensitive uses”

Comprehensive Cannabis Study:
• Good neighbors
• Did not create issues or problems
• No increase in crime
## Current Sensitive Uses

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<th>Cannabis Dispensary</th>
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<td>Cinema</td>
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<td>Tobacco Retailer</td>
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<td>Residential Zone</td>
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Sensitive Uses Map
## Recommended Sensitive Uses

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- Yellow: Revised criteria
- Blue: Remove use
- Blue: Maintain 600’ foot buffer requirement
- Blue: All buffers mandatory
Recommended Sensitive Uses Map
Recommended Sensitive Use Sites & Buffers

Street Centerline
- Highways
- Arterial/Collector

Sensitive Use Sites & Buffers *
- School Grounds
- School Grounds Buffer (600')
- Rehab Center
- Rehab Center Buffer (600')
- Youth Facility Parcel (Community Center or Library)
- Youth Facility Buffer (600')
- Community, Neighborhood, or Regional Park
- Community, Neighborhood, or Regional Park Buffer (600')

Council District

* Many of the features in this map overlap or are located on the same parcel.

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Map Date: June 4, 2024
Rationale

• Cannabis Study: good neighbors & don’t create issues
  • 31 of 38 storefront w/in a sensitive use
• Clarifies which “youth-oriented facilities” are sensitive uses
  • Facilities that cater to impressionable youth
  • Facilities w/ youth programs
  • Other youth-oriented facilities captured by parks* buffer
• Clarifies park types subject that typically include recreation amenities
Policy Direction Point #5

Consider the suitability of mixed-light cannabis uses
Issues

- Cultivation = largest cannabis business sector
- Differs from conventional buildings (i.e., translucent roof)

Raised concerns:
- Light pollution
- Odor
- Building reuse/adaptation
**Mixed-Light Facilities**

**Existing & Proposed:**

- 8280 Elder Creek Road  
  Status: Constructed & operating
- 8580 Elder Creek Road  
  Status: Not constructed; CUP expired
Mixed-Light Recommendation

- No recommended amendments

Rationale:

- Minimal instances (1 out of 127 cultivation sites)
- Reduced energy usage
- Also suited for traditional agriculture
- No light pollution, odor, or security problems
Policy Direction Point #6

Consider zoning and a permit type for cannabis research and development
Issues

- No State license type for cannabis R&D
- No uniform or common definition of cannabis R&D
- “Research & Laboratory” uses include cannabis R&D?
- State leveraging public colleges for cannabis R&D
- Exclusive grant funding
Cannabis R&D Recommendation

- Amend “cannabis testing” definition to include cannabis R&D

Rationale:
- Low regulatory barrier for cannabis testing uses
  - Zoning does not appear to constrain cannabis testing or R&D
- State leveraging public colleges
  - Public colleges not subject to City regs
- Market demand for R&D?
Policy Direction Point #7

Consider removing cannabis distribution from the current uses subject to a district-based square footage cap.
Issues

• In 2018, rush of cultivation CUP applications
  • SE industrial area had 116 out of 213 applications
  • ~2.8 million sf of approved cultivation floor area
• Cultivation was primary concern
  • Minimal manufacturing & distribution CUPs
Cannabis Distribution Recommendation

• Exclude distribution from floor area cap

Rationale:

• Cultivation = primary driver for cap
• Cannabis Study:
  • Green rush has eased
  • Cap may not be necessary
  • Decrease in cultivation (2,044,125 square feet)
Project Timeline

- Community Engagement: July-August
- Workshops & Recommendations: August-September
- Hearings: November/December
Thank you

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