



PLANNING COMMISSION AGENDA

Regular Meeting Date: 09/06/2017

Planning Commission Meeting:

**First Wednesday of
every Month @ 7:00pm**

Planning & Community Development Department

1812 Main Street
Lake Stevens, WA
98258 (425) 377-3235

www.lakestevenswa.gov

Municipal Code

Available online:

www.codepublishing.com/WA/LakeStevens/

- **CALL TO ORDER: 7:00pm**
Pledge of Allegiance
- **ROLL CALL**
- **GUEST BUSINESS**
- **ACTION ITEMS**
 1. Approval of August 16, 2017
- **DISCUSSION ITEMS**
 1. 3rd Briefing Huber Property – LUA2017-0010
 2. 2nd Briefing Marijuana Regulations – LUA2017-0083

Roth
Wright
- **COMMISIONER REPORTS**
- **DIRECTOR'S REPORTS**
 - Downtown Plan
 - North Cove Park Plan
 - Social Media Outreach
- **ADJOURN**

SPECIAL NEEDS

The City of Lake Stevens strives to provide accessible opportunities for individuals with disabilities. Please contact Steve Edin, City of Lake Stevens ADA Coordinator, at (425) 377-3227 at least five business days prior to any City meeting or event if any accommodations are needed. For TDD users, please use the state's toll-free relay service,

PLANNING COMMISSION REGULAR MEETING MINUTES
Community Center
1808 Main Street, Lake Stevens
Wednesday, August 02, 2017

CALL TO ORDER: 7:00 pm by Chair Linda Hoult

MEMBERS PRESENT: Linda Hoult, Vicky Oslund, Tracey Trout, Janice Huxford, Brett Gailey

MEMBERS ABSENT: Jennifer Davis, Karim Ali

STAFF PRESENT: Assistant Planner Dillon Roth and Clerk Jennie Fenrich

OTHERS PRESENT: Rauchel McDaniels, Gary Petersagen, Libby Erie, Scott Erie, Shirley Molitor, Kurtis Christianson, Gretchen Mikulsky, Dave Huber, Shawn Preder, Philip Dawdy. Lenny Smith

Excused Absence: Commissioner Jennifer Davis

Guest business: Scott Erie asked what is the thought process of allowing deviations to prior land zone determinations. He has specific concerns on a new proposed development, Sedona, and safety concerns of traffic turning onto 20th St SE. Jon Preder spoke on the second location of a retail marijuana. Phillip Rawdy also spoke about a second retail store and urges the commission to consider making a determination soon, as the law is most likely about to change.

Action Items: The minutes were approved for June 21,2017, as corrected. Commissioner Huxford made a motion to approve minutes to include new language that states the City has been asked to reach out to all the people who were interested in the initial process of allowing retail marijuana stores, Commissioner Gaily 2nd. Motion passed 5-0-0-2.

Public Hearing: LUA 2017-0009 Car Wash Amendment

PC Chair Opens Meeting-

Chair Linda Hoult opened the Public Hearing portion of the meeting.

Staff Presentation

Associate Planner Dillon Roth presented a report for a code amendment to allow car washes be allowed in Local Business zone that abut State Routes in the City of Lake Stevens. He asked Commission to make a recommendation City Council to adopt.

Commissioner's questions for staff- Commissioner Huxford asked if there has been public comments that City staff can share on any feedback on this project. A discussion followed and clarification was sought on the project. Chair Hoult re-directed the commission to consider the code amendment only.

Proponent's comments- Kurtis Christianson with ARCO spoke to the project plans. He explained that they are in negotiations to purchase this property and their decision is dependent on whether or not the car wash will be allowed. Dave Huber spoke in favor of

this suggested amendment. He believes that this accessory use will be a positive to the City.

Comments from the audience- Gretchen Mikulsky spoke to oppose the amendment. She doesn't believe that it belongs adjacent to a residential neighborhood. She expressed concerns about traffic and water runoff and noise to her neighborhood. She is concerned about the clientele that could potentially be undesirable.

Proponent comments- This is an allowable use in the zone. The car wash doesn't increase traffic as they anticipate the current customers will be the ones using the car wash. Addressing the drainage issue, he stated the car wash water is recycled and the storm water will be captured in the current drainage systems. As far as noise goes, there are several ways to mitigate noise. The decision on the noise modification will come from administration. Scott Erie asked about storm runoff. Will it go into the storm water system and not septic system. Mr. Christianson spoke to the drainage. ARCO will be required to have a detention pond or vault as directed by Administration.

Close public comments portion of hearing by motion- Commissioner Huxford made motion to close public portion. Commissioner Galey seconded. Motion carried 5-0-0-2.

Close public hearing- Commissioner Trout made a motion to close the public hearing. Commissioner Huxford seconded. The motion carried 5-0-0-2.

Commission Action by Motion – Commissioner Gailey made motion to approve the recommendation to Council on the Car Wash amendment. Commissioner Trout seconded. The motion carried 5-0-0-2.

Discussion items-

Planner Roth conducted a 2nd briefing on the proposed Storage Unit Code Amendment. Mr. Huber the proponent of this amendment was not at the last meeting to be able to explain his proposal. He was given an opportunity to clarify his position. He has an extremely difficult piece of property that really has no economic potential at the zoning it is currently in. He asked the commission to entertain the idea of having the amendment go to hearing to get public feedback. The Planning Commission decided they would entertain a different proposal and requested applicant to come back with a new vision to brief the Commission with.

Commissioner Reports:

Commissioner Gaily had no report. Commissioner Huxford reported that the Aquafest numbers were up. Commissioner Oslund-no report. Commissioner Hoult reported a Creator's Co-op would be a great addition to our community. She attended Snohomish County Tomorrow meeting where she learned that they project one million more people will be living in the Puget Sound by 2040. Snohomish County Tourism Board is developing a vision with incorporating different communities with separate but unified identities.

Adjourn: Motion by Commissioner Huxford to adjourn Commissioner Trout 2nd. Motion carried 5-0-0-2. Meeting adjourned at 8:57 p.m.

Linda Hoult, Chair

Jennie Fenrich, Clerk, Planning & Community Development



Staff Report
City of Lake Stevens Planning Commission

Planning Commission Briefing
Date: **September 6, 2017**

SUBJECTS: Code Amendment to Permissible Uses in LB zone (LUA2017-0010)

CONTACT PERSON/DEPARTMENT: Dillon Roth, *Associate Planner*

SUMMARY: 3rd briefing for a code amendment to allow storage in Local Business zones adjacent to state highways

ACTION REQUESTED OF PLANNING COMMISSION: Review and make recommendations on the proposed regulations.

On May 17, 2017, the Planning Commission discussed a code amendment that would allow storage uses in the Local Business (LB) zone adjacent to state highways. After discussion, the Planning Commission determined they would not support the code amendment moving forward. Staff summarized the discussion and specific reasons cited for not supporting the amendment (Attachment 1).

On August 2, 2017, the Planning Commission heard a second briefing on the code amendment. The applicant provided a written response to the first briefing and presented these responses with the Planning Commission (Attachment 2). The applicant described difficulties in developing the site over time. In the past, the city has worked with the applicant to recommend approvals of a rezone and a previous code amendment to help initiate development of the site. After discussion, the commission's support for the code amendment was mixed. One primary concern was that the code amendment would also be applied to the LB parcel at Grade Road and SR-92. The commission members were open to hearing another briefing specifically discussing potential revisions.

Since the August 2nd briefing, the applicant and staff discussed options to move forward. The applicant has elected to not revise the code amendment. In part, because a code amendment cannot be applicable to only one parcel or only one site. Rather than revising the amendment, the applicant has submitted further justification for the amendment (Attachment 3).

For reference, the code amendment would allow indoor and outdoor storage uses on parcels zoned Local Business and adjacent to state highways. The use would be permitted administratively with an Administrative Conditional Use Permit (ACUP). The code amendment would require a Comprehensive Plan text amendment, because the comprehensive plan land use designation for Local Business zoning discourages land consumptive uses, like storage facilities.

Staff is requesting that the Planning Commission provide a conclusion on whether to support the code amendment moving forward. If there is support for the code amendment, staff will finalize the regulations and begin environmental and agency review of the amendment. If there is not support for the amendment, the applicant may choose to withdraw the application or move forward to a public hearing at the next Planning Commission meeting.

ATTACHED:

- 1) Staff Summary of May 17th briefing
- 2) 1st Applicant Response
- 3) 2nd Applicant Response
- 4) Draft Regulations
- 5) Map of locations for LB zones

Findings from Planning Commission, May 17th, 2017

Planning Commission was not supportive of storage uses in the Local Business zone.

The Planning Commission cited concerns about visibility of the City at its entrances, land consumptive uses discouraged in comp plan, storage not generating jobs, security after hours at storage units, and being pro-business is not the same as being pro-storage.

1. Visibility – The city has two locations that are zoned Local Business that could accommodate storage units if this code amendment were to be approved. These locations are at SR 92 and Grade Road, also at 10th St SE and SR 204. Both locations are highly visible when entering Lake Stevens. The Planning Commission considers these properties to be better suited for a more aesthetically welcoming commercial use. It was also noted that the site off SR 204 is up on a hill. Due to the topography of the site, required landscape screening may not be able to adequately screen the buildings.
2. Comprehensive Plan – The Planning Commission had concerns that the proposed amendment was not consistent with the comprehensive plan. The comprehensive plan specifically discourages land consumptive uses in the Local Commercial land use designation that underlies the Local Business zone. Storage units, like warehouses, are land consumptive and a comprehensive plan amendment would be needed to support the code amendment.
3. Jobs – The Planning Commission supports local businesses, in part, because they bring jobs to the city. While storage units would bring temporary construction jobs, the use does not sustain long term employment opportunities.
4. Security – The Planning Commission cited concerns regarding after hours security at storage units. The Planning Department noted that the security provided at the storage units would be at the discretion of the business owner.
5. Pro-Business Perspective – The Planning Commission noted the differences between the operations of a traditional retail establishment and the operations of storage units. The Commission expressed the desire for more businesses in the city and this code amendment could preclude traditional retail businesses from locating in the Local Business zones off SR 92 and SR 204.

Response to May 17, 2017 Planning Commission Meeting

1) Visibility

Due to the value of the land, any potential development of the site for storage units would be a combination of multi-story and single story buildings lending itself to much more attractive design than the typical "mini-storage" shed row design. The present zone will allow up to a 60ft tall building which provides for a more creative design. In addition to non-typical buildings (not shed row buildings), any storage buildings would also need to "flow" with the office buildings on the adjoining properties. The property owners understand the need to develop an aesthetically pleasing site not only for the city, but also cause of their own property values.

The sum of the Bruce Schauss property and the 10th Street, Llc property is nearly 6 acres. The useable area of both properties is greater than 5 acres, over 4.5 acres is presently undeveloped. It is the intent of the property owners to develop a combination of office, mixed use, and storage to fully develop the site. Therefore, any potential multi-story storage building would need to flow with office and residential uses. This combination of uses would actually be an aesthetically pleasing rather than just a shed row design.

2) Comprehensive Plan

It is understood that the comprehensive plan discourages land intensive uses in this particular zone. However, the reality is the entrance of the 6 acres south of 10th Street (Exhibit 1A, 2E) is a limiting factor for any development of the site. The entrance of the site meets the minimum EDS (engineering design standards) in regards to the setback off the SR 204. The existing access is 50ft off the SR 204 with no possibility of improvement (1A & 2E)).

It is an unfortunate fact the site can not be developed fully within the zone because of this limiting factor. This was one of the main factors in the previous code amendment allowing car sales, another land intensive use. The site was marketed to auto dealerships but just does not work due to existing franchise areas for the major car brands. In addition to the access, a good portion of the land is below gravity sewer (Exhibit 1B). The projected sewer line is flat and does not reflect the necessary slope which would actually result in even more land below gravity sewer. Even though the comprehensive plan discourages land intensive use in this zone, it does contain the flexibility to address issues mentioned here.

3) Jobs

The property owners understand uses that create jobs also demand higher property values. The property owners would like to develop the subject area with the maximum amount of floor space, especially with the exposure and view that exists on the 10th Street/SR 204 site. This maximum develop would yield the highest return. However, after traffic studies on the site like those done for the expired 2008 12,000sqft office building (Exhibit 2F) and the 2014 code amendment allowing car sales, traffic and access will be huge limiting factors on the site. It is this reason both the past and present owners of the site have pursued land intensive uses acknowledging this limiting factor.

4) Security

Any development of the site will bring security concerns. However, the site in particular has only one way into the site, has a large retaining wall to the east (Exhibit 1C), steep slopes to the south (Exhibit 1D), and a 25,000 car/day highway to the west. In comparison to other storage sites or even other commercial uses in the area, the 10th Street/SR 204 site has a security advantage over other properties.

5) Pro-Business Perspective

The property owners are in total agreement with the perspective of the Planning Commission. This perspective would also yield the highest property values as well. However, due to the access and traffic issues related to the 10th Street/SR 204 site it just is not realistic. The office complex at 7304 10th Street has a dramatically lower sq footage values than comparable spaces in the Frontier Village area. This lower value is both in rent and sales value. The complex has not been fully occupied since 2009 and has struggled to keep tenants since the turn restrictions put in place by WSDOT (Exhibit 2G). Even prior to the traffic restrictions (no south bound access) the complex was dramatically lower in rental value. As a direct result of these factors the property located on the north side of 10th Street sold far below market value in the very recently. The complex at 7304 10th Street sold for 50% of comparable value and the Bruce Schauss site suffered even more.

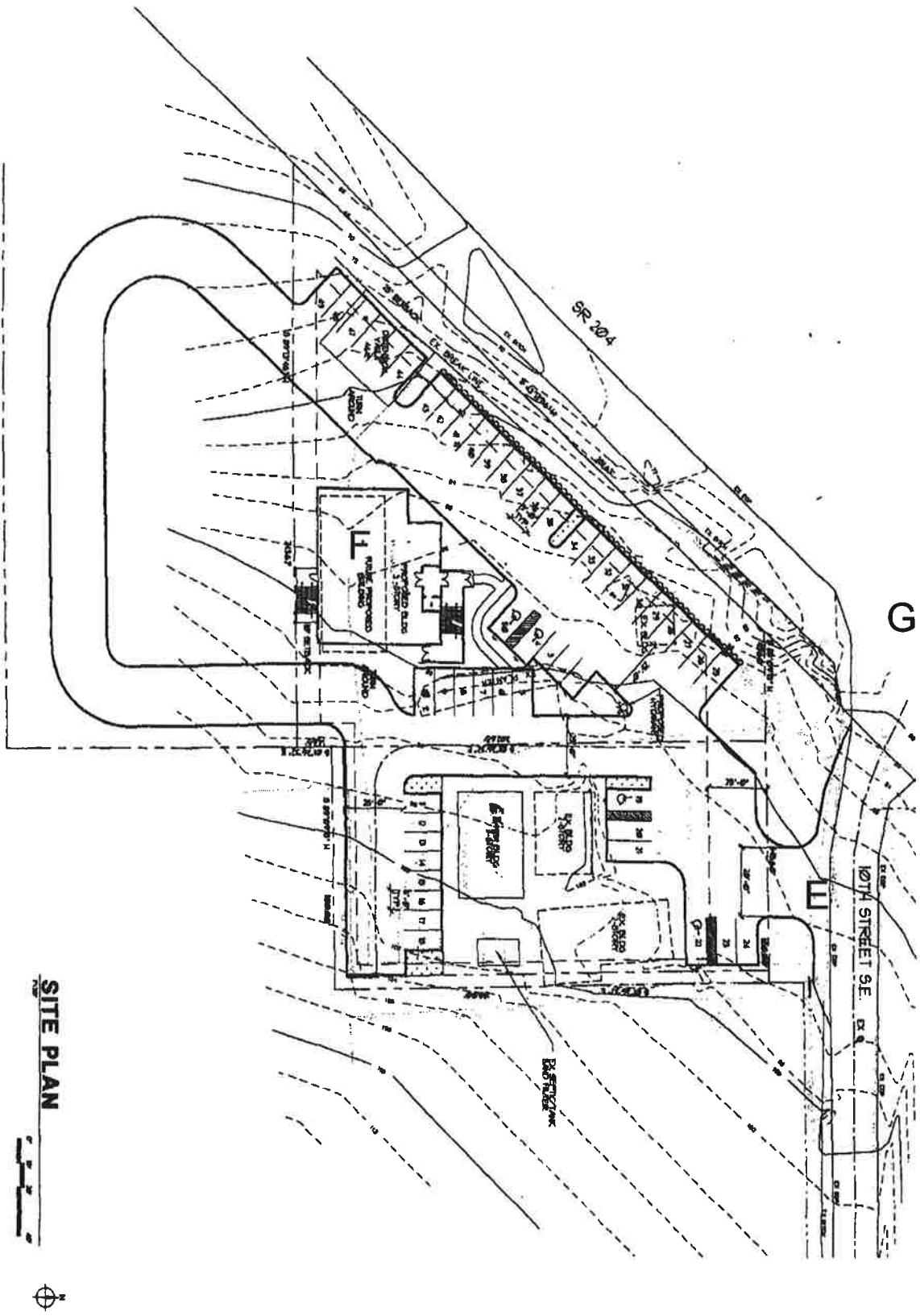
This is not to say business use or the need does not exist. There are presently 5 storage locations in Lake Stevens with one under construction. Even with all these facilities have hundreds of units each there are ZERO vacancies as of June 9th, 2017 with waiting lists at most locations. This business is needed in the Lake Stevens community.

Conclusion

The owners, both past and present, have been searching for a way to develop the property located at 10th Street and SR 204. Primarily due to access and traffic restrictions, the property just will not presently support development for retail or office. Recent sales prices of the properties, lower rent values for multiple decades, and even foreclosures of some of the commercial properties located at 10th Street and SR 204 are evidence challenges exist that do not exist in other locations. Because of these challenges the owners seek to get the development ball rolling on a use that actually works, like storage. Even with the existing challenges the owners are optimistic for future development and are pursing a multi-story storage design saving land for both future office and mixed use buildings.

EXHIBIT 2

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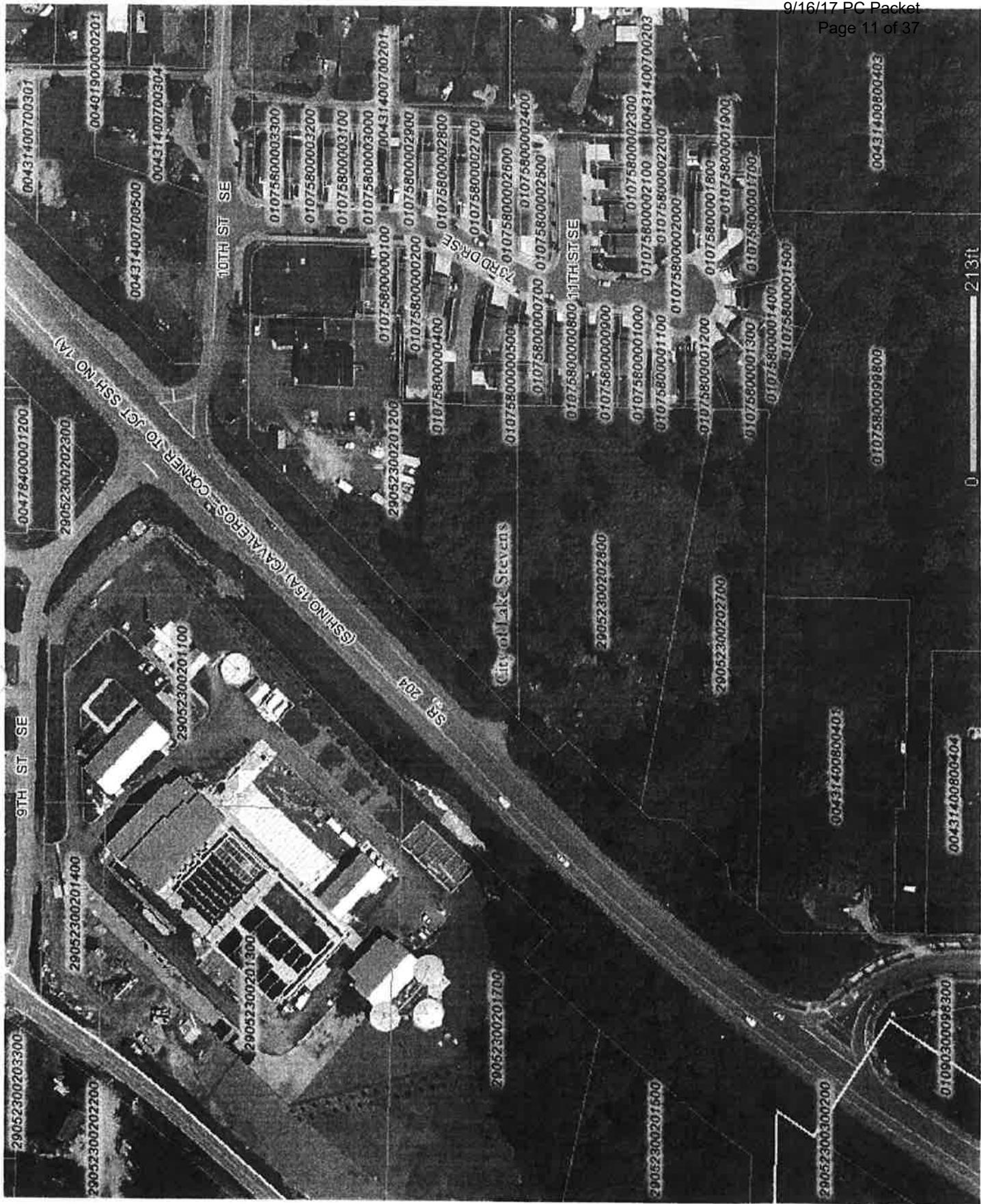


A.1.1

SCHEMATIC DESIGN DRAWINGS
HUBER OFFICE BUILDING
LAKE STEVENS, WA



P.O. BOX 1148
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(425) 252-2112
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E-MAIL: MAPS@MJAOLAWFIRM.COM



Response to May 17, 2017 Planning Commission Meeting

The information below is a follow up to information already provided to the planning commission regarding their May 17th briefing of the code amendment allowing storage in the Local Business zone along state highways.

1) Visibility

Both a site plan and pictures of examples of buildings that are being planned for the south east corner of SR 204 and 10th Street (10th Street Property). The proposed multistory storage building design flows with the balance of the site and is esthetically pleasing.

2) Comprehensive Plan

The proposed multistory design that is being proposed is not land intensive. The reality is that the proposed design is actually less land intensive (parking, etc.) than the other uses presently allowed uses in the zone.

3) Jobs

The proposed multistory buildings will actually serve as a catalyst for future development. Until the intersection of SR204 and 10th Street is revised to allow southbound traffic to enter the site, the site will not attract more jobs to Lake Stevens. This type of development will not only flow with the balance of the site, it will draw additional development and jobs to the location.

4) Security

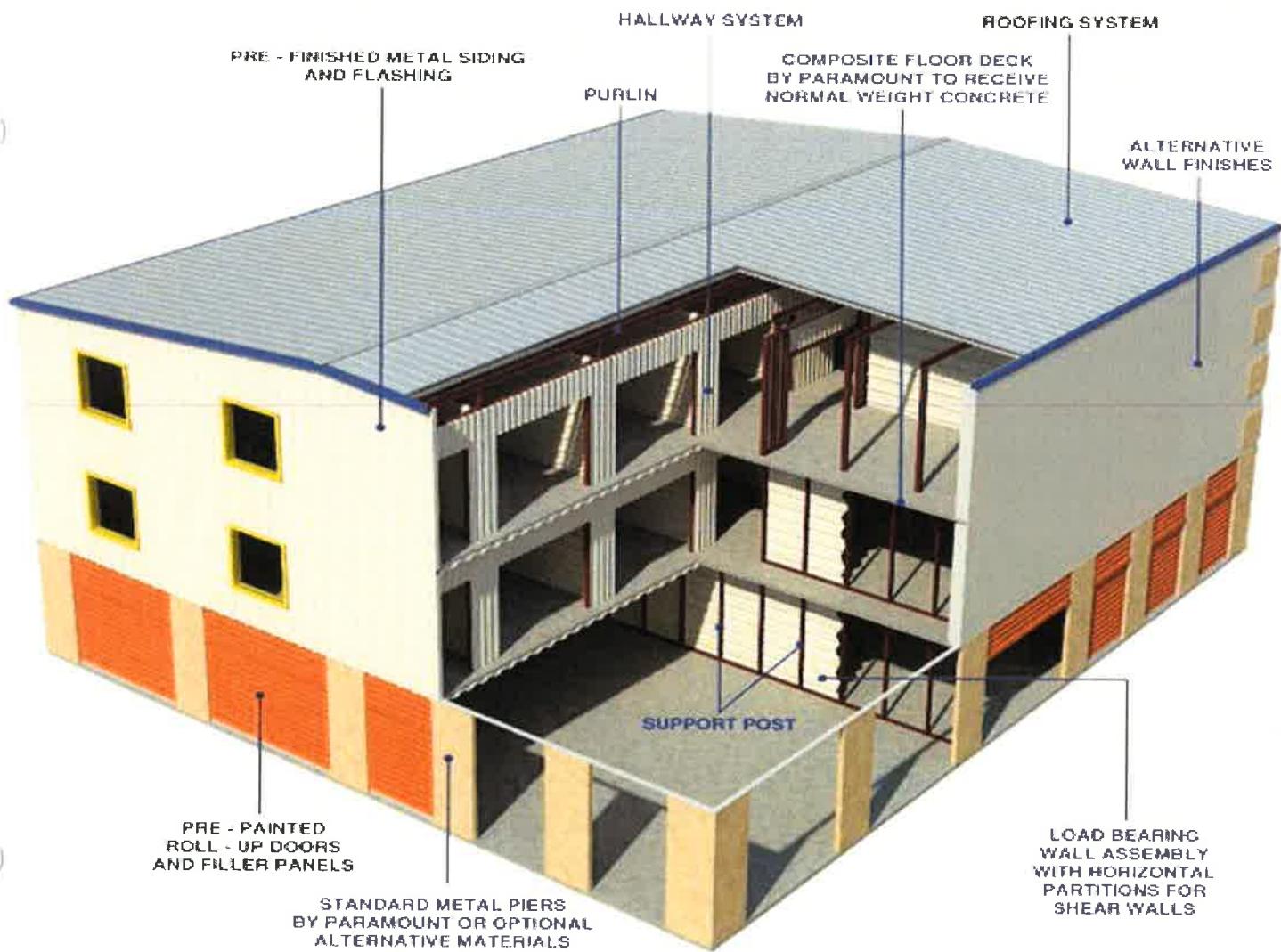
The proposed multistory design is the most secure design for this type of use. The proposed design is attractive, efficient, secure, and bring jobs to Lake Stevens.

5) Pro-Business

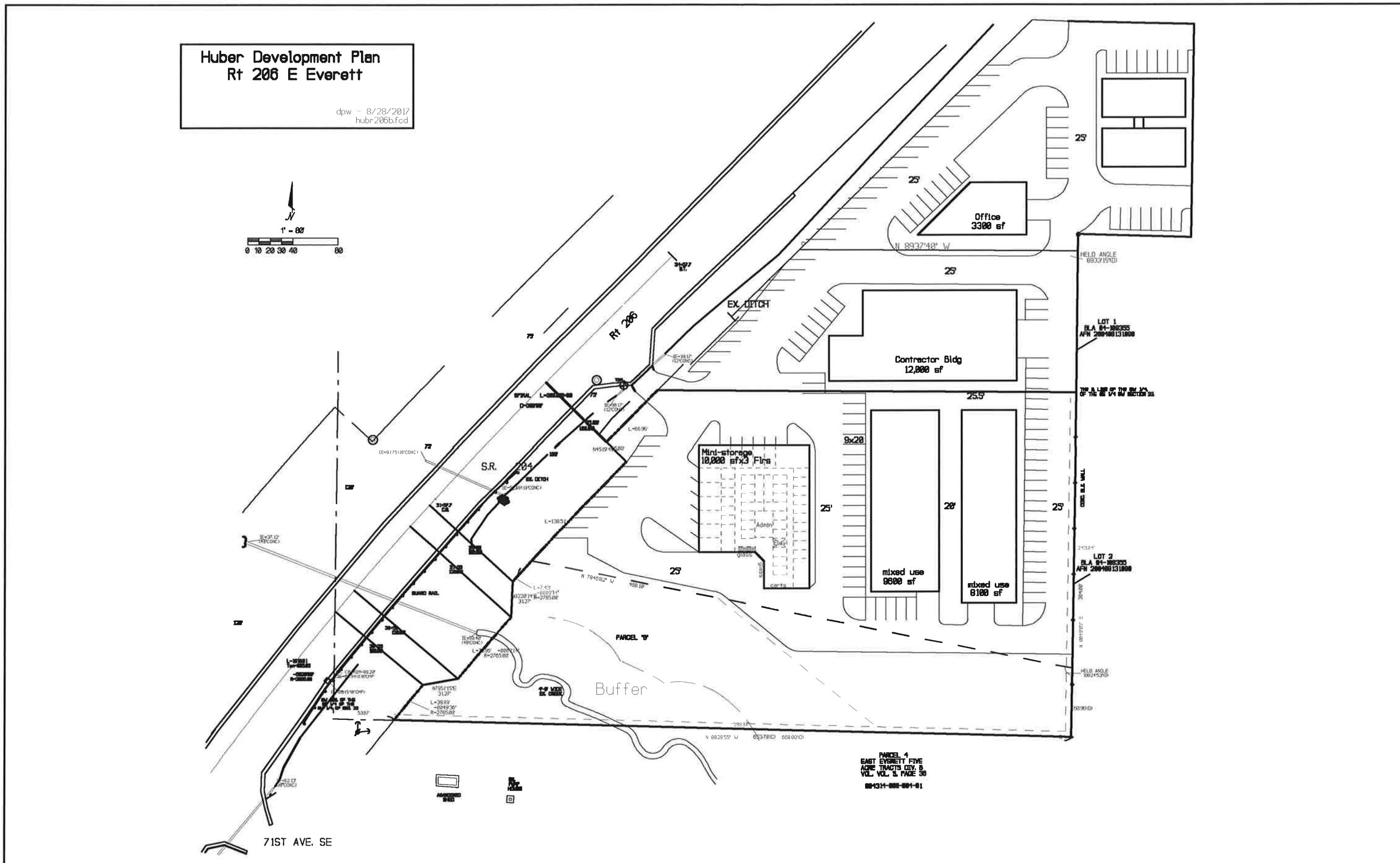
The attractive multistory design is what has proven to be successful in surrounding communities that contain the types of jobs Lake Stevens is looking for. Having this type of development is truly a catalyst for other businesses to come to Lake Stevens. This modern version of a highly needed use (that is not land consumptive) will be the draw for other businesses and WSDOT that development is coming.

Summary

The reality is that the corner of 10th Street and SR 204 is a unique site that is both visible from the street while not being overpowering to the residential neighbors because of the slope of the site. However, because of the existing access limitations of the site there needs to a use that pulls focus to the site as the next commercial hub of Lake Stevens. The proposed multistory design provides that spark while complying with the comprehensive plan, pleasing to the eye, and flowing with future development of the site and neighborhood.







Attachment 1. Draft Regulations

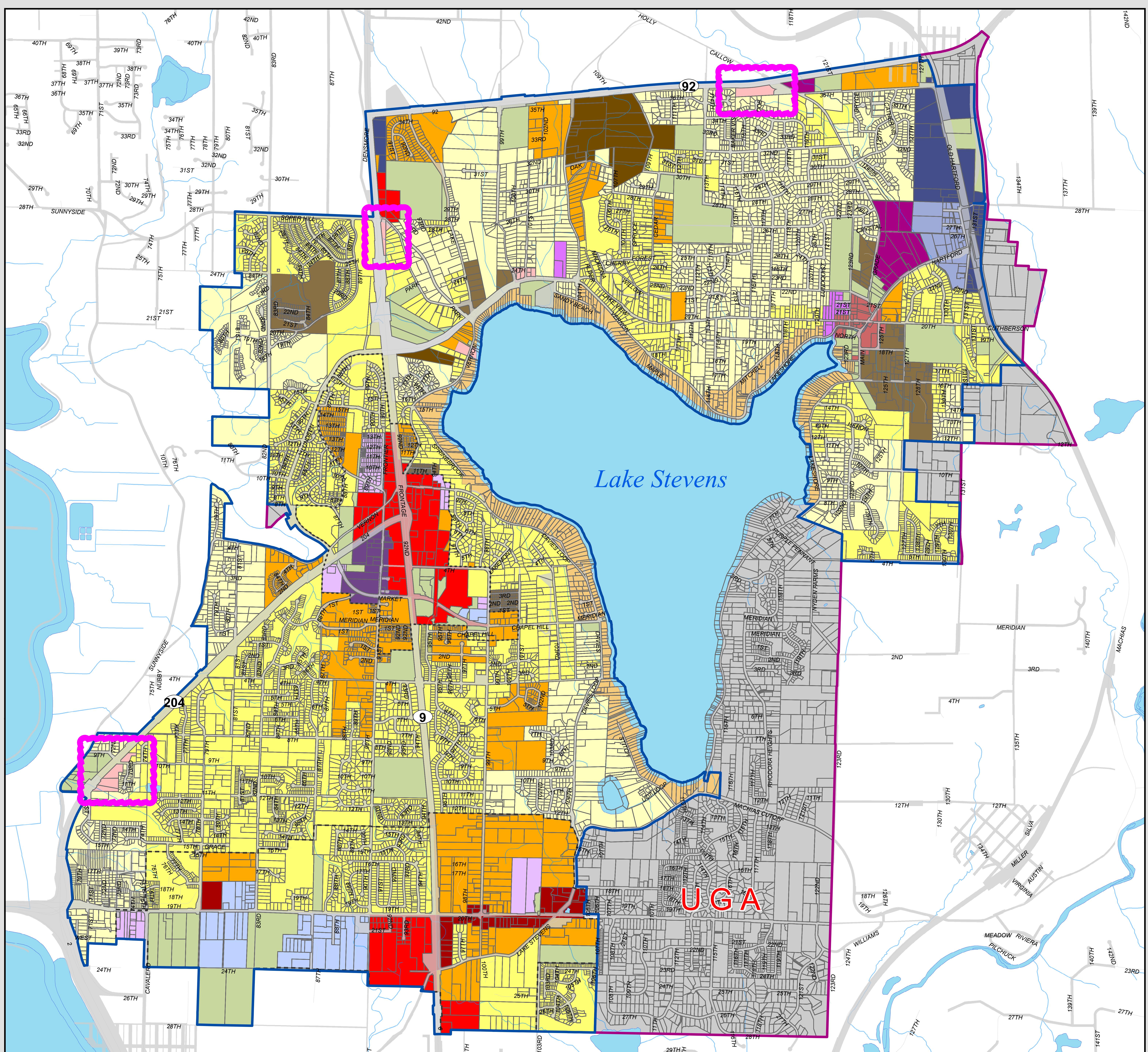
1b. Storage, LUA2017-0010

USE DESCRIPTIONS	SR	WR	UR	HUR	MFR	NC ⁴	LB
10.000							
10.200							
10.210						A*	
10.220						A*	
10.300							—

* Only adjacent to the State Highways



CITY OF
LAKE STEVENS
ZONING MAP



City Zoning

City Zones

Suburban Residential (SR)	Multi-Family Residential (MFR)
Urban Residential (UR)	MF Development Agreement (MFDA)
High Urban Residential (HUR)	Mixed Use (MU)
Waterfront Residential (WR)	Mixed-Use Neighborhood (MUN)
	Local Business (LB)

Neighborhood Business (NB)	Business District (BD)
Central Business District (CBD)	Light Industrial (LI)
	Main Street (MS)
	General Industrial (GI)
	Commercial District (CD)
	GI Development Agreement (GIDA)
	Planned Business District (PBD)
	Public / Semi-Public (P/PS)

Boundaries

City of Lake Stevens
Unincorporated UGA
Parcels
Right-of-Way

Subarea Boundaries

20th Street SE Corridor
Lake Stevens Center

Features

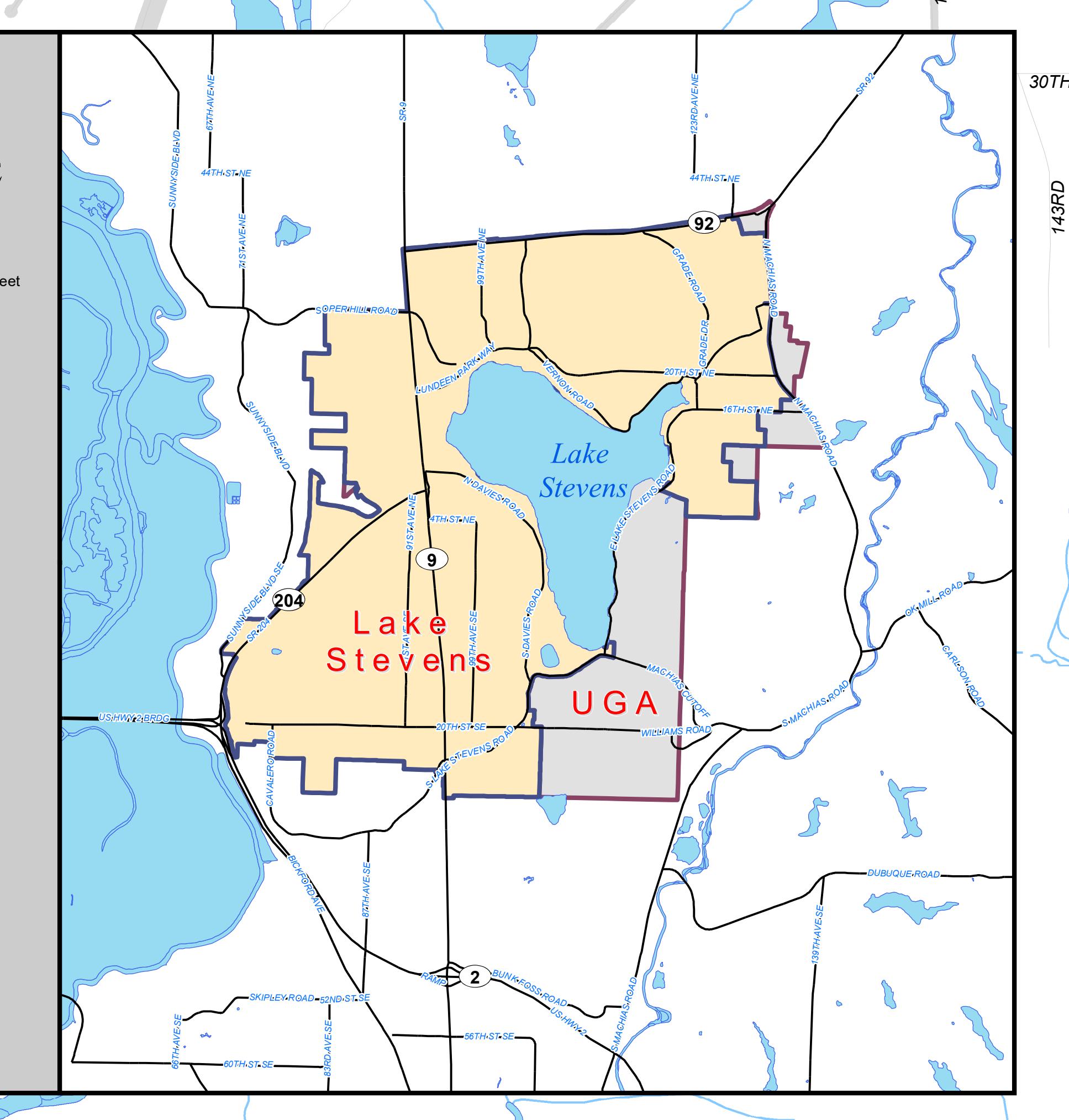
Waterbody
Stream



0 400 800 1,600 Feet

1 in = 800 ft

Adopted via:
 Ordinance No. 876
 Ordinance No. 885
 Ordinance No. 903
 Ordinance No. 920
 Ordinance No. 921
 Ordinance No. 960
 Ordinance No. 961
 Ordinance No. 974
 Ordinance No. 981
 Ordinance No. 982
 Ordinance No. 983



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Data Sources: Snohomish County (2016), City of Lake Stevens (2016)

Revision Date: JANUARY 2017



Staff Report
City of Lake Stevens Planning Commission

Planning Commission Briefing
Date: **September 6, 2017**

Subject: **Recreational Marijuana Regulations (LUA2017-0083) – Briefing**

Contact Person/Department: **Russ Wright**, Community Development Director

BACKGROUND/HISTORY:

Washington state voters approved Initiative Measure No. 502 (I-502) November 6, 2012 to legalize the production, processing, sale and use of marijuana and marijuana products, purchased from state licensed stores. The Liquor and Cannabis Board (AKA Liquor Control Board) prepared state rules to implement I-502 as Chapter 314-55 of the Washington Administrative Code (WAC). The state has enacted several amendments since its initial adoption. The Lake Stevens City Council adopted local regulations to control the siting and administration of marijuana facilities and uses on February 10, 2014. City Council amended the city's rules on May 10, 2016 following a public process.

While in a moratorium, Council analyzed relevant legal opinions, the community's voting record, the Planning Commission's recommendation and other implementing codes. During its legislative review, City Council considered the scope of regulations, protection of parks and schools, facility separation, market saturation, size restrictions and outright prohibition. Ultimately, City Council directed staff to develop permanent regulations for the licensing, production, processing and sale of marijuana and marijuana products pursuant to Chapter 314-55 WAC, with local amendments (**Exhibits 1 and 2**). Since then Council has been briefed periodically on the marijuana industry in Lake Stevens. In 2016, the City Council adopted amendments covering modified definitions, changes in medical marijuana standards and revisions to production and processing facilities – there was no change to the number of allowed retail locations (**Exhibit 3**).

Currently, LSCM 14.40.090 – Table 14.40-I allows the retail sale of marijuana in the Light Industrial and General Industrial zoning districts and LSCM 14.38.020(b)(4) allows the same in the Commercial District. LSCM 14.44.097(f) restricts marijuana sales to a single retail location.

LSCM 14.44.097(f) Size and Number.

- (1) State-licensed marijuana producers will be limited in size to Tier 2 production facilities, pursuant to WAC [314-55-075](#).
- (2) The maximum amount of space allotted for State-licensed marijuana production will be limited to 70,000 square feet Citywide.
- (3) A marijuana retailer will be limited in size to 1,000 total square feet or less including sales, storage, office and other incidental spaces.
- (4) The total number of marijuana retailers shall be one.

Earlier this year, City Council indicated that it would re-examine the number of allowed marijuana retail locations based on public comment received. On May 05, 2017, the city received a citizen-initiated application (**Exhibit 4**) to amend the municipal code to allow a second retail location. The current state allocation for marijuana facilities in Lake Stevens is two. The applicant submitted a narrative that

describes compliance with the comprehensive plan, growth management act and state law (**Exhibit 5**). As proposed, subsection (f)(4) above would be modified to read, "**The total number of marijuana retailers shall be per the current state allocation.**" No other changes to the city's marijuana regulations were requested.

At the June 21, 2017 Planning Commission meeting, commission members discussed the proposal and concerns about the existing regulations. The members that were present wanted to hear from the entire Planning Commission, as several members were absent, before providing a recommendation. Other items discussed included how code amendments are advertised, past amendments and current state regulations. There was a desire on behalf of some commission members to restrict marijuana sales in the Commercial District.

The following list provides a range of options that the Planning Commission may consider:

1. Adopt the changes to the regulations as presented;
2. Restrict the total number of marijuana retailers at two citywide;
3. Prohibit the retail sales of marijuana in the Commercial District outright;
4. Require an administrative or conditional use permit for retail marijuana sales citywide to provide more oversight of businesses to ensure that all potential impacts to adjacent businesses and neighborhoods are taken into consideration following public notice and comment; and
5. Require a 1,000-foot lineal separation between marijuana retailers to ensure that there is not a concentrated block of retailers.

NEXT STEPS:

1. Hold a briefing with City Council for direction;
2. Issue an environmental determination and submit the proposed changes to the state for review;
3. Advertise and hold a public hearing; and
4. Provide a recommendation to City Council.

EXHIBITS:

1. Direction memorandum from 2014
2. City Council staff report dated February 10, 2014
3. City Council staff report dated May 10, 2016
4. Application
5. Narrative



Memorandum

Date: January 15, 2014
To: Planning Commission
From: Russ Wright, Senior Planner
Subject: **Council Direction on I-502 Marijuana Regulations (LUA2013-0096)**

At the January 13, 2014 Council Meeting, staff presented four I-502 implementation options to City Council and requested that Council provide direction on a preferred option. Planning Commission comments, a review of actions taken by neighboring jurisdictions and an analysis of codes adopted by other Snohomish County jurisdictions formed the basis of the proposed options, which included:

1. Adopt permanent regulations for the licensing, production, processing and sale of marijuana and marijuana products pursuant to Chapter 314-55 WAC.
2. Adopt permanent regulations for the licensing, production, processing and sale of marijuana and marijuana products pursuant to Chapter 314-55 WAC, **with local amendments**.
3. Adopt interim regulations for a year to analyze impacts.
4. Prohibit the licensing, production, processing and sale of marijuana and marijuana products.

After a thorough discussion, **City Council directed staff to pursue Option 2 as the city's implementation strategy**, by consensus. Council rejected Option 1 because Council was more comfortable adopting regulations specifically tailored to the needs of Lake Stevens. Council rejected Option 3 because it felt the city should take a firm stance when implementing new regulations. Council also expressed concerns about vesting and potentially creating nonconforming uses if it adopted interim regulations. Council rejected Option 4 due to legal uncertainties related to a prohibition.

During its discussion of Option 2, Council supported separations between facilities and size restrictions for all marijuana facilities. Council noted a discrepancy between Subsections 14.44.097(d) (2) and (5) related to the 1000-foot separation. Staff proposes to modify **Subsection 14.44.097(d)(2)** to read,

"(2) No parcel containing a state-licensed marijuana facility shall be located within 1,000 feet of the perimeter of any other parcel containing a legally established, state-licensed marijuana facility. For the purposes of administering the 1,000 foot separation between parcels with state-licensed marijuana facilities, state-licensed marijuana facilities shall be considered legally established in the order in which they are issued a city business license."

Council asked if the city could regulate marijuana production as an agricultural use like Granite Falls is proposing. Under Table 14.40-I, agricultural uses are outright or conditionally permitted (this use category could be applied to marijuana production) in the Light Industrial and General Industrial zoning districts. Table 14.40-I also permits processing uses outright or conditionally as a manufacturing / processing use in these zones.

Council also asked about security requirements for marijuana facilities. WAC 314-55-083 establishes security requirements for marijuana facilities including identification, alarm systems, surveillance systems, products traceability, etc. The Liquor Control Board is responsible for oversight of security systems.

Council also discussed definitions, specifically the definition of “Public Park” and the exclusion of trails from this definition. Council asked if the city could locally amend this definition or other definitions. Staff noted marijuana-related definitions came directly from the Washington Administrative Code (WAC) 314-55-010. Staff discussed this issue previously with legal counsel from the Municipal Research Services Center, who advised it would be more prudent and legally sound to retain state definitions because the legislature authorized the Liquor Control Board to adopt state rules and definitions for statewide consistency. Following this discussion, Council directed staff to explore the feasibility of creating additional screening or buffering requirements for marijuana facilities adjacent to the Centennial Trail.

Staff proposes to modify **Section 14.76.090 Additional Screening Requirements** to read,

“(b) Due to the potential for adverse impacts, Light Industrial and General Industrial zoned properties directly abutting the Centennial Trail shall provide a Type A screen, pursuant to 14.76.040(a)(1) in areas abutting the Centennial Trail.”

Finally, Council asked if the city’s regulations could limit the extraction of marijuana derivates, such as oils and other refined products. Various sections in Chapter 314-55 explicitly establish regulations for processor extractions and storage of derivates. As state rules clearly allow this process and establish limits for the storage of subsequent products, restricting this type of processing would be in direct conflict with the WAC rules and not advisable for the same reasons noted not to amend definitions.

Staff submits Council’s policy direction and proposed changes to the draft regulations, identified in this memorandum, to the Planning Commission for its consideration as part of the public hearing.



LAKE STEVENS CITY COUNCIL
STAFF REPORT

Council Agenda Date: February 10, 2014

Subject: I-502 Marijuana Regulations (LUA2013-0096)

Contact Person/Department: Russ Wright, Planning & Community Development

Budget Impact: none

RECOMMENDATION(S)/ACTION REQUESTED OF COUNCIL: Public hearing and Second reading of Ordinance 908 related to the implementation of I-502 Marijuana Regulations (LUA2013-0096).

SUMMARY:

Public Hearing and Second Reading of I-502 Marijuana Regulations (LUA2013-0096)

BACKGROUND/HISTORY:

Following the first reading of Ordinance 908 (**Attachment A**), staff has completed the additional requested analysis by City Council related to hours of operation, business sizes, and separations (**Attachment B**). Staff reviewed the interim and permanent regulations of Washington Cities and Counties, related to Marijuana facilities, available on the Municipal Research Services Website.

Washington Administrative Code (WAC) 314-55-147 allows marijuana retailer facilities to sell marijuana, marijuana-infused products, and marijuana paraphernalia between 8 a.m. and 12 a.m. Only five jurisdictions mentioned hours of operation in their ordinances. Only one of the five jurisdictions, Mountlake Terrace diverged from the WAC regulation for hours of operation. Mountlake Terrace adopted hours of operation from 8 am to 11 pm.

Only three jurisdictions are proposing additional separations. Everett has an interim requirement for a 2,500-foot separation between retail facilities. Tacoma has an interim requirement for a 1,000-foot separation from correctional facilities & drug rehabilitation facilities. Mukilteo has adopted a requirement for a 1,000-foot separation between retail facilities and producers/processors. Lake Stevens would be the only identified jurisdiction proposing a 1,000-foot separation between all marijuana facilities. The attached map (**Attachment C**) shows how the rule would affect three prospective marijuana producer/processors in the Hartford Industrial Area. Under this proposed regulation, only one of the three prospective producer/processors would be allowed to operate.

Only five identified jurisdictions are proposing additional size requirements. Everett has an interim requirement that limits Marijuana Producers to Tier 1 (less than 2,000 square feet). Tacoma has a graduated interim requirement restricting the size of retail facilities based on the zone. Seattle has a graduated requirement restricting the size of production facilities based on the zone. King County has a graduated requirement restricting the size of retail facilities based on the zone and requires a Conditional Use Permit (CUP) for producers over 2,000 square feet. Pierce County has prohibited marijuana facilities, but has developed a framework that would require a CUP for marijuana facilities and restrict the size of production facilities to 10,000 square feet (Tier 2). Lake Stevens would be the only identified jurisdiction proposing a combined 10,000-foot size for producer/processors and among a few jurisdictions

limiting the size of retail facilities. The attached map (**Attachment C**) shows how the rule would affect three prospective marijuana producer/processors in the Hartford Industrial Area. Under this proposed regulation, only one of the three prospective producer/processors would meet the 10,000 square feet size restriction.

Staff described the recent state Attorney General's opinion and two recent house bills related to the implementation of I-502 at the January 27, 2014 meeting. Since then, the House Committee on Government Accountability & Oversight held public hearings for House Bill 2322 prohibiting local jurisdictions from taking actions preventing or impeding the creation or operation of commercial marijuana businesses licensed by the liquor control board; House Bill 2638 establishing the states preemptive authority to regulate the licensing, marketing, taxation, production, processing and retail sale of marijuana; and HB 2144, distributing a specified percentage of marijuana excise tax revenues to local jurisdictions.

APPLICABLE CITY POLICIES: Chapters 4.04, 14.08, 14.16C, 14.40, 14.44 and 14.756 of the Lake Stevens Municipal Code

BUDGET IMPACT: There is not a budget impact.

Attachments:

Attachment A – Ordinance 908

Attachment B – Jurisdiction Comparison

Attachment C – Detail Map for Hartford Industrial Area



LAKE STEVENS CITY COUNCIL
STAFF REPORT

Council Agenda Date: May 10, 2016

Subject: Marijuana Regulation Amendments LUA2016-0017

Contact Person/Department: Russ Wright, *Interim Planning Director*

Budget Impact: none

RECOMMENDATION(S)/ACTION REQUESTED OF COUNCIL:

1. Identify preferred code amendment options, by motion.
2. Second Reading to adopt Ordinance 958 and repeal Ordinance 941, by motion.

SUMMARY:

Second Reading related to potential amendments to the city's marijuana regulations in relationship to community feedback and amendments to state law to be adopted through Ordinance 958 (**Attachment 1**).

ADDITIONAL CHANGES / DISCUSSION

At City Council's public hearing held April 26, 2016, council members requested additional information and clarification on a few items contained in Ordinance 958, described below.

1. Define what happens if the co-location prohibition is removed.
 - If the co-location prohibition is repealed, more than one production / processing facility can locate on the same building or property as another processor.
 - Under state regulations, this would require a physical separation between the spaces.
 - The second business would be a separate entity and subject to all state and local licensing requirements.
 - The removal of this prohibition would also allow more than one retail outlet in the same building should Council allow a second retail outlet.
2. Review square footage allocation of existing producers / processors.
 - The city has 9 licensed marijuana facilities, which includes one retail location, six Tier 2 producer / processors, one dedicated processor and one Tier 2 producer/processor under review.
 - The combined square footage dedicated to producer / processors equals approximately 75,000 square feet from reconciled permit information. This number includes areas devoted to production, processing and storage as provided on individual land use applications and associated building permits. Dedicated storage has only been identified on three facilities totaling nearly 2,000 square feet.
3. Provide additional information about production tiers per state rules compared to build out of existing facilities.
 - State Tier Canopy Structure WAC 314-55-0775(6)
 - Tier 1 - less than two thousand square feet of canopy

- Tier 2 - less than 10,000 square feet of canopy
- Tier 3 - less than 30,000 square feet of canopy
- If the current producers increased production to the maximum allowed tier level, there would be approximately 70,000 square feet dedicated to marijuana growing inside the city.

4. Bring additional information about marijuana production and retail outlets in neighboring communities.

- There are several retail locations within neighboring communities south of Lake Stevens near 32nd Street SE, east of Lake Stevens near Granite Falls off HWY 92, and north of Lake Stevens near Arlington and Smokey Point. Additional locations are located in Everett and in Snohomish County. See attached Liquor and Cannabis Retail Distribution Map (**Attachment 2a**).
- There are nine production / processing facilities north and east of the city in Snohomish County and an additional nine facilities in Arlington. See attached Liquor and Cannabis Producer / Processor Distribution Map (**Attachment 2b**).

5. Provide additional information about growing and selling medical marijuana.

- Reformation of Medical Cannabis act under Senate Bill 5052 makes the following changes:
 - Provides oversight of medical market by Liquor and Cannabis Board not previously established. Collective Gardens and Dispensaries disbanded.
 - Medical marijuana production allowed through co-operative or production at an established production/processing facility.
 - Sales of medical grade marijuana, concentrates and infused products can occur at a retail location with endorsements.
 - Purchase of medical marijuana is subject to patient database authorization or card.
- Patients and designated providers, entered into the marijuana database, will not pay sales tax on marijuana, marijuana concentrates or marijuana-infused products purchased from retail stores holding medical marijuana endorsements.
- According to the Liquor and Cannabis Board, licensed marijuana producers may produce medical marijuana as a percentage of their state tier allotment.

RECOMMENDATIONS

1. Adopt the Planning Commission's Recommendation

The Planning Commission held a public hearing on April 6, 2016, which was well attended. Several individuals supported maintaining the current cap for production/processing at 100,000 square feet or removing the cap altogether. Others testified in support of a second retail location, as allocated by the Liquor and Cannabis Board, to allow local competition in the market. There was also support to allow access to medical marijuana at retail locations. The Planning Commission recommendation is attached as **Attachment 3**. The Planning Commission recommended the following actions:

1. Removing the co-location provision as proposed;
2. Modifying the definitions as proposed;
3. Authorizing the sale of medical marijuana at licensed retail locations with endorsements as proposed;
4. Limiting retail locations to one store to be revisited in two years;
5. Retaining the 100,000 square foot cap for marijuana production and processing; and
6. Changing the permitting process from outright permitted to requiring an administrative conditional use permit for production/processors as proposed.

2. Modify the Planning Commission's Recommendation to include the following changes:

1. Limit marijuana production and processing to 75,000 square feet; or modify cap to only include marijuana production (growing) set at the state Tier 2 maximum per site with an overall cap of 70,000 square feet citywide. Processing and storage would not be subject to a separate cap.

Proposed Code Language:

- Option 1 - 14.44.097(f)(2) the maximum amount of space allotted for state-licensed marijuana production and processing will be limited to 75,000 square feet citywide.
- Option 2 - 14.44.097(f)(2) the maximum amount of space allotted for state-licensed marijuana production will be limited to 70,000 square feet citywide.

FINDINGS AND CONCLUSIONS:

1. Compliance with selected Land Use & Economic Development Goals of the Comprehensive Plan

- Land Use Goal 2.6: Promote an active, healthy and diverse Hartford Road Industrial District
- Land Use Goal 2.10: Ensure that land uses optimize economic benefit and the enjoyment and protection of natural resources while minimizing the threat to health, safety and welfare.
- Economic Development Goal 6.4: Support employment growth in the city.
- Economic Development Goal 6.8: Support businesses and job creation.

Conclusions – The proposed code amendments are consistent with several Comprehensive Plan goals.

2. Compliance with the State Environmental Policy Act (SEPA)(Chapter 97-11 WAC and Title 16 LSMC)

- Staff prepared an environmental checklist for the proposed code revisions, dated February 25, 2016.
- The SEPA official issued a Determination of Non-Significance on February 29, 2016.
- The city has not received any appeals related to the SEPA determination.

Conclusions – The proposed code amendments have met local and state SEPA requirements.

3. Compliance with the Growth Management Act (RCW 36.70A.106)

- The city requested expedited review from the Department of Commerce on February 29, 2016.
- The Department of Commerce sent a letter of acknowledgment on March 1, 2016 and granted approval of expedited review on March 15, 2016.
- Staff will file the final ordinance with the Department of Commerce within 10 days of action.

Conclusions – The proposed code amendments have met Growth Management Act requirements.

4. Public Notice and Comments

- The city published a notice of SEPA determination in the Everett Herald on February 29, 2016.
- The city published a notice of Planning Commission Public Hearing in the Everett Herald on March 16 and 23, 2016.
- The city notified interested parties of the SEPA DNS and public hearing at the same times.
- The Planning Commission held a public hearing on April 6, 2016, received public comments and has forwarded recommendations to City Council.
- The city published a notice of City Council Public Hearing in the Everett Herald on April 6 and 13, 2016.

Conclusions – The City has met public notice and procedural requirements per Chapter 14.16B LSMC for legislative actions.

APPLICABLE CITY POLICIES: Chapters 14.08, 14.38, 14.40 and 14.44 of the Lake Stevens Municipal Code

BUDGET IMPACT: There is not a budget impact.

EXHIBITS (attached):

Attachment 1 – Ordinance 958

Attachment 2 – Maps (2a Retail Locations / 2b Producer/Processor Locations)

Attachment 3 – Planning Commission Recommendation



Planning and Community Development
1812 Main Street, P O Box 257
Lake Stevens WA 98258
Phone Number (425) 377-3235

To Be Completed By Staff

Date of Application: _____

Staff Initials: _____

Permit Number: LUA.2017-0083

TYPE IV, V AND VI - COUNCIL DECISIONS LAND USE DEVELOPMENT APPLICATION

CHECK ONE

TYPE IV – Quasi-judicial

Essential Public Facility
 Planned Neighborhood Development
 Rezone – Site Specific Zoning Map Amendment
 Secure Community Transition Facility
 Type IV Other:

TYPE V – Quasi-judicial

Final Plats
 Plat Alterations
 Plat Vacations
 Right-of-Way Vacations
 Type V Other:

TYPE VI – Legislative

Comprehensive Plan Amendment, Map and Text
 Development Agreements
 Land Use Code Amendments
 Rezones – Area Wide Zoning Map Amendments
 Type VI Other:

ARE ANY LOWER LEVEL PERMITS REQUIRED? Yes No Describe: _____

Property Information	Site Address: <u>909 Frontage Rd. Lake Stevens WA. 98258</u>			
	Assessor Parcel No: <u>0051800000201</u>	Area of property	Square Feet: <u>2640</u>	Acres: <u>0.53</u>
	Land Use Designation: <u>Retail</u>	Zoning: _____		
	Number of Buildings on Site/: <u>1</u>	Number to be Retained: <u>1</u>		
	Existing Impervious Surface Area:	Proposed Impervious Surface Area:		
Applicant	Name/Company: <u>SMP Retail LLC</u>			
	Address: <u>PO. Box 1429</u>	City/State/Zip: <u>Lake Stevens WA. 98258</u>		
	Phone: <u>425.471-0283</u>	Applicants relationship to owner:		
	Fax:	Email: <u>SmPreder@gmail.com</u>		
Primary Contact	Name/Company: <u>Shaun Predor</u>			
	Address: <u>PO Box 1429</u>	City/State/Zip: <u>Lake Stevens WA. 98258</u>		
	Phone: <u>425.471-0283</u>	Email: <u>SmPreder@gmail.com</u>		
	Fax:			

Property Owner	Name/Company:				
	Address:		City/State/Zip:		
	Phone:		Email:		
	Fax:				
Project Description	Grading Quantities		Cut:	Fill:	
	Proposed project/land use (attach additional sheets if necessary): <i>USE EXISTING space for Retail.</i>				
Building Information	Gross Floor Area of Existing and Proposed Buildings:				
	Bldg 1: <i>2640</i>	Bldg: 2	Bldg 3:	Bldg 4:	Bldg 5:
	Gross Floor Area by Use of Buildings (please describe use as well as floor area):				
	Use 1: <i>2640</i>				
	Use 2:				
Use3:					
Use4:					

You may not begin any activity based on this application until a decision, including the resolution of any appeal, has been made. Conditions or restrictions may be placed on your permit if it is approved. After the City has acted on your application, you will receive notice of the outcome. If an appeal is filed, you may not begin any work until the appeal is settled. You may also need approvals from other agencies; please check this before beginning any activity.

This application expires 180 days after the last date that additional information is requested (LSMC 14316A.245)

If you suspect that your site contains a stream or wetland or is adjacent to a lake, you may need a permit from the state or federal government.

I DECLARE UNDER PENALTY OF THE PERJURY LAWS THAT THE INFORMATION I HAVE PROVIDED ON THIS APPLICATION IS TRUE, CORRECT AND COMPLETE.



Signature of Property Owner/Agent

5/3/17

Date of Application

By affixing my signature I certify that I am the legal owner of the property for which this application is issued or an authorized agent of the owner.



Planning and Community Development
1812 Main Street, P O Box 257
Lake Stevens WA 98258
Phone Number (425) 377-3235

To be completed by staff

Date of Application: _____

Staff Initials: _____

Permit Number: _____

STATEMENT OF OWNERSHIP/APPLICANT AUTHORITY

I certify or declare under penalty of perjury under the laws of the state of Washington that:

1. This application is authorized by all the land owners with authority to bind the land/property;
2. That the developer is operating under the landowner's authority;
3. That the developer and/or landowner is either an individual or a duly formed and qualified corporation, partnership, or other legal entity; and
4. That the person signing all applications or other legal documents is authorized by the legal entity and/or landowner to do so; and
5. That the application and submittals are true and correct to the best of my information.

Applicant

Signature: Shawn Preder

Name: Shawn Preder

Address: 2523 85th AVE NE
Lake Stevens WA 98258

Phone: 425-471-0283

Email address: ShPreder@gmail.com

Property Owner(s)

Signature: Heidi A. Fidoms

Name: Heidi A. Fidoms, Manager

Address: 9612 - 137nd ST NE
Arlington WA 98223

Phone: 425 239 65706

Email address: heidif@washtrunk.com

on behalf of Esart, LLC

Signature: _____

Name: _____

Address: _____

Phone: _____

Email address: _____

NOTE ON ENTERING PROPERTY

The City of Lake Stevens may enter onto the property, which is the subject of this application during the hours of 7:00 a.m. to 5:00 p.m., Monday – Friday, for the sole purpose of inspecting the limited area of the property, which is necessary to process this application. In the event the City determines that such an inspection is necessary during a different time or day, the City employees or agents will contact applicant verbally or in writing at least 24 hours before entering.

LEGAL DESCRIPTION

Parcel # 00518000000201

Montlake Plat of PIR 000 D-01 - That portion lots 2 and 3 DAF - Beg. at S ELY COR SD LOT 3 TH N 89° 40' 00" W 40 07 FT TO ELY MGN SEC 5/HY 1-A SR 9 TH N 24° 00' 22" W ALG SD ELY MGN 208.45 FT TH CONT ALG SD MGN N 07° 16' 52"



File No. LUA2017-0083
Narrative Statement

Introduction

Mr. Shaun Preder (Mr. Preder) is an experienced cannabis entrepreneur who has been involved in I-502 since the Washington State Liquor and Cannabis Board (WSLCB) began taking applications in 2013.

In addition to running successful stores in Wenatchee and Tacoma, Mr. Preder has an exemplary record with WSLCB as relates to following the administrative guidelines in Washington Administrative Code 314-55 et seq.

Mr. Preder's experience in Wenatchee and Tacoma has provided him with the important and unique experience of working with a small, local government concerned about the health, welfare, and safety of its residents. Mr. Preder understands that listening to and working with local governments is of vital importance to the communities in which he does business.

However, Mr. Preder understands that every locale is a bit different. At his request, we have reviewed Lake Steven's Comprehensive Plan (LSCP). Mr. Preder has taken it upon himself to explain, in detail, how his business intent will be compatible with the goals of the LSCP.

While he is our client, it is clear to us that he is willing and eager to work with Lake Stevens to ensure the goals of his business and the community are in alignment. We believe you will strongly agree with our assessment.

In support of the proposed municipal code amendment to increase the number of marijuana retailers, we specifically will address whether Mr. Preder's plan is (1) consistent with the adopted Lake Stevens Comprehension Plan; (2) compliant with the Growth Management Act; and (3) serves to advance public health, safety and welfare.

Mr. Preder's plan is consistent with Lake Stevens Comprehensive Plan (LSCP)

Mr. Preder understands and appreciates Lake Stevens's goal to maintain a vibrant sustainable community that provides a positive development atmosphere and maintains a strong community image with excellent schools and neighborhoods.

The Importance of Experience in a Regulated Industry

A community's vibrancy depends upon its diversity, and the diversity of businesses it offers. While it may be unreasonable to expect everyone to accept Washington's cannabis experiment, we can all agree that, if cannabis is going to be consumed by the residents of Lake Stevens (as must be beyond doubt), then any such activity must be undertaken in a highly regulated fashion to ensure the image of Lake Stevens is enhanced by virtue of allowing additional cannabis retailers.



Mr. Preder is uniquely suited to this goal, because he has a positive administrative record, a fantastic working relationship with WSLCB, and the core know-how and key, compliance affiliates to make sure his businesses follow the rules.

The Importance of a Fair Wage and Opportunities to Advance

Mr. Preder is also aware of Lake Stevens focus on responsible sustainability that is manifested through environmental protection, conscientious community development and sound economic policy, and is excited to open a business that will provide a job at a fair wage to individuals that might otherwise struggle to find employment in the current economic environment.

Retail positions such as those offered by Mr. Preder are generally considered entry level positions that do not require advanced education. However, these positions typically pay better than other, non-cannabis retail operations, and most certainly offer better opportunities for advancement in a new field. Unlike many of the “big box” retail stores that come to small, local communities with the intent of exploiting low-skilled labor, Mr. Preder’s business model is one that relies upon low turnover, fostering strong staff relations, and making sure employees economic, as well as personal, needs are met.

Consistency with Community Goals

Lake Stevens residents’ responses to a community survey lend further support to expanding the retail, cannabis licenses in the city, particularly for Mr. Preder.

Retail businesses were identified as a priority for Lake Stevens, alongside high end tech and professional office jobs. Mr. Preder’s business is the sale of retail cannabis, and therefore meets that definition. However, there is an even more important point related to Lake Stevens’s goals of attracting more tech-based employees.

While the sale of cannabis is not directly tied to the technological sector, there are strong overlaps, and many of the most recently successful tech startups, including Leafly, Biotrack, and Greenbits, are all multi-million dollar companies exclusively servicing the cannabis commerce sector.

Additionally, one fact is quite clear. Broadly speaking, the individuals working in these sectors are younger professionals that tend to strongly support and consume cannabis. If Lake Stevens wants to attract the sorts of companies and individuals associated with the “new economy” then Lake Stevens should embrace cannabis as part of that the new economy. Lake Stevens’s expansion of the cannabis experiment sends a strong message that it’s a dynamic, flexible, community willing to consider common sense changes that grow its economy in a safe manner.

Finally, Lake Stevens has a vision for economic development that includes a sustainable local economy by supporting a varied job sector for residents, promoting excellent shopping and service options, providing a stable and predictable permitting process, and fostering accountable government oversight of public funds, because 25% of survey respondents indicated economic development (increased shopping and jobs) should be a priority, followed by public services over the next 20 years.



With this in mind, Lake Stevens should allow for more competition amongst its cannabis purveyors, because competition is the best way to ensure the residents of Lake Stevens have access to the most compliant, friendly, and successful retail cannabis stores possible.

Excellent Schools and Neighborhoods

One might reasonably ask themselves, "How does allowing for the retail sale of cannabis improve our schools, neighborhoods, and community?" This is a fair question that we will answer directly.

The residents of Lake Stevens have every right and reason to be proud of their community, and part of this pride must surely extend to the goal of ensuring a drug free environment in schools, playgrounds, and the many children of the neighborhoods within the community, generally.

In considering allowing additional retail, cannabis businesses, Lake Stevens is actually asking a tremendously important question: What is the *best* way to keep our children safe?

All of the data available so far suggests one very clear conclusion: legalized cannabis makes the community safer, because drug dealers don't check for identification.

Mr. Preder and his trained, experienced staff *do* check for identification, because the state requires him to, and because he is a committed business person operating in the light of day with a track record of operational compliance.

Mr. Preder is able and willing to work with the local community and address the concerns of the community in a manner that would be inconceivable for the average black market drug dealer. Mr. Preder believes, and hopes Lake Stevens agrees, that the answer to a safer community with great schools, parks, and playgrounds is regulations that were passed by voters that share these same concerns.

Other Benefits

Mr. Preder's plan will also include these benefits:

- Excise tax will be a critical financial injection to the city (direct economic growth).
- Valid expectation that other business establishments will see an increase in traffic after another retail location is added (specifically restaurants).
- Fosters government accountability in the sense that approving the amendment would show that the City Council's top priority is the growth and progression of Lake Stevens.



Mr. Preder's Plan is Compliant with Growth Management Act

What is the GMA?

The Washington State Growth Management Act (GMA) requires state and local governments to manage Washington's growth by identifying and protecting critical areas and natural resource lands, designating urban growth areas, preparing comprehensive plans, and implementing them through capital investments and development regulations.

The Legislature found that uncoordinated and unplanned growth poses a threat to the environment, sustainable economic development, and the high quality of life enjoyed by residents of the State. The GMA requires counties of a certain size and growth rate, and the cities within them, to adopt comprehensive plans and development regulations which are guided by 14 goals:

1. Focus urban growth in urban areas
2. Reduce sprawl
3. Provide efficient transportation
4. Encourage affordable housing
5. Encourage sustainable economic development
6. Protect property rights
7. Process permits in a timely and fair manner
8. Maintain and enhance natural resource-based industries
9. Retain open space and habitat areas and develop recreation opportunities
10. Protect the environment
11. Encourage citizen participation and regional coordination
12. Ensure adequate public facilities and services
13. Preserve important historic resources
14. Goals and Policies of the Shoreline Management Act

Cannabis generally and Mr. Preder's business specifically are totally compatible with each and every one of these goals, because of our shared vision for sustainable economic development. Mr. Preder is proud that cannabis licensed businesses direct funds towards cities like Lake Stevens, which allow the taxes generated by owners such as Mr. Preder to advance all of the above goals.

Further, legalized cannabis is good for the environment, because it eliminates illegal grows that often occur on public lands, and pose threats of fire, pollution, and other spoliation of our state's natural beauty. Mr. Preder is legally required to avoid purchasing from any company that fails to adhere to the various administrative requirements of the WSLCB, which include a very specific and highly regulated requirement around pesticide use. *See WAC 314-55-084.* Obviously, black market operators are neither interested nor able to ensure their operations are similarly sustainable.



Mr. Preder's Plan Serves to Advance Public Health, Safety and Welfare of Lake Stevens

Washington's Voters Correctly Decided Federal Prohibition is a Failed Policy

Lake Stevens has a duty to see to the health, safety, and welfare of its community. Lake Stevens clearly understands that part of that responsibility considering new approaches to that all important goal.

About five years ago, Washington's voters resoundingly decided that the policies of the last century have failed to keep us safe, and those pioneers of the cannabis industry are committed to a new direction: participation in a state system designed to regulate the sale of cannabis to adults in a way that maximizes the health and safety of Washingtonians and to controls the cannabis industry to further public health objectives.

Washington state, and the WSLCB, have brought together representatives from all communities and backgrounds and the result is an agenda that protects children and consumers by encouraging "seed to sale" tracking, and eliminates black market "diversion."

This agenda undermines the black market scourge of our communities. Reliance on responsible individuals who have been vetted by the state, (with help from the Federal Bureau of Investigation) decreases the likelihood that children will be approached by unregulated drug dealers.

Conclusion: Understanding the Real Policy Implications

Lake Stevens should expand the number of cannabis licenses, because doing so is (1) consistent with the adopted Lake Stevens Comprehension Plan; (2) compliant with the Growth Management Act; and (3) serves to advance public health, safety and welfare, as well as the broad legislative goals, and community aspirations these above items represent.

Ultimately, the question of whether to expand cannabis operations within Lake Stevens is a complex and multifaceted decision. However, one point is critical for the city to properly understand the choice it faces in deciding to expand the current number of cannabis licensees.

The choice is not about how much cannabis will be allowed to be sold within the city, because, unfortunately, the black market ensured that goal is unachievable. Indeed, the federal government, with virtually unlimited resources and half a century of implementation failed to achieve any success whatsoever. While reasonable minds may disagree with cannabis use, the failure of prohibition is not up for debate among those who have objectively reviewed the evidence to include a majority of Washintonians.

The true question presented to the community is *who* the community would like to see service this demand, and to what degree such individuals are able or willing to work with the city to pursue its highly important goals.



The choice is between a drug dealer who will not employ anyone, not pay wages, not check identification, not share any profits with the local government, and who will not be bothered to ensure young children do not have access to cannabis. Rest assured that every individual in this category in Lake Stevens is hoping that the city denies Mr. Preder's request.

Alternatively, Lake Stevens may look to someone who willing submitted to and successfully passed a FBI criminal background check in order to pursue a lawful state business in an open and transparent fashion. Lake Stevens may also understandingly look for someone who is experienced in operating multiple compliant state-licensed retail cannabis stores.

Lake Stevens has the opportunity to work with someone who is committed to this goal, excited to work with the community and become a part of it, while providing economic opportunities, ensuring its children are kept safe, and generating tax revenues to make sure its neighborhoods, parks, and playgrounds remain pristine.

Lake Stevens can and should look to the future, and insist that, if cannabis sales cannot be avoided, then they should be highly regulated and proceed in a manner that is consistent with the goals of the community. For these reasons, we request that you approve the addition of more licenses to Lake Stevens, and particularly the application of Mr. Shaun Preder.