



CITY OF BLACK DIAMOND

Physical Address: 24301 Roberts Drive
Mailing Address: PO Box 599
Black Diamond, WA 98010

Phone: (360) 851-4447
Fax: (360) 851-4501
www.ci.blackdiamond.wa.us

Meeting Date: September 7, 2021
Staff Report Date: August 26, 2021
To: Planning Commissioners
From: Mona Davis, Community Development Director
Subject: Comprehensive Plan Amendments – Marijuana Businesses

The purpose of this brief is to go over final docket item #2021-03: “Repeal city prohibitions on marijuana businesses and update land use chapter as needed to facilitate appropriate siting.”

Proposal

This was a request by the City Council. In looking for ways to expand the City’s revenue streams, several members of the City Council have suggested looking at repealing the prohibition on marijuana businesses so that the City may collect local sales tax and a share of the state excise tax on the revenues of marijuana-based businesses. The comprehensive plan is currently silent on marijuana businesses.

Background

Cities, towns, and counties in Washington State can choose to prohibit or to designate appropriate zones for state-licensed marijuana businesses. The number of retail locations allowed in cities and counties is determined using a method that distributes the number of locations proportionate to the most populous cities within each county and to accommodate the medical needs of qualifying patients and designated providers. Locations not assigned to a specific city are assigned to the county at large. King County has 22 allotments at large and Black Diamond is not allocated any at this time. Currently, the King County licenses are all taken, but one of the businesses with a King County license could move into the City; or any business that loses theirs could be acquired by a new business who chooses to open in Black Diamond.

Evaluation Criteria (BDMC 16.10.220)

- A. All Amendments. All of the comprehensive plan amendments shall be reviewed under the following criteria:
1. Whether the proposed amendment(s) conform to the Growth Management Act (Chapter 36.70A RCW);
The proposed comprehensive plan amendment is compliant with the GMA’s goal for coordinated, planned growth, ensuring this use is thought out and planned for prior to permitting it within the City. Further it complied with goal five, to encourage economic development that is consistent with adopted comprehensive plans. This



change could potentially diversify City revenue sources beyond its current, heavy reliance on property tax and development-related sales tax and REET.

2. Whether the proposed amendment(s) are consistent with and implement the city's comprehensive plan, including the goals, policies and implementation strategies of the various elements of the plan;

The proposed amendments are consistent with the following comprehensive plans goals and policies:

- **LU Goal 1: Establish a pattern of development that maintains and enhances a safe and healthy quality of life within the community.**
- **Policy LU-49: Promote a compatible mix of land uses that create a diversified environment that mixes shopping, employment, recreation, and residential opportunities where appropriate.**
- **ED Goal 1: Develop and support a diversified economy to achieve a sound fiscal base and living wage jobs for the City's residents.**

3. Whether circumstances related to the proposed amendment(s) and/or the area in which it is located have substantially changed since the adoption of the city's comprehensive plan;

Since the adoption of the comprehensive plan, policies and information regarding marijuana businesses have shifted and grown. It has become clear that surrounding cities benefit from collecting local sales tax and a share of the state excise tax on the revenues of marijuana-based businesses, which the City is currently unable to do.

4. Whether the assumptions upon which the city's comprehensive plan is based are no longer valid, or whether new information is available which was not considered during the adoption process or any annual amendments of the city's comprehensive plan; and
Related to the answer to criteria number three above, policies and information regarding marijuana businesses have shifted and grown to a point where the prohibition on the businesses is being reconsidered in light of this information.

5. Whether the proposed amendment(s) reflects current, widely held values of the residents of the city.

This topic was evaluated as part of the recent 2021 docketing process, which included a public hearing with the Planning Commission and was voted on by Council to be included as part of the final docket.

Staff recommendation

Staff recommends adding a policy to Chapter 5 Land Use, Section 5.13 Commercial Goals and Policies that states:



Policy LU-50: Analyze the siting of marijuana retail businesses to ensure they are permitted in the appropriate zoning district and to limit impacts on the surrounding community.

Next Steps

Following the public hearing, staff will revise the recommendation as necessary based on public comments and inform the Planning Commission of any changes at the following work session for discussion.

Code Amendments

The code amendments regarding marijuana retail businesses will take place in early 2022 following adoption of the comprehensive plan policy. This will ensure the proposed development regulations can be analyzed fully in light of the adopted comprehensive plan policy, and will be able to have multiple public hearings, if desired, without being constrained by the comprehensive plan docket timeline.