CITY OF SEATTLE
ANALYSIS AND DECISION OF THE DIRECTOR
OF THE DEPARTMENT OF PLANNING AND DEVELOPMENT

Project Proposal: The adoption of an ordinance to establish locational restrictions on the production, processing, or dispensing of cannabis and to make a minor modification to existing allowances for agricultural uses in certain industrial areas.

Project Sponsor: City of Seattle Department of Planning and Development

Location of Proposal: The proposal is a non-project action, applicable to multiple parcels in a variety of zones throughout the City.

SUMMARY OF PROPOSED ACTION

The proposal is a non-project action, applicable City-wide, that would create a new Section 23.42.058 and amend Sections 23.50.012 and 23.84A.006 of the Seattle Municipal Code to establish locational restrictions on the production, processing, or dispensing of cannabis and to make a minor modification to existing allowances for agricultural uses in certain industrial areas.

The following approval is required:

SEPA - Environmental Determination - Chapter 25.05, Seattle Municipal Code.

SEPA DETERMINATION [ ] Exempt [X] DNS [ ] MDNS [ ] EIS

[ ] DNS with conditions

[ ] DNS involving non-exempt grading or demolition or involving another agency with jurisdiction.

BACKGROUND

Proposal Description

The proposed Code amendments will accomplish the following:

- Define the terms cannabis, usable cannabis, cannabis product, and indoor agricultural operation.
- Establish limits on the production, processing, and dispensing of cannabis in Single-family, Multifamily, Pioneer Square Mixed, International District Mixed,

International District Residential, Pike Place Mixed, Downtown Harborfront 1, Downtown Harborfront 2, and Neighborhood Commercial 1 zones to prevent the impacts that could result from large commercial operations.

- Require that operations involving the production, processing, or dispensing of cannabis established at any time before the effective date of this legislation must come into compliance with new regulations within 12 months of the effective date of the ordinance.
- Modify the existing provision limiting community gardens and urban farms on industrially-zoned property in the Manufacturing and Industrial Centers (MICs) from rooftop and vertical farms to rooftop farms and indoor agricultural operations. Indoor agricultural operations would be limited to 10,000 sq. ft. excluding associated office or food processing areas.

Under the proposed regulations, the production, processing, and dispensing of cannabis, cannabis products, or useable cannabis in any business establishment or dwelling unit in certain zones would be limited to no more than:

- 45 cannabis plants,
- 72 ounces of useable cannabis, and
- an amount of cannabis product that could reasonably be produced with 72 ounces of useable cannabis

The size restrictions would apply within the following zones:

1. Single-purpose residential zones **(**Single-family and Multifamily);
2. Neighborhood Commercial 1 zones, which are generally small retail nodes surrounded by single purpose residential zones; and
3. Certain special purpose zones possessing historical character that could be particularly impacted (Pioneer Square Mixed, International District Mixed, International District Residential, Pike Place Mixed, Downtown Harborfront 1, and Downtown Harborfront 2)

Cannabis-related activity established prior to the effective date of the proposed ordinance will be required to come into compliance with new regulations within 12 months of the ordinance's effective date.

The proposal would not impact existing regulations for zones not mentioned above. In general, the production, processing, or dispensing of cannabis would continue to be allowed in Industrial and Seattle Mixed zones and the Downtown and Commercial zones not mentioned above provided they met the standards of each zone applicable to the type of use conducted on the site. Examples of such standards include noise and odor standards, size limits, fenestration requirements, signage, and in certain industrial areas, limitations on the type of farming method used.

Additionally, the proposal would make a minor change to the existing allowance for agricultural uses within designated Manufacturing and Industrial Centers (MICs). Under existing regulations, Community Gardens and Urban Farms are allowed within MICs only on rooftops or

as vertical farming. Vertical farming is not defined in the Land Use Code, but was generally intended to include intensive indoor farming where containers and grow lights could be stacked to allow compact production. This restriction was intended to limit conversion of industrial spaces to agricultural use by ensuring efficient use of space and to limit open-soil farming which could be prone to pollution and would necessitate the removal of existing improvements such as paving and buildings. The existing term is problematic because it requires DPD to determine whether plants are actually located above one another. This proposal would change "vertical farming" to "indoor agricultural operation" and define indoor agricultural operation as a business establishment with an agricultural use that is limited to plants grown in containers within the interior of an enclosed structure. This change would achieve the intent of the original proposal in a clear and enforceable manner. The proposal would also limit indoor agricultural operations to 10,000 sq. ft. to limit large operations that could displace existing industrial uses.

Public Comment

Proposed changes to the Land Use Code require City Council approval. Public comment will be taken on the proposed text changes during future Council hearings.

ANALYSIS - SEPA

This proposal is an adoption of legislation and is defined as a non-project action. The disclosure of the potential impacts from this proposal was made in an environmental checklist submitted by the proponent, dated July 19, 2012. The information in the checklist, a copy of the proposed text changes, the Director's Report and Recommendation, and the experience of the lead agency with review of similar legislative actions form the basis for this analysis and decision.

This is a substantive change to the Land Use Code, to limit the production, processing, and dispensing of cannabis in certain areas of the City and to implement a minor modification to allowed agricultural uses in industrial areas. This amendment may result in potential impacts and warrants further discussion.

ELEMENTS OF THE ENVIRONMENT

Adoption of the proposed Land Use Code amendments would result in no immediate adverse short-term impacts because the adoption would be a non-project action. The discussion below evaluates the potential long-term impacts that might conceivably result from differences in future development patterns due to the proposed amendments.

Natural Environment

Earth, Air, Water, Plants and Animals, Energy, Natural Resources, Environmentally Sensitive Areas, Noise, Releases of Toxic or Hazardous Materials

The proposed changes would result in no direct impacts, and are unlikely to result in significant indirect or cumulative adverse impacts related to earth, air, water, plants/animals, fisheries, energy, natural resources, sensitive areas, noise, or releases of toxic/hazardous substances. The limitations on cannabis-related activities would tend to reduce the total amount of cannabis

production, processing, and dispensing or shift these activities from residential and character areas to areas that are better suited to accommodate these activities such as industrial facilities or commercial spaces which would tend to reduce the adverse effects of any discharges, emissions, and noise.

Minor indirect discharges could occur due to discharge of used pesticides and fertilizers if indoor agricultural uses locate in industrial areas where they could not currently meet the definition of vertical agriculture; however this situation is unlikely to occur and would tend to be limited by proposed size limits on these activities.

Overall, the proposed ordinance is not likely to result in significant adverse impacts to plants, animals, fish, and marine life as it is not likely to increase discharges. These limitations are also not anticipated to result in additional construction or demolition as they primarily limit the scope of certain activities. Minor indirect impacts could occur due to discharge of used pesticides and fertilizers if indoor agricultural uses locate in industrial areas where they could not currently meet the definition of vertical agriculture; however this situation is unlikely to occur and would tend to be limited by proposed size limits on these activities.

The proposal would limit the production of cannabis plants for agricultural uses; however, this is not deemed to be a significant adverse impact.

This ordinance is not likely to deplete energy or natural resources as it would primarily limit the scope of activities that deplete energy and natural resources. Minor indirect impacts could occur due to increased energy and fertilizer use if indoor agricultural uses locate in industrial areas where they could not currently meet the definition of vertical agriculture; however this situation is unlikely to occur and would tend to be limited by proposed size limits on this use.

This ordinance is not likely to result in significant adverse impacts to environmentally sensitive areas as it limits the scope of activities that may occur in certain areas and is not anticipated to result in significant development in or near environmentally sensitive areas. Minor indirect adverse impacts could occur where limitations on agricultural use in industrial areas push cannabis-related activities to other lots in or near environmentally sensitive areas; however this situation is unlikely to occur and would be offset by preservation of existing industrial businesses in industrial areas.

Development of specific projects on individual sites is subject to the City's existing regulations, such as the Stormwater, Grading and Drainage Ordinance, the Environmentally Critical Areas Ordinance, and Noise Ordinance, and will be subject to environmental review (if they meet or exceed thresholds for environmental review).

Built Environment

Land & Shoreline Use, Height/Bulk/Scale, Transportation, Public Services and Utilities

The proposal would amend the Land Use Code, to establish locational restrictions on the production, processing, or dispensing of cannabis and to make a minor modification to existing allowances for agricultural uses in certain industrial areas. This proposal will tend to minimize

the land and shoreline uses that are incompatible with existing plans or existing land and shoreline use by limiting the scope of cannabis activities in residential or character areas.

Minor indirect impacts could occur if indoor agricultural uses locate in industrial areas where they could not currently meet the definition of vertical agriculture and displace existing industrial uses; however this situation is unlikely to occur and would tend to be limited by proposed size limits on this use. This ordinance is not likely to increase demands on transportation as it would primarily limit the scope of certain activities.

Minor indirect impacts could occur where limitations in areas of the City cause individuals to travel a greater distance to procure cannabis products; however, this impact is likely to be minimal given that dispensing facilities could still locate in most commercial districts.

Future projects developed pursuant to the provisions of the proposal will require permits, review and project approvals as provided for in the Seattle Municipal Code and will be subject to environmental review (if they meet or exceed thresholds for environmental review).

Conclusion

The proposed code amendments to establish locational restrictions on the production, processing, or dispensing of cannabis and to make a minor modification to existing allowances for agricultural uses in certain industrial areas are expected to have minimal impacts on both the natural and the built environment. Impacts would tend to be limited by proposed size limits on the use and limits to certain areas of the City. In addition, the existing regulatory framework, i.e., the Land Use Code, the Shoreline Master Program, Environmentally Critical Areas Ordinance, and the City's SEPA ordinance, will address impacts during review of development proposals on a project-specific basis.

DECISION - SEPA

This decision was made after review by the responsible official on behalf of the lead agency of a completed environmental checklist, the proposed Code amendment, and other information on file with the responsible department. This constitutes the Threshold Determination and form. The intent of this declaration is to satisfy the requirement of the State Environmental Policy Act (RCW 43.21.C), including the requirement to inform the public of agency decisions pursuant to SEPA.

[X] Determination of Non-Significance. This proposal has been determined to not have a significant adverse impact upon the environment. An EIS is not required under RCW 43.21C.030(2)(c).

[ ] Determination of Significance. This proposal has or may have a significant adverse impact upon the environment. An EIS is required under RCW 43.21C.030(2)(c).

RECOMMENDED CONDITIONS - SEPA

None.

Signature: ___(signature on file)_____ Date: _____
William K. Mills, Senior Land Use Planner
Department of Planning and Development