

**CITY OF COOS BAY
JOINT CITY COUNCIL / URA WORK SESSION
Agenda Staff Report**

MEETING DATE	AGENDA ITEM NUMBER
May 9, 2017	

TO: Mayor Benetti and City Councilors

FROM: Tom Dixon, Community Development Administrator

THROUGH: Rodger Craddock, City Manager *RC*
Jim Hossley, Public Works and Community Development Director *JH*

ISSUE: Ordinance to Amend the Development Code to Allow Marijuana Processing in the Industrial-Commercial (I-C) District.

SUMMARY:

Coos Bay voters approved a ballot measure to allow marijuana-related uses within the City limits. On December 8, 2016, when the ordinance became effective, dispensaries were considered a retail activity and an allowed use in all commercial districts in the City. However, the City Council placed a six-month moratorium on marijuana processing activities in order to allow staff time to research the issue and to examine how other communities had dealt with marijuana processing.

Consideration of allowing marijuana processing involves two sections of the City of Coos Bay Land Development Code (CBMC Title 17). Under Section 17.140.010 Definitions, a new entry would need to be added describing what marijuana processing is as it pertains to land use activity. In addition, alterations to Table 17.220.030 to add marijuana processing to the I-C use matrix would be necessary. These two changes would be inserted into the adopted Development Code to identify marijuana processing as both a defined and permitted use.

The Planning Commission's considered this issue and recommended approval on a vote of 5-1.

ACTION REQUESTED:

At a Public Hearing May 16, 2017, consider approval of the Ordinance to the allow marijuana processing uses in the Industrial-Commercial (I-C) district.

BACKGROUND:

The current City of Coos Bay Development Code was adopted February 16, 2016 by the City Council and had an effective date of March 18, 2016. At that time, no marijuana-related uses were listed as permitted or conditional uses which would have included dispensaries, processing, or growth activities.

On November 8, 2016, Coos Bay voters approved a ballot measure to allow marijuana-related uses within the City limits. On December 8, 2016, when the ordinance became effective, staff started the land use compatibility process of confirming the proper zoning district, through an official acknowledgment form, for potential marijuana vendors that were making application through the State of Oregon for dispensary licenses. Dispensaries are considered a retail activity and an allowed use in all commercial districts in the City. However, the City Council placed a six-month moratorium on marijuana processing activities in order to allow staff time to research the issue and to examine how other communities had dealt with marijuana processing.

It should be noted that commercial marijuana growing is not included a part of this review. Commercial growth of consumptive plant products is considered an agricultural use and is not allowed in any zoning district within the City limits. Personal growth of up to four plants, for personal use only, is allowed in the City as prescribed under Oregon law.

Consideration of allowing marijuana processing involves two sections of the City of Coos Bay Land Development Code (CBMC Title 17). Under Section 17.140.010 Definitions, a new entry would need to be added describing what marijuana processing is as it pertains to land use activity. In addition, alterations to Table 17.220.030 to add marijuana processing to the I-C use matrix would be necessary. These two changes would be inserted into the adopted Development Code to identify marijuana processing as both a defined and permitted use.

Section 17.140.010 Definitions, is proposed to have the addition of Marijuana Processing. This definition is consistent with Oregon law stipulated under ORS 475B.015(25)(a) – Cannabis, describes this as the “processing, compounding or conversion of marijuana into cannabinoid products, cannabinoid concentrates or cannabinoid extracts”. This can involve the chemical extraction of cannabinoid (the compounds that are the active constituents of marijuana) through water, oil, chemical, or heat extraction methods.

Staff has consulted with and discussed how the cities of Brookings, Corvallis, Eugene, Grants Pass, Medford, and Roseburg have addressed this issue. Several of these cities permitted both dispensaries and processing since marijuana was voter-legalized in the state in 2014. In discussions with staff employed by these municipalities, no adverse impacts or situations have been noted or documented that would cause marijuana processing to need to be treated any differently than other plant processing activities of a similar scale.

BUDGET IMPLICATIONS:

None

ORDINANCE NO.###

AN ORDINANCE AMENDING COOS BAY MUNICIPAL CODE, TITLE 17, CHAPTER 17.140.010 TO PROVIDE A DEFINITION FOR MARIJUANA PROCESSING & TABLE 17.235.020 TO ADD A NEW CATEGORY OF MARIJUANA PROCESSING AS A PERMITTED USE IN THE INDUSTRIAL-COMMERCIAL (I-C) DISTRICT FOR THE CITY OF COOS BAY.

WHEREAS, on November 8, 2016 the voters of the City of Coos Bay supported a ballot measure to allow recreation marijuana operations as a legal commercial use within the municipal boundaries, and

WHEREAS, on December 8, 2016 the City of Coos Bay began reviewing and signing State of Oregon land use compatibility (LUC) forms to acknowledge the proper zoning districts for businesses seeking to operate marijuana dispensaries for the purpose of vending marijuana products, and

WHEREAS, the City of Coos Bay City Council placed a six-month moratorium on the processing of marijuana as a permitted use within the municipal boundaries in order to allow staff sufficient time to research the land use impacts and to consider how other Oregon communities had considered the activity, and

WHEREAS, the City of Coos Bay Planning Division staff did a thorough review and consideration of other Oregon communities in the southern portion of the state and along the Oregon coast and recommended approving the processing of marijuana as a permitted use within the Industrial-Commercial (I-C) district, and

WHEREAS, legal notice was published in "The World", a newspaper of general circulation within Coos County, Oregon on March 2, 2017 and April 20, 2017, and

WHEREAS, a public hearing was held before the City of Coos Bay Planning Commission on March 14, 2017 and after receiving evidence and hearing testimony the Planning Commission supported the Development Code amendments by a vote of 5-1 and,

WHEREAS, after considering the Commission's Findings and Justification and after receiving evidence and hearing testimony at the May 16, 2017 hearing, the City Council of the City of Coos Bay, adopted the Findings and Justifications of the Planning Commission, and approved the proposed Development Code amendments allowing marijuana processing in the Industrial-Commercial (I-C) district.

NOW THEREFORE, the City Council of City of Coos Bay ordains the following:

- Section 1.** Amend the City of Coos Bay's Development Code to include a definition of marijuana processing as defined under ORS 475B.015(25)(a) – Cannabis.
- Section 2.** Amend Table 17.235.020 I-C Uses by adding the category of *Marijuana processing* as a permitted use.
- Section 3.** The sections and subsections of this Ordinance are severable. The invalidity of

one section or subsection shall not affect the validity of the remaining sections or subsections.

Section 4. This Ordinance shall take effect 30 days after enactment by the City Council and signature by the Mayor, whichever is later.

The foregoing ordinance was enacted by the City Council of the City of Coos Bay the _____ day of May 2017.

Yes:

No:

Absent:

Joe Benetti
Mayor of the City of Coos Bay
Coos County, Oregon

ATTEST:

Susanne Baker
Deputy Recorder of the City of Coos Bay
Coos County, Oregon