



ISLAND COUNTY PLANNING & COMMUNITY DEVELOPMENT

PHONE: (360) 679-7339 ■ from Camano (360) 629-4522, Ext. 7339 ■ from S. Whidbey (360) 321-5111,
Ext. 7339 FAX: (360) 679-7306 ■ 1 NE 6th Street, P. O. Box 5000, Coupeville, WA 98239-5000
Internet Home Page. <http://www.islandcounty.net/planning/>

STAFF REPORT & RECOMMENDATION SITE PLAN APPROVAL – SPR 326/14, TYPE III NORTH GOLDIE LLC – MARIJUANA PRODUCER / PROCESSOR

I – PROJECT SUMMARY

The applicant, North Goldie LLC, proposes to establish a marijuana processor/retailer shop in seven existing buildings in the Oak Harbor Industrial Park. Specifically, the applicant proposes the change of use of a fully developed seven unit 52,058 square foot building complex from commercial use into marijuana production and processing for a total of 41,646 square feet of production and 10,412 square feet of processing. The site is located in the Oak Harbor UGA, in Accident Potential Zone (APZ) II and AICUZ Noise Zone.

The proposed marijuana production and processing complex will be established in two phases. Phase one will consist of the conversion of existing buildings 1,2,4, 6 and 7 into marijuana production and processing immediately upon approval of the land use and building permits; phase two will consist of the conversion of existing buildings 3 and 5 into marijuana production within five years of the land use (Site Plan Review) approval. A marijuana processor license allows the licensee to process, package, and label usable marijuana and marijuana-infused products for sale at wholesale to marijuana retailers. Recreational Marijuana licensing was approved by Washington State Voters as Initiative 502 in the election of 2012 and is allowed in the State of Washington per 314-55 WAC.

II – PERMIT DATA

Permit Type	SPR (Site Plan Approval)
Permit Number	SPR 326/14
Complete Application Date	10/27/2014
Decision and Date	Recommendation to Hearing Examiner on 3/1/16
Applicant/Owner	3143-3171 North Goldie LLC
Agent	Francine Shaw, Stephanie Johnson O'Day

III – SITE DATA

Address	3143-3171 North Goldie Road, Oak Harbor
Location	Oak Harbor, WA 98249
Parcel Number(s)	R13326-441-2150 and R13326-470-2200
Site Area(s)	5.92 acres
Zone Designation	Oak Harbor - Industrial (OH-I)
Critical Areas	Wetland (buffer) and Oak harbor UGA

IV – STAFF CONTACTS

Department	Name	Phone	Email
Planning	Hiller West	360-678-7814	h.west@co.island.wa.us
Public Health	Aneta Hupfauer	360-678-7995	anetah@co.island.wa.us
Public Works	Bill Poss	360-678-7813	b.poss@co.island.wa.us
Building	Tamra Patterson	360-678-7806	tamrap@co.island.wa.us

V – REGULATORY COMPLIANCE

Regulatory Requirement	Complies (Y/N)	Comments
Site Plan Review (SPR) – ICC 16.15	Yes	Project complies with SPR approval criteria
Land Use Review – ICC 16.19	Yes	Project has been processed in accordance with ICC 16.19 and Ord. C40-14
Oak Harbor – Industrial – ICC 17.03.082	Yes	Marijuana Producer and/or Processor is a Conditional Use in the Oak Harbor - Industrial zone, subject to a Type III review process.
Non-Residential Design & Landscaping Guidelines – ICC 17.03.180.P	Yes	Project will comply, with Conditions of Approval
Parking, Access, and Circulation – ICC 17.03.180.Q	Yes	Project will comply, with Conditions of Approval
Signage & Outdoor Lighting – ICC 17.03.180.R	Yes	Project will comply, with Conditions of Approval
Site Coverage & Setbacks – 17.03.180.S	Yes	Project will comply, with Conditions of Approval

Recreational Marijuana Producer, Processor and Retailer – 17.03.180.BB	Yes	Project will comply, with Conditions of Approval
Public Works	Yes	Project will comply, with Conditions of Approval
Public Health	Yes	Project will comply, with Conditions of Approval
Building	Yes	Project will comply, with Conditions of Approval
SEPA	Yes	Notice of Optional DNS issued on 11/5/2014; public comment period ended on 11/19/2014.

VI – FINDINGS

Only major issues, errors in the development proposal, and justification for conditions of approval are discussed below. Staff finds that all other aspects of the proposed development comply with applicable laws, rules, codes, and requirements.

A – Site Description & Procedural Requirements

1. The project site is located on at 3143-3171 North Goldie Road in Oak Harbor, on parcels R13326-441-2150 and R13326-470-2200.
2. The project site is zoned Oak Harbor - Industrial. Marijuana Production and/or Processing Retailing is allowed as a Conditional Use in the Oak Harbor – Industrial Zone per ICC 17.03.082.B(12).
3. The applicant, North Goldie LLC, proposes to establish a marijuana processor/retailer operation in seven existing buildings in the Oak Harbor Industrial Park. Specifically, the applicant proposes a change of use for a fully developed seven unit 52,058 square foot building complex from commercial use into marijuana production and processing for a total of 41,646 square feet of production and 10,412 square feet of processing.
4. Recreational Marijuana Production, Processing, and Retailing was approved by Washington State Voters as Initiative 502 in the election of 2012 and is allowed in the State of Washington per 314-55 WAC and is Conditionally allowed in Island County per ICC 17.03.180.BB.
5. The two parcels are fully developed and currently have seven light industrial buildings and associated paved parking. All necessary utilities are available to serve the site. .

6. The project site is located in Aircraft Potential Zone (APZ) II and within Oak Harbor's Urban Growth Area. In accordance with ICC 17.03.180(Z)(2), any conditional use permitted in the OH-I zone is permitted in APZ zone II.
7. The project site is located within the AICUZ noise zone. The buildings will be required to comply with the standards in ICC 14.08B Noise Level Reduction Ordinance. These standards require certain noise reduction measures within structures.
8. As this is a Type III decision, it has been processed in accordance with the provisions of ICC 16.19.040.A.3.
9. A SEPA checklist was submitted for this proposal, and a Notice of Optional DNS was issued on November 5, 2014, with a 14-day public comment period ending on November 19, 2014. Per WAC 197-11-800.3, this proposal is exempt from the procedural requirements of SEPA as a remodeling activity. The repair, remodeling, maintenance, or minor alteration of existing private or public structures, facilities or equipment, including utilities, recreation, and transportation facilities involving no material expansions or changes in use beyond that previously existing are all SEPA Exempt activities. The proposed use is not taking place upon lands covered by water.
10. This application was submitted October 17, 2014 and was determined to be complete on this date. Following the completeness determination a Notice of Application with SEPA was issued on November 5, 2014 with a fourteen day public comment period as required by Island County Code (ICC 16.19.140.B). Island County received no comments during the November 5, 2014 to November 19, 2014 public comment period for this application.
11. In accordance with the provisions of Island County Code (16.15.010 & 16.15.020) this application is subject to the provisions of Island County's Site Plan Review standards.

B – Site Plan Criteria for Approval (ICC 16.15)

Island County Code ICC 17.03.082(B.12)- Marijuana Producer and/or Processor as defined in WAC 314-55 shall be subject to Type III Site Plan review pursuant to ICC 16.19.170. The criteria for approval for a Site Plan Review are provided in ICC 16.15.080. Therefore, the proposal has been reviewed for consistency with the following criteria:

Open Space: Provide open space in the amount required by Chapter 17.03 ICC. The location, use and design shall meet the following standards:

- (a) Include critical areas designated and regulated by Chapter 17.02 ICC;
and
- (b) Include areas of prime soils identified by NCRS.

Finding: the subject site does not contain critical areas or prime agricultural soils. No open space is required for this proposal by ICC 17.03.

Site lay-out. The location of the development, parking, landscape screening and buffers shall meet the requirements of Chapter 17.03 ICC and the following standards:

- (a) Locate development to minimize the amount of disturbance to natural features and landscape;
- (b) Development shall be located so as to minimize the amount of agricultural land loss and shall not be located on prime soils.

Finding: The seven existing buildings within which the marijuana production and processing are proposed to take place are already situated within the site. There is no agricultural land or prime soils within the site. The site is developed as a light industrial site and has minimal natural features.

Lighting: Shall comply with the requirements of Chapter 17.03 ICC. Signs and outdoor lighting standards for non-residential uses are contained in ICC 17.03.180(R). This subsection contains a list of exempted lighting fixtures, and a shorter list of prohibited lighting. The General Lighting Standards state the following:

- (i) Lighting fixtures must be either full cut-off, fully shielded, flush mounted, or hooded and oriented towards the ground.
- (ii) Lighting fixtures, whether attached to a building or pole, must meet the setback requirements of the applicable zone.
- (iii) Pole mounted light fixtures shall not exceed the building height requirements of the applicable zone.
- (iv) Light trespass and glare onto neighboring properties, rights-of-way, waterways, critical areas, and the night sky shall be minimized through shielding of the light fixtures, use of frosted bulbs, peripheral landscaping or fencing, or another effective method.

Finding: The applicant provided a lighting plan showing replacement of some light fixtures and installation of new light fixtures. Upon further request, the applicant submitted a cutoff of a shielded fixture, called "exterior flood", LED 52 Watts, approximately 5,900 Lumens. The cutoff meets the requirements of subsection (i) above. The proposal will be conditioned to comply with remaining lighting requirements. .Maximum building height is 35 feet in the OH-I zone.

Building Design: Shall comply with the applicable non-residential design guidelines set forth in Chapter 17.03 ICC, except that for Essential Public Facilities the Approving Authority may waive design requirements as determined by the Approving Authority to be necessary and appropriate to the type and location of the Essential Public Facility.

Finding: There are no requirements for non-residential building design in the OH-I zone, in ICC 17.03.180P(2). No substantial exterior remodeling or redevelopment of the buildings is proposed at this time. The proposed marijuana processing and production facilities do not qualify as an Essential Public Facility per ICC 17.03.040.

Surface water drainage: Island County Public Works has reviewed the drainage systems in place on the site and determined them to be adequate. No new impervious surface is proposed in this decision. The applicant has provided a drainage narrative indicating that water from hydroponic operations will be managed by recycling use with no discharge into storm or septic systems.

Utility services: No new utility services are proposed or required in this application. The proposed use will make use of existing electric, telephone, and cable utility lines and infrastructure. The properties are served by the Oak Harbor City Water System and fire hydrants are located onsite to serve fire flow requirements.

Advertising features: External signage is addressed by the conditions of approval.

Traffic and Circulation: Shall comply with the requirements of Chapter 17.03 ICC.

Finding: The proposed use is considered "the same or less intensity as the existing use or a previously-approved use" by the Island County Public Works Department (see 11/17/2014 memo by Bill Poss, ICPW). It is therefore exempt from Concurrency. Permits for Access to County Right-of-Way have been issued for the north and south approaches onto Goldie Road. The submitted site plan must be corrected to show the referenced Access Permit Numbers respectively.

C – Parking, Access, and Circulation (ICC 17.03.180.Q)

Parking standards are found in ICC 17.03.180.Q(2). Marijuana production and/or processing is not listed as an identified use in the standards. For unspecified uses, the standards state that: *"In the case of a Use not specifically mentioned in this section, the Planning Director shall establish the minimum number of spaces for off-street parking facilities."* Any office space within the seven buildings proposed for production and/or processing should provide one (1) space for every two hundred fifty (250) square feet of gross floor area per subsection 180(2)(b). For the remaining floor area, the Planning Director finds that the most similar use is provided under subsection 180(2)(n): Wholesale stores, warehouses, storage buildings, motor vehicles, or machinery sales. For those uses, the required parking is one (1) space for each employee with a minimum of four (4) spaces. This requirement is interpreted to apply per building, for a total of seven buildings in the facility. The applicant shall provide detailed site plans

showing office space within the buildings and striped parking spaces within the site, in addition to a projection of the number of employees, for a determination of specific parking requirements.

Island County Public Works has reviewed the parking lot facility and parking lot access points and determined that, consistent with ICC 11.01.060.D(2), the existing parking lot and existing parking access should be able to continue to provide safe and convenient access for patrons of this commercial site.

E – Signage & Outdoor Lighting (ICC 17.03.180.R)

The applicant will install lighting to comply with ICC 17.03.180.R(11) and the security requirements per WAC 314-55.

F – Site Coverage & Setbacks (ICC 17.03.180.S)

Pursuant to Island County Code ICC 17.03.082(F0(8)), there is no maximum lot coverage in the OH-I zone. The minimum front yard (setback) is thirty-five (35) feet. The existing buildings comply with the setback requirement from Goldie Road. There is a twenty-five (25) foot access easement to the rear of the three buildings along Goldie Road. The existing buildings do not encroach within the access easement. A ten foot side yard setback is required when the property abuts a residentially-zoned property. In this case the property is surrounded by OH-I zoned property, so there is no required side yard setback. There is no required rear yard setback, unless abutting a public street, which does not apply in this case.

G – Marijuana Retailer (ICC 17.03.180.BB(3))

Per ICC 17.03.180.BB(3)(a), this approval has been reviewed pursuant to Chapter 16.15, and processed as a Type III Site Plan review.

Per ICC 17.03.180.BB(3)(b), it will be a Condition of Approval that only those buildings specifically approved by the County may be used to conduct the business. It will be a Condition of Approval that outdoor sales are prohibited.

Per ICC 17.03.180.BB(3)(c), it will be a Condition of Approval that parking shall be contained on-site and provided in conformance with applicable Code, with this decision, and with the Conditions of this Approval.

Per ICC 17.03.180.BB(3)(d), structures on the site have been reviewed for compliance with the landscape, lighting, signage, site coverage, and Non-

Residential landscape and screening guidelines set forth in 17.03.180, as discussed herein.

Per ICC 17.03.180.BB(3)(e), the County has imposed such reasonable conditions as are believed necessary to ensure the use is compliant with WAC 314-55 and does not disrupt the character of any surrounding Permitted Uses. It will be a Condition of Approval that full conformance with all aspects of Chapter 314-55 WAC is required, and that violation of any part of Chapter 314-55 WAC will constitute a Violation of the Conditions of Approval of this permit and be subject to enforcement action by Island County. It will be a Condition of Approval that the character of any surrounding Permitted Uses shall not be disrupted by this Use.

Per ICC 17.03.180.BB(3)(f), the applicant has not proposed that marijuana retail sales take place in a single family residence or other dwelling unit, and has not proposed the Use to be authorized as a Home Occupation or Industry. It will be a Condition of Approval that this Use must be conducted in conformance with the entirety of WAC 314-55.

Per ICC 17.03.180.BB(3)(g), it will be a Condition of Approval that all security requirements of WAC 314-55-083 applicable to retailers shall be required prior to final occupancy.

Per ICC 17.03.180.BB(4), this Use is not located in the Ebey's Landing National Historic Reserve.

Per ICC 17.03.180.BB(5), this Use is not located within either the Rural Residential (RR) or Oak Harbor - Residential (OH-R) Zones.

Per ICC 17.03.180.BB(6), it will be a Condition of Approval that law enforcement access, without notice or cause, shall not be limited. The approved Use is located on Goldie Road, a County road, which connects to SR 525, a State highway, east of the site.

H – Land Development Regulations (ICC 11.01, 11.02, 11.03, 11.04, 12.12, 13.03)

This proposal has been reviewed for consistency with the above-noted Island County land development regulations by Bill Poss of Island County Public Works. See the attached memo of November 17, 2014 from Bill Poss for these findings. The findings in this memo are hereby adopted as Findings of this decision.

This decision has been reviewed consistent with the intent of ICC 16.15.080.B.

VII – DECISION

Based upon the above review, the Island County Department of Planning and Community Development concludes that the proposed marijuana processor and production facility complies with all applicable zoning, land use, land development, and environmental regulations and **hereby forwards a recommendation of approval to the Island County Hearing Examiner** for Site Plan Review application 326/14 SPR subject to the following conditions of approval:

VIII- RECOMMENDED CONDITIONS OF APPROVAL

1. The work authorized by this decision shall be limited to the development as described herein, as shown on the attached Plot Plan received 10/17/2014. This decision shall not be construed to authorize work, development, construction, or other site modifications in excess of that which is specifically authorized by this decision.
2. The applicant must adhere to the conditions, recommendations, and requirements noted in the attached memo dated December 19, 2014 from Tamra Patterson, Island County Plans Examiner/Building.
3. The applicant must adhere to the conditions, recommendations, and requirements noted in the attached memo dated December 17, 2014 from Aneta Hupfauer, Island County Public Health.
4. The applicant must adhere to the conditions, recommendations, and requirements noted in the attached memo dated November 17, 2014 from Bill Poss, Island County Public Works.
5. Prior to Building Permit issuance, all outstanding fees, including Health Department fees, shall be paid in full.
6. A detailed site plan, showing all office space within the buildings, and including an estimate of the number of employees serving the facility, shall be included with building permit(s) for the site. The site plan shall illustrate all striped parking spaces within the site. Final parking requirements shall be determined by the Planning Director based on the detailed site plan. Parking shall be contained on-site and provided in conformance with applicable Code, with this decision, and with the Conditions of this Approval.
7. Light fixtures, including temporary lights, must incorporate hooding, shielding or other effective technologies to ensure that direct rays of light are not visible from the perimeter of the site.
8. All signage requires a Building Permit, subject to the requirements of ICC 17.03.180.R, or applicable Code as hereafter amended.

9. Conformance with requirements of WAC 314-55 and the applicant's state marijuana license, as issued by Liquor Control Board, that are applicable or relevant to the applicant's site plan are incorporated into this decision and approved site plan. Violation of those requirements may lead to enforcement action by the County and/or Liquor Control Board.
10. Outdoor sales of marijuana are prohibited.
11. Full conformance with all aspects of Chapter 314-55 WAC is a requirement of this approval. Violation of any part of Chapter 314-55 WAC will constitute a Violation of the Conditions of Approval of this permit and will be subject to enforcement action by Island County.
12. All security requirements of WAC 314-55 applicable to marijuana producers and/or processors shall be required prior to final occupancy, and these security systems shall be maintained in good working order at all times.
13. Law enforcement access to this approved Use, without notice or cause, shall not be limited in any way.
14. The facility and all structures will be required to comply with the AICUZ noise reduction standards in ICC 14.08B. These standards require certain noise reduction measures within structures as well as disclosure of aircraft noise.
15. Prior to starting any work or construction activities, the applicant shall obtain all required building permits and approvals.
16. This project is required to comply with Washington State and Island County water quality standards, Washington State laws and regulations protecting archaeological sites and resources and all other pertinent State laws, rules, regulations, codes, and ordinances.
17. Applicant is advised that per ICC 16.15.160 **Site Plan Approvals do expire.** Any Building permits obtained pursuant to this Site Plan Approval must be utilized within five (5) years after the effective date of this Site Plan approval. If the permit or permits are not used or construction work is not initiated within this time and carried on diligently in accordance with the conditions imposed by the County pursuant to Site Plan approval, the Site Plan shall become null and void and any approval, permit, or conditions granted thereby shall be deemed to have lapsed.

IX – APPEALS

Decisions of the Examiner on Type III applications shall be final and conclusive unless within fourteen (14) days following mailing of such decision a written statement of appeal is filed with the Board by the Applicant, a Department of the County, or Party of Record, who is also an Aggrieved Person. Said statement shall set forth any alleged errors and/or the basis for appeal and shall be accompanied by a fee pursuant to the fee schedule adopted by the Board; provided that such appeal fee shall not be charged to a Department of the County or to other than the first appellant. The appeal of a Type III decision shall be a Closed Record Appeal.

SIGNED THIS 4th DAY OF MARCH, 2016



Hiller West, Community Development Director

Attachments: See list of exhibits