

MASON COUNTY PLANNING ADVISORY COMMISSION

August 12, 2013

(This document is not intended to be a verbatim transcript.)

=====

1. CALL TO ORDER

The meeting was called to order at 6:08 pm by Chair Jim Sims.

2. ROLL CALL

Members present: Jim Sims, Bill Dewey, Ken VanBuskirk, Kristy Buck and Vicki Wilson. Rob Drexler was excused.

Staff present: Rebecca Hersha, Grace Miller and Barbara Adkins

Department of Ecology: Tim Gates and Rick Mraz

3. REGULAR BUSINESS

ADOPTION OF AGENDA

Bill made the motion to approve the agenda and Vicki seconded, the motion passed unanimously.

APPROVAL OF MINUTES

The minutes for July 29, 2013 were reviewed. Vicki made the motion to approve as amended and Ken seconded, the motion passed unanimously.

4. PUBLIC HEARING

Public Hearing to consider amendments to Title 17 (Zoning) of the Mason County Code pertaining to the zoning of businesses involved in the production, processing and retail sales of recreational marijuana. Staff: Barbara Adkins

Barbara Adkins, Director of Community Development, opened the hearing on the proposed amendment to Title 17, zoning for recreational marijuana. She explained the regulations and process regarding the adoption of the proposed amendment. She noted that in order to apply for a license, an address is required, adding that the State Liquor Control Board has heavy restrictions and they are implementing their own codes. She explained that the proposed WAC's have not been officially adopted, but due to the strict timelines, it is important to look at the draft now. Barbara explained that the State Liquor Control Board would only be taking applications for a 30-day period. She stressed that applicants would still have to comply with all of Mason County's codes and requirements through the Planning, Building and Public Health Departments, as well as all State codes.

Barbara continued the presentation clarifying enforcement actions explaining the authority of the State Liquor Control Board. There is a 1,000 foot perimeter regulation requirement that will be enforced by the State, not the County.

She explained that as she continued to do research and explained that there are two different ways to approach this. After speaking with other County's, they are not going to change their regulations, but are going to treat them as

Planning Advisory Commission Minutes, August 12, 2013

agriculture or retail, and considering only changing their policies and not their code. Retail would be treated like any other business, and would be allowed in any district that would allow a retail business or agriculture.

She explained that the regulations proposed allow for agriculture. She explained that the Board will not issue a license to a residence. It doesn't say that you cannot have it in a residential area, just not at a residence. She explained that the second option, which is a simpler approach, would allow them in any area that retail or agriculture are allowed, provided they meet all the other restrictions.

Ground rules for the hearings proceedings were clarified by Chair Jim Sims. Ken asked what the timeline was. Barbara explained that the 30-day application period starts on September 16, 2013. She added that they could continue the discussion at another meeting, but would not want to put it off since there is a deadline. Ken added that he would like to see the second option Barbara had discussed, in writing, prior to making any decisions. Jim noted that they would meet again on August 26, which will allow them the opportunity to research and make a decision then.

Vicki asked Barbara which of the two options would work best and if she had any suggestions or recommendations. Barbara commented that going with a policy adjustment that allows them to be treated as any other business would be her recommendation. She explained that it would make the State have more responsibilities and take the lead on enforcement. The regulations were discussed in detail. Barbara clarified that no license will be issued to a residence as the way it is proposed now. Jim asked if there was a violation with the terms of the license, would the complaint be processed by the State or by the County? Barbara explained that it would be the responsibility of the State. Staff clarified that there were three licenses, one for producers, processors and retailers. Jim asked if it was possible for a grower in Mason County to sell their product in another county? Barbara said that she did not know the answer to that question. Bill commented that he thought the PAC should have questions and comments from the public before they have any further discussions or comments.

Public comment was open.

Daniel Curylo of Marysville, WA, representing Cascade Crops, addressed the PAC. He explained that they were an I-502 producer / processor starter and looking to locate in Mason County. He stated that the State was going to adopt the rules on August 16, 2013 and applications will start being accepted on September 16, 2013. Mr. Curylo explained that they have a 30-day window to apply and one of the criteria is that they must have a valid address. The Board will not accept an application without an address. He commented on security stating that the protocols are extremely paramount in obtaining a Washington State Liquor Control Board license. Daniel explained the level of security required for the license. He discussed the benefits that Cascade Crops would bring to Mason County and the community. Starting this year they are investing \$450,000 and hope to have 3 to 5 jobs, in 2014 they are looking at a 1.1 million dollar capital investment and hope to employ 25 people by the end of next year. He added that over the next five years they are looking at a 5.1 million dollar investment and hope to grow to 50 employees. Adding that he wants to be a contributor to the City of Shelton and Mason County and to the state in general.

Jim asked for clarification on the address. Mr. Curylo commented that the address would be a Mason County address. Jim asked if the tax revenue generated was a retail tax? Daniel commented that they would pay an excise tax along with retail, sales, and property tax. He commented that they would be taxed 82%, stating that for every dollar of product sold, 82%, which does not include deductions, goes straight to the government.

Jeff Leech of Grapeview addressed the PAC. He said that he lived in a rural area on 1.2 acres of land with a residence and a separate outbuilding that is zoned RR-5. He would like to start a small marijuana production operation inside the outbuilding. Mr. Leech read a statement regarding recreational marijuana production on his property and why he should be allowed a license. He addressed the PAC, stating that his outbuilding can meet the requirements of the Liquor Control Board rules and would like them (PAC) to consider allowing marijuana production in zone RR-5 and an allowance for a variance to accommodate appropriate rural locations such as his. He also stated that for outdoor growing for recreational marijuana, though allowed by I-502, is not a viable practice west of the Cascades and Mason County should not consider that an issue.

There were no additional questions.

The public comment portion of the hearing was closed.

Planning Advisory Commission Minutes, August 12, 2013

Jim inquired whether it was residential zoning or dwelling, and if an outbuilding located in RR-5 in consideration of the state would be allowed. Mr. Leech commented that the issue lies with law enforcement, and entry to a separate structure. Kristy asked if the State would issue a permit if it were in a separate building located on the same property? Barbara commented that it would be entirely up to the State to determine that. Whether they issue a license or not is up to the State Liquor Control Board and the applicant. But just because he is granted a license by the State Board does not mean that the County is going to allow an operation in residential areas. She again stressed that applicants would still have to comply with all of Mason County's codes and requirements through the Planning, Building and Public Health Departments.

Bill asked the PAC if want to pursue as a policy change or as it is proposed? He also commented that they have gone through this process to identify where it is appropriate to have Collective Gardens and we would allow other businesses to locate in any zone within the County. He asked how these are substantially different than Collective Gardens, how do we rationalize that? Ken commented that it is up to the State Liquor Control Board to determine if they are within 1,000 feet. Bill elaborated on his first comment saying that they haven't allowed Collective Gardens in any of the Residential Zoning, regardless of distance to any other restrictive buildings. Barbara added that when the County was looking at Collective Gardens, the State was not giving out any guidelines, issuing licenses or enforcement. It was not very structured. Now they are regulated by the State, have mandates to follow, and it is a different animal. Bill asked if Collective Gardens would fall under the new rules. No, they are still separate, Barbara commented. Ken stated that he would pursue the second option that Barbara proposed prior to making a decision.

The PAC asked Barbara if she could provide the second option to review prior to the August 26, 2013 meeting. She commented that she would make all attempts explaining that she is still waiting for documentation from other agencies.

Rebecca commented regarding a policy change, that the County has regulations for businesses in Residential areas. Adding that if doesn't meet certain requirements you will need a Special Use Permit. Jeff Leech asked if he could do a cottage industry in his home? Jim asked what restrictions, if any, apply to Cottage Industry in a Residential zone? Rebecca commented that there are certain requirements that need to be met, adding that approval for a Special Use Permit is done through the Hearings Examiner process.

Luke Wilkins of Hoodsport asked the PAC to consider if all three licenses need to be blanketed together or restricted if they allow in a Cottage Industry. He stated that they should restrict retail from the Cottage Industry. Rebecca said that the existing zoning wouldn't allow it.

Jim asked the PAC if they wanted to table the topic for the next meeting? Ken made a motion that they recommend to the Board of County Commissioners (BOCC) that they allow uses in any of the zoning areas within the county, with the primary exclusion of the residence or dwelling. Bill seconded for discussion. Bill commented that he prefer to wait and table for the next hearing since the State will finalize the rules this Friday. Adding that they will know better if the residential requirement is going to be part of the rules. The PAC discussed the timeline in detail. It was determined to table the topic, which would still allow time in front of the County Commissioners.

Ken amended his motion to table the matter until the next meeting scheduled for August 26, 2013. There were no objections and the PAC agreed to table the topic.

5. SHORELINE MASTER PROGRAM UPDATE

Jim addressed the PAC and asked them to review WAC 173-26-211 and what Ecology guidelines were under the Environment Designation System. He stated that they have discussed the issues of Land Use designations on several lake properties at the last meeting and in regards to the staff report dated July 29, 2013, explaining that he wanted to revisit them again. He added that they need to review what these guidelines say and how they apply to Mason County's application of Shoreline Management. He explained that there are different shoreline environments that are addressed in Ecology's Guidelines under different titles than what our proposed SMP has. He asked the PAC to take a 15-minute break to review the document. Jim explained that he wanted to make certain that all of the proposed SMP guidelines meet Ecology's Guidelines.

There was a 15-minute break to review WAC 173-26-211.

The Environment designation system, WAC173.26.211(5) was discussed. Jim went through each designation and how they apply. He commented that there were two designations that conflict with the draft SMP "Urban

Planning Advisory Commission Minutes, August 12, 2013

Conservancy" environment which is listed as "Rural" in the SMP, and "Shoreline Residential" which is listed as "Residential" in the SMP. Jim stated that whatever land use designation that the PAC recommends and the BOCC adopt, doesn't change zoning, but it does change land use. Jim said that the SMP has to satisfy State requirements, but the restrictions on future development and use, should be at a minimum impact on property owners. There was a lengthy discussion on the Lake Nahwatzel rezone.

Rick Mraz commented that the existing conditions on the lake shorelines, essentially are about 150' to 200' undisturbed vegetated buffer, those lakes have been buffered from previous land uses, for decades. He explained that the ecological functions of those shorelines are almost undisturbed. Some may argue that Natural might be a more appropriate choice. Jim stated that the zoning decision was made by the BOCC. Rick commented that the SMP designation has to balance with zoning, and is designed to protect the existing ecological function of the site. He referred to WAC 173-26-211(4)(b).

- (b.) **The recommended classification system.** The recommended classification system consists of six basic environments: "High-intensity," "shoreline residential," "urban conservancy," "rural conservancy," "natural," and "aquatic" as described in this section and WAC 173-26-211(5). Local governments should assign all shoreline areas an environment designation consistent with the corresponding designation criteria provided for each environment. In delineating environment designations, local government should assure that existing shoreline ecological functions are protected with the proposed pattern and intensity of development. Such designations should also be consistent with policies for restoration of degraded shorelines.

Jim asked if that was the recommendation of Ecology? Rick affirmed. Rebecca reminded the PAC that what they are looking at is existing shoreline ecological functions not the existing zoning. Jim commented on the Staff Report dated July 29, 2013 and the five lake properties, stating that only one has any development existing or planned, but that one provides guidance for future development for the property owners. It was discussed in detail. Jim stated that staff had recommended the land use designation as Conservancy. Adding that he did not want to revisit their decisions on the July 29, 2013 staff report tonight, but asked the PAC to review the material, look at the WAC and then revisit and added that they still need to make a decision on Hanks Lake. Vicki asked if that they were going to redo the criteria for each designation. Jim said no, just look at the interpretation. Rick encouraged the PAC to look at the existing SMP environment designations when revisiting their decisions on the five lakes in question of the July 29, 2013 staff report.

Monica Harle, who was on the Citizen's Advisory Commission (CAC), commented on the designations stating that when The CAC was reviewing the material they referenced the Inventory and Characterization Report, which is part of the SMP update material. She added that the report helped them reach their determination and suggested that the PAC refer to that document.

John Tupper of Shelton addressed the PAC commenting on the virgin forest surrounding Lake Nahwatzel. Although land has not been platted yet, there are no 50' or 100' lots that fall under the conservancy designation. He added that this should be about the shoreline.

A. Urban Commercial Shoreline Environmental Designation in Rural Activity Centers: Staff Report

The staff report, dated August 12, 2013, on Shoreline Environmental Designation requests was addressed. Rebecca Hersha discussed the request to modify 'Urban Commercial' in the Union and Hoodsport Rural Activity Center. The use of 'Urban Commercial' blanketing the Rural Activity Centers (RAC) was discussed. Staff explained that Rural Activity Centers are areas that are mostly Rural Residential 2.5 with some Commercial, Tourist and Multi-Family designations. The concerns addressed was why it was designated Urban Commercial.

Staff had proposed four options: Retain Urban Commercial; Eliminate Urban Commercial and allow Commercial uses in Residential; Retain the Urban Commercial designation, but modify the term to "Urban"; or to leave as is. It was discussed in detail.

Ken noted that the property owners should be notified for option 1 and 2. Staff affirmed. Ken discussed a letter received from the Hood Canal Improvement Club, dated February 11, 2013. The letter had recommendations and asked staff if they had talked with them regarding their requests. Rebecca stated that she had not recently talked to them. Ken commented that they had requested to be informed prior to any meetings. Jim stated that the content of the agenda was advertised.

Planning Advisory Commission Minutes, August 12, 2013

The options under the proposed staff report were discussed in detail. Staff suggested dropping the word “commercial” and calling it “Urban/Rural Activity Center”. There was some concern with the proposed designation and calling it Urban. The PAC discussed in detail. Staff explained the other uses of Urban Industrial, Urban Commercial and Urban Environment. Ken was concerned with the current designations proposed in the SMP in Union and Alderbrook.

Public comment was open.

Monica Harle commented that if the proposed designation is changed in Union from Urban Commercial back to Residential in certain areas that they need to make those citizens, which will be impacted, aware of any changes.

Constance Ibsen of Union addressed the PAC requesting that they retain the designation of Residential and explained the conditional uses. She asked that the mapping be changed to have a line around the existing commercial enterprises and that there is always the option to ask for a rezone and a variance. Ken asked Constance which option in the staff report that she would prefer. Constance said that she would prefer option 2, but that she could live with option 1.

Staff suggested that they take out the word “Urban” in Option 1 and intersect with Commercial zoning and the shoreline.

Jim asked staff if this would have any impact on the aquaculture industry. The issues with buffers, setbacks and common line setbacks were discussed in detail. Jim asked staff to reword Option 1 of the staff report. Kristy also commented that the majority was residential. It was discussed to drop the wording “urban” and just have it listed as “commercial”. Jim asked if they dropped the word “urban”, then they would not be consistent throughout the document. Staff said that was an easy fix. Staff clarified that the entire SMP would be changed to say “Commercial”.

Jim asked the PAC if they all agreed to drop “Urban” from “Urban Commercial” and list it throughout as “Commercial”. There was discussion between the PAC. All agreed. Ken thought it was appropriate to add an overlay of the existing land uses. Jim explained that they would drop “Urban” from option 1 and approve it as it is written. Ken asked staff if they would notify the necessary property owners, staff affirmed. Staff confirmed the designations as Commercial, Residential, Rural, Conservancy, Natural and Aquatic.

Monica Harle asked if they were switching Alderbrook from Residential to Commercial? She commented that that was going to change everything for their neighbors, explaining that the setbacks would be changed from 100’ to 50’. Staff confirmed stating that the building setbacks do change.

Tim explained that the corresponding changes would affect the purpose listed under the Designation Criteria of the SMP by striking “urban” and “within urbanized areas”. Staff also noted that “inside UGAs, RACs or Hamlets” should be stricken and it was suggested to strike “high-intensity” as well.

E. “Urban Commercial” Shoreline Environmental Designation

1. Purpose

The purpose of the ~~Urban~~ Commercial designation is to ensure optimum utilization of shoreline ~~within urbanized areas~~ by managing commercial development.

2. Designation Criteria

Shorelines ~~inside UGAs, RACs, or Hamlets~~ that have the following qualities:

- a. Existing or planned ~~high-intensity~~ commercial land uses in already developed areas; or
- b. Areas developed with water-dependent commercial uses requiring frontage on navigable waters.

Monica Harle asked if there was a definition of high intensity that might have an impact. Tim explained that Ecology does have a high intensity designation. But it typically does not apply to how Mason County’s shorelines should be developed.

The Davis Family Farm was to be discussed. Ken asked to be excluded from the vote.

DAVIS FAMILY FARM request was discussed from the July 29, 2013 Staff Report.

Request: The Davis Family Farm granted a 1994 Deed of Conservation Easement to the Great Peninsula Conservancy. Amongst other conservation values the property has farming and agriculture along with protection of

Planning Advisory Commission Minutes, August 12, 2013

aquatic habitat, stream protection and scenic vista preservation. Along most of the Union River, which bisects the Farm property there is a mature riparian buffer. With this in mind, we would like to request that the Planning Advisory Commission change the "draft" freshwater shoreline designations for the affected portions of parcels 12320-34-00020 (2.3 acres), 12320-43-00040 (2.17 acres), 12320-34-00000 (12.7 acres), and 12329-20-03000 (46.54 acres), which border the Union River, from a Rural designation to Conservancy.

RECOMMENDATION: Redesignating subject parcels as Conservancy would be consistent with Conservancy criteria. Reviewing adjacent parcels and possibly lump with Conservancy designation to the South.

Staff explained that the Agriculture area, which is currently proposed as Rural. The property owner is asking to be redesignated to Conservancy. It was discussed in detail. Vicki asked which set of criteria does this property most closely meet? Is it Rural or is it Conservancy, as the criteria are listed? Staff explained the difference between Rural and Conservancy and determined that the land in question closely fit both designations. It was discussed that Conservancy is a more restrictive designation and the intent and purpose of the SMP is to maintain No Net Loss. It was discussed in detail. Ken commented that there was more Conservancy land designated down stream from the Union River, and that the Davis property is the longest stretch of the Union River that does not have development along it.

Monica Harle inquired about the Use Tables regarding the Shoreline Environment Designations. She pointed out the differences between Residential and Conservancy regarding the decision on the Davis Farm.

The PAC discussed in detail.

Ken asked staff if they determined what the correct wording was for Conservancy. It was questioned at the July 29, 2013 meeting if agriculture was included in the criteria. Staff confirmed that the designation should have "agriculture" listed in the criteria, and that it was erroneously omitted from the copy.

B. "Conservancy" Shoreline Environmental Designation

2. Designation Criteria

- b. Areas that are currently supporting resource-based uses, such as forestry, agriculture or aquaculture;

Jim asked the PAC if they were all in favor for changing the designation of the Davis Farm from Rural to Conservancy. All were in favor of the revision, excluding Ken, who excused himself from the vote.

6. NEW BUSINESS

Ken commented that he had inquired about the natural designations on a couple of properties. He said that he is putting together a list of property that he does not think meets the Natural criteria. He added that he will forward his findings to the staff and asked that they research and bring back for the PAC's consideration. Ken explained that the property is in the Lynch Cove area in North Mason County. He also commented that he found issues along Mission Creek and the west shore of Lake Cushman and will get the parcel numbers for staff to research.

Terri King addressed the PAC regarding their decision of Option 1 of the staff report, which will affect Tourism zoning for the Girl Scout Camps. Rebecca explained that staff was going to do a zoning overlay that would include the parcels associated with tourism, not just in the RACs and UGAs.

7. ADJOURNMENT

Meeting adjourned at 8:47 p.m.