

**AGENDA REPORT
PLANNING AND ZONING COMMISSION MEETING
June 8, 2023**

SUMMARY

A request by the City of Columbia to revise Chapter 29 of the City Code (Unified Development Code) Sections 29-1.11(a) [Definitions], 29-3.2, Table 29-3.1 [Permitted Use Table], and 29-3.3 (qq) [Use-specific Standards] to incorporate new and revised definitions as well as revised use-specific standards to said sections that are reflective of changes to the regulation of marijuana as authorized by Article XIV of the Missouri Constitution specifically addressing marijuana microbusiness facilities.

DISCUSSION

On November 8, 2022, the voters of Missouri approved Amendment 3 to the Missouri Constitution that contained revisions to Section 1 of Article XIV relating to medical marijuana and added a new Section 2 legalizing recreational adult use of marijuana. Section 2 legalizes the possession and consumption of marijuana for people 21 years of age and older and establishes a framework for the regulation of businesses involved in the production, transportation and sale of adult-use marijuana. While Section 1 of Article XIV created medical marijuana facilities, Section 2 created two additional classes of marijuana facilities: comprehensive facilities and microbusiness facilities. The three classes of marijuana facilities are further broken down as follows:

- Medical facilities:
 - Medical marijuana dispensary facilities
 - Medical marijuana cultivation facilities
 - Medical marijuana-infused products manufacturing facilities
- Comprehensive facilities:
 - Comprehensive marijuana dispensary facilities
 - Comprehensive marijuana cultivation facilities
 - Comprehensive marijuana-infused products manufacturing facilities
- Microbusiness facilities:
 - Microbusiness dispensary facilities
 - Microbusiness wholesale facilities (cultivate and manufacture)

The Unified Development Code (UDC) was amended in February 2023 to address comprehensive facilities as authorized by Amendment 3; however, it was not amended to address microbusiness facilities. The Missouri Department of Health and Senior Services (DHSS) announced that it will begin accepting applications for the first round of marijuana microbusiness facility licenses on July 27, 2023, which is earlier than constitutionally required. As a result of this change, the UDC must be amended more quickly than originally anticipated to accommodate these new facility types. Amendments are needed to Sections 29-1.11(a) [Definitions], 29-3.2, Table 29-3.1 [Permitted Use Table], and 29-3.3 (qq) [Use-specific Standards].

According to DHSS, marijuana microbusiness licenses are essentially small businesses that are designed to allow marginalized or under-represented individuals to participate in the legal marijuana market. A key attribute of the marijuana microbusiness facility is that their ownership is restricted to people meeting one of Amendment 3's enumerated qualifications. The DHSS is authorized to issue 18 total marijuana microbusiness facility licenses per each congressional district as drawn and effective on December 6, 2018. The 18 microbusiness licenses will be issued in 3 groups of 6, with each group of 6 consisting of 2 microbusiness dispensary facilities and 4 microbusiness wholesale facilities. As noted above, applications for the first round of marijuana microbusiness licenses will begin to be accepted on

July 27, 2023. From this first round of applications, 2 dispensary and 4 wholesale licenses will be issued between October 2-4, 2023 for the congressional district in which Columbia was located in December 2018.

Approval of the attached amendments will ensure that staff has sufficient time to issue zoning verification letters relating to these new facility types should they be required to accompany applications to DHSS. Staff cannot issue such a letter without these facility types being contained within the UDC. Any delay in the adoption of the proposed revisions will result in them becoming effective after July 27 which may negatively impact an applicant desiring to apply at the beginning of the application period.

The UDC amendments proposed to accommodate microbusiness facilities are generally identical to those adopted in February 2023 to accommodate comprehensive marijuana facilities. The amendments will add definitions for the newly created microbusiness facilities, revise the Permitted Use Table to authorize microbusiness facilities in the zoning classifications where their corresponding medical and comprehensive facilities are presently permitted, and revise the use-specific standards to ensure the regulations are consistent in terms of terminology.

It is important to note that the total number of microbusiness dispensary licenses will not be limited in the same fashion as medical or comprehensive dispensary facilities. Rather the total number of microbusiness dispensaries that can be licensed will be regulated by DHSS and the provisions of Article XIV of the Missouri Constitution (no fewer than 6 licenses per congressional district). It is staff's belief that by not including microbusiness dispensaries in the current use-specific standard licensure limitation (presently capped at a total of 7 medical and/or comprehensive dispensaries city-wide), those seeking licensure for microbusiness dispensaries will be given the maximum opportunity to do so. There is currently no indication that DHSS will issue more than 6 microbusiness dispensary facility licenses per congressional district, and the 6 dispensary licenses will be rolled out in groups of 2 between October 2023 – April 2025.

Aside from this one variation, all other "use-specific standards" applicable to medical and comprehensive marijuana facilities will be equally applied to microbusiness facilities. Most significant of these "use-specific standards" is the location and spacing requirements that will be applied. Like existing medical and comprehensive facility locations, any new microbusiness facility will not be permitted within 500-feet, as the crow flies, of any church, school, or daycare as defined in Article XIV. Application of these standards is believed sufficient to ensure the orderly integration of the new microbusiness facilities (dispensaries and wholesale) into the City's corporate limits.

RECOMMENDATION

Approval of the regulatory revisions to Sections 29-1.11(a), 29-3.2, Table 3-1.1, and 29-3.3(qq) of the UDC so as to ensure conformance with the marijuana regulations contained within Article XIV of the Missouri Constitution.

SUPPORTING DOCUMENTS (ATTACHED)

- UDC Amendments

PUBLIC NOTIFICATION

General notice of a public hearing on this matter was published in the Columbia Tribune on **May 23, 2023**. No public comment was received as of preparation of this report.

Report prepared and approved by Patrick Zenner