



Department Source: Community Development - Planning

To: City Council

From: City Manager & Staff

Council Meeting Date: June 20, 2023

Re: UDC Text Amendments – Marijuana Microbusiness Regulations (Case # 159-2023)

## Executive Summary

Approval of this request would result in amending sections of the Unified Development Code (UDC) to incorporate definitions and modify use-specific standards pertaining to the operation of marijuana microbusiness (dispensary and wholesale) facilities within the City of Columbia. The proposed revisions have become necessary given the passage of Amendment 3 on November 8, 2022 legalizing the sale of recreational adult-use marijuana and revisions to the language contained in Article XIV of the Missouri Constitution.

## 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 Unified Development Code (UDC) was amended in February 2023 to address comprehensive facilities; however, was not amended to address microbusiness facilities. Microbusiness facilities include both dispensary and wholesale (cultivation and manufacturing) businesses.

According to Missouri Department of Health and Senior Services (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 between October 2023-April 2025, with each group of 6 consisting of 2 microbusiness dispensary facilities and 4 microbusiness wholesale facilities.

The DHSS recently 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



# City of Columbia

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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].

The amendments proposed are generally identical to those adopted in February 2023 to accommodate comprehensive marijuana facilities. As such, the amendments include new definitions for the microbusiness facilities, revisions to the Permitted Use Table authorizing microbusiness facilities in the same zoning classifications where medical and comprehensive facilities are allowed, and revisions to the use-specific standards to ensure the regulations are consistent in terms of terminology. Approval of the attached amendments will also 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.

It is important to note that the attached amendments do not propose to limit the total number of microbusiness dispensary licenses 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). 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), it allows those seeking licensure for such a facility 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.

Aside from this one variation, all other use-specific standards applicable to medical and comprehensive marijuana facilities will be equally applied to microbusiness facilities. This includes the location and spacing requirements which state that no marijuana facility can be located within 500-feet, as the crow flies, of any church, school, or daycare as defined in Article XIV.

The Planning and Zoning Commission considered this request at its June 8, 2023 meeting. Staff presented its report and responded to a Commissioner question relating to marijuana cafes which were discussed at a prior work session. Staff noted that this specific use would be addressed via a separate text change to be discussed at a future work session. There were no public comments offered on the proposed revisions. After limited additional Commission discussion three motions were made to approve the proposed revisions (one for each section of the UDC to be amended). Each motion was unanimously approved by the Planning Commission by a vote of 7-0.

The Planning and Zoning Commission staff report, proposed UDC revisions, and meeting minute excerpts are attached for review.



## Fiscal Impact

Short-Term Impact: None anticipated within the next two years.

Long-Term Impact: No negative impacts are anticipated. The recently adopted additional 3% retail sales tax will apply to all non-medical marijuana sales from microbusiness facilities.

## Strategic & Comprehensive Plan Impact

### Strategic Plan Impacts:

Primary Impact: Resilient Economy, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

### Comprehensive Plan Impacts:

Primary Impact: Land Use & Growth Management, Secondary Impact: Economic Development, Tertiary Impact: Not Applicable

## Legislative History

Date	Action
2/6/23	Approved "comprehensive" marijuana facilities revision to UDC. (Ord. # 025243)

## Suggested Council Action

Approve the proposed revisions to Sections 29-1.11(a), 29-3.2, Table 29-3.1, and 29-3.3 (qq) of the UDC to accommodate new definitions, permitted locations, and revised use-specific standards for marijuana microbusiness facilities as authorized by the Article XIV of the Missouri Constitution and recommended by the Planning and Zoning Commission.