1	BEFORE THE CITY OF TUMWATER HEARINGS EXAMINER		
2	IN RE:	) HEARING NO. TUM-23-1327	
3	BLOMBERG CONDITIONAL USE	)	
4	PERMIT,	) FINDINGS OF FACT,	
5		) CONCLUSIONS OF LAW ) AND DECISION	
6 7	APPLICANT:	Blomberg, LLC 4220 S. 164th Street, Suite 101	
8		Tukwila, Washington 98188	
9	REPRESENTATIVE:	Chris Carlson	
10		Hatton, Godat, Pantier 3910 Martin Way E.	
11		Olympia, Washington 98506	
12	SUMMARY OF REQUEST:		
13	A Conditional Use Permit to operate a marijuana producer/processer operation in an existing three building complex. Minimal exterior modifications are proposed.		
14	LOCATION OF PROPOSAL:		
15 16	9630 Blomberg Street SW., Tumwater, WA 98512. Tax Parcel No. 12721230500.		
17	SUMMARY OF DECISION:		
18	The requested Conditional Use Permit is approved subject to slightly modified conditions.		
19	BACKGROUND		
20	The Applicant has an existing, active Washington State License for non-retail cannabis		
21	processing at the project site previously issued by Thurston County prior to the site's annexation		
22	into the City of Tumwater. That existing operation utilizes one of three buildings located on the		
23	property. The Applicant now asks for the City's approval to expand the operation to the two		
24	other buildings on the site. The City's Development Regulations require that this use of a		
25	Findings of Fact, Conclusions of Law and Decision - 1	CITY OF TUMWATER HEARING EXAMINEI 299 N.W. CENTER ST. / P.O. BOX 939 CHEHALIS, WASHINGTON 98532	

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Conditional Use Permit. Permit approval must not only satisfy all normal requirements for conditional uses but also satisfy the additional requirements specific to marijuana production and processing. City Staff finds that the project satisfies all of these requirements and recommends approval of the requested permit. There has been no substantive opposition to the application. 5 PUBLIC HEARING The public hearing commenced at 7:00 p.m. on Wednesday, October 25, 2023. The 6 7 hearing occurred remotely utilizing the Zoom platform with the City serving as the host. The 8 City appeared through Tami Merriman, Permit Manager. The Applicant appeared through its 9 Project Engineer, Chris Carlson, of Hatton Godat Pantier. Additional City Staff were also in 10 attendance as well as additional owner's representatives. Testimony was received from Ms. Merriman and Mr. Carlson. No members of the public were present. A verbatim recording was 11 made of the public hearing and all testimony was taken under oath. The following exhibits were 12 13 considered: 14 Staff Report, dated October 9, 2023 Exhibit 1. Conditional Use Permit Application with Narrative, dated August 16, 2023 Exhibit 2. 15 Formal Site Plan Amended, dated August 30, 2023 Exhibit 3. Exhibit 4. Vicinity Map 16 Zoning Map Exhibit 5. Exhibit 6. Public Notice Certification, dated October 9, 2023 17 Exhibit 7 Determination of Non-Significance with attachments, dated September 18, 2023 18 Public Hearing Notice, dated October 13, 2023 Exhibit 8. Tum-23-0794 Formal Site Plan Review Approval, dated October 9, 2023 Exhibit 9. 19 Exhibit 10. Public comments Exhibit 11. Tumwater Municipal Code Excerpts 20 Thurston County Septic Evaluation of October 3, 2023 Exhibit 12. 21 Emails to and from the Department of Ecology and Mr. Carlson Exhibit 13. 22 <sup>1</sup> The public hearing was held by the City's Hearing Examiner who, after hearing all testimony and reviewing all 23

exhibits, orally entered an order approving the Conditional Use Permit subject to slightly modified conditions. Unfortunately, the Hearing Examiner has been unable to reduce his oral ruling to the required written Decision. The Hearing Examiner Pro Tem has therefore been asked to review the record as established at the public hearing by the Hearing Examiner and complete the process of rendering a final Decision. The Hearing Examiner Pro Tem's

Decision is consistent with the oral decision announced by the Hearing Examiner.

Findings of Fact, Conclusions of Law and Decision - 2

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The hearing began with the testimony of Tami Merriman, Permit Manager for the project and author of the City's Staff Report. Ms. Merriman's testimony relied extensively on her thorough Staff Report (Exhibit 1). She began by explaining that the Applicant seeks a Conditional Use Permit to expand its existing marijuana production/processing facilities to the second and third buildings located at 9630 Blomberg Street SW. This application was received in August 2023. Notice of the application and of the optional SEPA DNS was issued in September resulting in some agency comment (discussed below) and one public comment regarding odors. A SEPA Determination of Non-Significance (DNS) was issued September 18, 2023, and was not appealed. It is now final.

The project site consists of 4.7 acres located on the southwestern boundary of the City's Urban Growth Area. There are three warehouse buildings located on the site and the one furthest east is currently approved for marijuana processing. This approval was granted by Thurston County prior to the property's annexation into the City. The application seeks to expand the marijuana processing activity to the two other buildings, an 18,000 square foot shell and a 25,000 square foot warehouse.

The site has a zoning designation of Light Industrial. Properties to the north, east and south have the same zoning designation, while property to the west is located outside of City jurisdiction and is owned by the Washington State Department of Natural Resources and is used as a tree farm.

Ms. Merriman then examined the proposed use according to the City's standards for conditional use review. The began by reviewing the application's consistency with the Goals and Policies of the City's Comprehensive Plan including consistency with the Southwest Tumwater

Neighborhood Appendix to the Plan, and stated that the application is consistent with both the Goals and Policies of the Plan as well as the Southwest Tumwater Neighborhood Appendix. The project site is located within the Light Industrial zone which allows marijuana processing and production as a conditional use subject to the conditions set forth in Chapter 18.24 TMC.

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TMC 18.56.035.A.2 requires that the proposed use be found to not be materially detrimental to the public health. Ms. Merriman reviewed this requirement and explained that Staff finds that the proposed use is not materially detrimental as it will be fully enclosed with an engineered odor control system and that all needed public services are available. She then explained that the project meets all other requirements for conditional use approval including the requirement that it meet or exceed performance standards required in the zone as well as any additional minimum conditions for the particular use (discussed below).

Ms. Merriman then turned to the specific requirements imposed by the Light Industrial zone relative to marijuana processing and production. The facility must be fully enclosed in a secure indoor structure. The application satisfies this requirement. The project must also satisfy all of the requirements set forth in TMC 18.42.080.A.a-h. Among other things, these additional standards require an appropriate license for processing and production of marijuana; compliance with all building, safety, health and business licensing requirements; compliance with all development standards for the Light Industrial zone; signage approval; a fully enclosed structure; appropriate ventilation and air filtration; compliance with all setback requirements from other zoning districts; and the right to revoke the permit on noncompliance. Ms. Merriman reviewed each of these additional requirements and confirmed that the application, as conditioned, will satisfy all requirements of TMC 18.42.080.A.

Ms. Merriman then discussed all comments received from either public agencies or members of the public. Comments were received from the Nisqually and Squaxin Island Tribes but both merely expressed that they had no specific concerns regarding archaeological and Findings of Fact, Conclusions of Law CITY OF TUMWATER HEARING EXAMINER and Decision - 4

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cultural resources (Exhibit 10). The Department of Ecology provided two comments. One of		
these comments related to possible contamination on a site nearby. This concern was found to be		
not applicable to the project. The agency's second concern had to do with potential		
contamination from the extraction of THC oils. Ms. Merriman explained that this concern will		
not be material as the Applicant does not seek to extract THC oils and therefore no THC waste is		
expected. This issue is discussed further in the Applicant's response. The City also received		
public comment from Carly Christiansen regarding existing offensive odors on or near the		
property and concerns that the project would exacerbate these odors. Ms. Merriman explained		
that the offensive odors are believed to be coming from offsite locations from nearby similar		
operations, perhaps as a result of failing ventilation systems. She explained that the current		
application is conditioned on not causing any added offensive odor. Ms. Merriman has		
explained this to Ms. Christiansen and believes that the concern has been addressed.		
Ms. Merriman concluded her testimony by discussing the project's review by the City's		
Development Review Committee. This review led to conditions of approval by that Committee		
subject to a lengthy number of conditions including separate planning, building, fire and		
miscellaneous conditions. An issue has arisen over Planning Condition No. 10 imposed by the		
Development Review Committee. This condition states:		
"10. Landscaping: A landscape plan showing proposed plantings, tree types and heights, and other vegetation as required. Street trees, if required, must be installed in accordance with the Tumwater Development Guide and Urban Forestry Management Plan. TMC 18.47.050.		
Mechanical equipment must be screened to avoid noise and visual impact to street and adjoining properties."		
Ms. Merriman explained that the Applicant has questioned these landscaping		

requirements, noting that the site is already landscaped and no additional landscaping is currently

proposed. The project will, however, require fencing around the mechanical equipment located outside of the building. Ms. Merriman acknowledged that Planning Condition No. 10 is awkwardly worded relative to the requirements of this project and confirmed that a new landscaping design was not required but that Staff expected to receive a design for the proposed fencing. She agreed that some clarification of this requirement would be beneficial to both the Applicant and the Staff.

At the conclusion of Ms. Merriman's direct testimony the Hearing Examiner posed several questions regarding the ability to transfer any approved Conditional Use Permit and, separately, whether the SEPA timelines for notice had been satisfied. Ms. Merriman confirmed that the permit is transferable so long as all other licensing and other requirements are met, and separately confirmed that all SEPA notice requirements had been satisfied. The Hearing Examiner agreed.

Following the City's presentation the Applicant appeared through its representative, Chris Carlson. Mr. Carlson first returned to the issue of Planning Condition No. 10 found in the conditions imposed by the City's Development Review Committee. Mr. Carlson remains concerned that this condition expressly requires a "detailed landscaping plan" yet the City agrees that no additional landscaping is currently required. Ms. Merriman responded and confirmed that the City does not expect a new landscaping design but that it does wish to see a plan for the required fencing around mechanical equipment. A lengthy discussion ensued as to how to best achieve all party's expectations in a manner consistent with what has been imposed by the Development Review Committee. This discussion resulted in the Hearing Examiner announcing an intent to slightly modify conditions of approval in a manner recognizing that the parties may thereafter amend Planning Condition No 10 as imposed by the Development Review Committee. In other words, the Hearing Examiner indicated an intent to amend proposed Condition No. 1 in the Staff Report to read:

Findings of Fact, Conclusions of Law and Decision - 6

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"1. TUM-23-0794 Formal Site Plan Review Approval with conditions, dated October 13, 2023, as may be amended, is hereby referenced and considered conditions of this approval."

Mr. Carlson then turned to the project's proposed septic system and explained how the site is serviced by three existing septic systems, one for each building. These commercial properties are serviced by septic systems as there is no sewer availability nearby. An evaluation has been conducted of the existing sewage systems and reviewed by the Thurston County Environmental Health Department. That agency has approved use of the existing onsite sewage systems for the proposed use subject to a limit of 32 employees, and further subject to the system not being used for any wase generated by the production of processing marijuana. These conditions are set forth in a letter from the Department dated October 3, 2023, and introduced as Exhibit 12.

Mr. Carlson then turned to concerns expressed by the Department of Ecology regarding the possible production of toxic waste resulting from the extraction of THC oils. The Applicant has notified Ecology that it does not plan to extract THC oils and will not produce dangerous waste. This has been confirmed through a series of emails between the Applicant and Ecology presented as Exhibit 13.

Mr. Carlson conclude his testimony by noting that the City has provided a written letter of water availability for up to 6,000 gallons per day and that the project has been approved for 32.8 water ERU's pursuant to Chapter 13.04 TMC (Exhibit 14).

Mr. Carlson summarized the Applicant's testimony by stating that the Applicant has no objection to the conditions proposed by City Staff subject to amendment of Planning Condition No. 10 imposed by the Development Review Committee, requiring slight modification to proposed Condition 1 in the Staff Report. City Staff concurred.

As noted earlier, there were no members of the public present and no public testimony was received. The only public comment was the earlier concern by Mr. Christiansen regarding odors. City Staff believes that this concern is fully addressed.

The application has been carefully reviewed by City Staff and found to meet all requirements for conditional use approval, including the heightened requirements for the processing/production of marijuana, and recommends approval of the requested Conditional Use Permit. The Applicant concurs with the proposed conditions subject to the understanding that the Applicant and Staff will hereafter work to find the requirements of Planning Condition No. 10 imposed by the Development Review Committee with respect to landscaping/fencing. There is no public opposition to the application. The Hearing Examiner concurs that all requirements have been met and that the requested permit should be approved subject to the conditions imposed in the Staff Report, with a minor adjustment to proposed Condition No. 1 to allow for the future amendment of Planning Condition No 10 imposed by the Development Review Committee.

The Hearing Examiner Pro Tem therefore makes the following:

### **FINDINGS OF FACT**

## General Findings.

- 1. The Applicant, Blomberg, LLC, LLC, requests a Conditional Use Permit to expand an existing marijuana production/processing operation from its existing building to the two additional existing buildings located on the same project site at 9630 Blomberg Street SW.
- 2. Any Findings of Fact contained in the foregoing Background and Public Hearing Sections are incorporated herein by reference and adopted by the Hearing Examiner Pro Tem as his Findings of Fact.
- The project proposes to rely on existing buildings consisting of an 18,000 square foot shell and a 25,000 square foot warehouse previously used for manufacturing and storage of Findings of Fact, Conclusions of Law

  CITY OF TUMWATER HEARING EXAMINER and Decision 8

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Neighborhood Appendix to the Comprehensive Plan. The site is located within the area

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Findings of Fact, Conclusions of Law

and Decision - 9

10. Staff also finds that the proposed use is consistent with its zoning designation of Light Industrial, Chapter 18.24 TMC. More specifically, TMC 18.24.040.D allows marijuana processing as a permitted use so long as the activity is within a fully enclosed secure indoor structure and is granted a Conditional Use Permit. Similarly, TMC 18.24.040.E allows for marijuana production so long as it is located within a fully enclosed secure indoor structure and is granted a Conditional Use Permit. The proposed use is within a fully enclosed secure structure and, subject to being granted a Conditional Use Permit, is consistent with the permitted uses allowed in the Light Industrial zoning designation.

Findings Relating to the Project's Compliance with Other Conditional Use Requirements.

- 11. Conditional Use Permit approval requires compliance with all requirements of TMC 18.56.035.
- 12. TMC 18.56.035 requires that the proposed use must be in keeping with the Goals and Policies of the City's Comprehensive Plan, including Subarea Plans, and all applicable ordinances. As set forth in the Findings above, Staff finds that the project is consistent with the Goals and Policies of the Tumwater Comprehensive Plan, the Southwest Tumwater Neighborhood Appendix, and the project's zoning designation of Light Industrial. The Hearing Examiner concurs.
- 13. TMC 18.56.035.A.2 requires Findings that the proposed use shall not be materially detrimental to the public health or welfare, the environment, or injurious to the property or improvements near the proposed use or in the zone district in which the subject property is situated.

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Findings of Fact, Conclusions of Law and Decision - 12

Findings of Fact, Conclusions of Law

and Decision - 13

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Island Tribe. As noted in the earlier Public Hearing Section, neither tribe had specific concerns regarding archaeological and cultural resource (Exhibit 10). Comments were received from the Department of Ecology as noted in the earlier 33.

This notice solicited comments from the Nisqually Indian Tribe and the Squaxin

- Public Hearing Section. Most notably, these comments included concerns over the possible extraction of THC oils and potential hazardous waste. This issue has been resolved to the satisfaction of Ecology as noted in Exhibit 13.
- Comment was received from one member of the public, Carly Christiansen, 34. expressing concern about increased offensive odors in the area. This concern is addressed in the earlier Public Hearing Section. City Staff finds that this concern has been resolved through the conditions imposed on project approval.
- 35. Staff finds that all agency and public comments have been fully addressed through the conditions imposed on project approval. The Hearing Examiner concurs.

Findings Relating to Site Plan Review by the Development Review Committee.

- The application underwent formal site plan review with the City Development 36. Review Committee. The City provided formal site plan review approval subject to a list of conditions set forth in its letter of October 9, 2023 (Exhibit 9). These conditions have been incorporated into the proposed conditions of conditional use approval as proposed Condition No. 1.
- As discussed during the public hearing, an issue has arisen between the Applicant 37. and City Staff with respect to application of Planning Condition No. 10 relating to required landscaping and fencing. City Staff and the Applicant have agreed to revise this minor disagreement through a later amendment of Planning Condition No. 10. Accordingly, proposed Condition No. 1 found in the Staff Report should be revised as follows:

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- 9. Proper consideration has been given to all additional requirements imposed by TMC 18.56.035.2.a, b and c.
- 10. The proposed use shall meet or exceed the performance standards required in the Industrial District zone.
- 11. The proposed use, as conditioned, will satisfy any additional minimum conditions identified for the particular type of proposed use. In particular, the project, as conditioned, will satisfy all of the additional requirements for marijuana processing and production within a fully enclosed secure indoor structure as imposed by Chapter 18.24 TMC (including all requirements of TMC 18.24.080,A,a-h).
- 12. The project, as conditioned, complies with any other requirements that may be imposed for a Conditional Use Permit.
- 13. The project should be approved subject to the eight conditions set forth in the Staff Report with minor modification of proposed Condition No 1 as noted in the Findings.

#### **DECISION**

Now, therefore, the Applicant's request for a Conditional Use Permit is approved subject to the following:

## **CONDITIONS**

- 1. TUM-23-0794 Formal Site Plan Review Approval with conditions, dated October 13, 2023, as may be amended, is hereby referenced and considered conditions of this approval.
- 2. The applicant or his successor(s) shall meet Washington State licensing requirements (WAC 314-55). A copy of the most current license shall be submitted to the City of Tumwater, prior to issuance of a certificate of occupancy.

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# 1 TMC 2.58.150 Appeal from examiner's decision. A. In cases where the examiner's jurisdictional authority is to render a decision, the decision of the 2 examiner shall be final and conclusive unless appealed to superior court within the applicable appeal period as set forth in TMC 2.58.180. B. In cases where the hearing examiner decision is appealable to the city council, the decision of the 3 examiner shall be final and conclusive unless appealed within the applicable appeal period as set forth in 4 this section. C. Appeals to the city council must be filed with the city clerk by the applicant or other party of record, a department of the city, county or other agency within 14 calendar days following rendering of such 5 decision. Persons not in attendance at the hearing but who submit written information prior to the hearing which becomes a part of the record of the hearing shall also have appeal rights. Such appeal shall be in 6 writing, shall contain all grounds on which error is assigned to the examiner's decision and shall be accompanied by a fee as established by resolution of the city council; provided, that such appeal fee shall not be charged to a department of the city or to other than the first appellant. D. In the event an apparent prevailing party files an appeal to preserve appeal rights and no opposing 8 appeals are filed, said party may, by giving written notice thereof to the city clerk, abandon their appeal and in such event shall be refunded their filing fee. E. The timely filing of an appeal shall stay the effective date of the examiner's decision until such time as the appeal is adjudicated by the city council or is withdrawn. 10 F. Within five days after the final day upon which an appeal may be filed, notice thereof and of the date, time and place for city council consideration shall be mailed to the applicant, all other parties of record 11 and anyone who submitted written information prior to the hearing. Such notice shall additionally indicate the deadline for submittal of written arguments as prescribed in TMC 2.58.160. 12 TMC 2.58.180 Judicial appeals. 13 Final decisions (after exhausting administrative remedies) may be appealed by a party of record with standing to file a land use petition in the Thurston County superior court, except shoreline permit actions 14 which may be appealed to the shoreline hearings board. Such petition must be filed within 21 days of issuance of the decision as provided in Chapter 36.70C RCW. 15 Updated: June 10, 2013 16 17 18 19 20 21 22 23 24 25

Findings of Fact, Conclusions of Law and Decision - 18