



INFORMATIONAL MEMORANDUM

TO: Planning & Community Development Committee
FROM: Laurel Humphrey, Legislative Analyst
Nora Gierloff, DCD Director
CC: Mayor McLeod
DATE: July 14, 2025 amended August 5, 2025
SUBJECT: Cannabis Retail Business Zoning Considerations

ISSUE

The City Council requested options to potentially expand zoning for cannabis retail establishments and staff has developed an ordinance reflecting Committee direction.

BACKGROUND

Initiative 502 passed in November 2012 and created a comprehensive regulatory approach on cannabis with state-licensed producers, processors and retailers. Initiative 502 received a yes vote in all but one Tukwila precinct. HB 2870 created a Marijuana Social Equity Program in 2020 to address historic racial inequity in enforcement of marijuana laws. In 2022, 2SHB 1210 replaced all references to “marijuana” in state statutes and regulations with the word “cannabis.”

- On September 3, 2013, the City Council adopted Ordinance 2407 to implement Initiative 502, determining that cannabis retailers, producers and processors are permitted uses in Tukwila Valley South and Heavy Industrial Zones, subject to the 1,000-foot exclusion rule (see attachment A).
- In 2015, 2SSB 5052 and HB 2136 allowed cities to reduce buffers from 1000 to 100 feet around all entities except elementary and secondary schools and public playgrounds.
- In 2017, the City Council received two separate requests to expand permitted cannabis retail zones but denied both on February 13, 2017.
- In September 2019, the Finance Committee discussed revenue and zoning considerations and decided against recommending any changes to the City Council at that time.
- In June 2021, the Finance & Governance Committee discussed revenue potential and decided against recommending any changes to the City Council.
- On May 13, 2024, the Planning and Community Development Committee discussed expanding retail cannabis zoning and recommended the topic return to the full Council for discussion in November 2024.
- On June 10, 2024, the Council discussed expanding retail cannabis zoning, [heard pro and con public comments](#), and reached consensus to continue further discussions in 2025.
- On July 14 the PCD Committee discussed retail cannabis locations further.

DISCUSSION

Zoning

Currently, cannabis retail, production and processing are only permitted in the Tukwila Valley South, Tukwila South Overlay, and Heavy Industrial Zones. ([Read more in the 8/26/13 staff report.](#)) The City has received requests to expand those zones to include Regional Commercial Mixed Use (RCM) and the Southcenter area. Within the Southcenter area, the Tukwila Urban Center Commercial Corridor and Workplace Districts (TUC-CC and TUC-WP) might be most appropriate as they only allow limited residential uses and are largely unaffected by the State buffers even if those are kept at the maximum 1,000-foot distance.

Buffer Distances

State regulations listed in **WAC 314-55-050** prohibit issuance of licenses for cannabis businesses within 1,000 feet of the following uses:

- (a) Elementary or secondary school;
- (b) Playground;
- (c) Recreation center or facility;
- (d) Child care center;
- (e) Public park;
- (f) Public transit center;
- (g) Library; or
- (h) Any game arcade (where admission is not restricted to persons age 21 or older).

Cities may reduce those buffer distances to not less than 100 feet except for schools and playgrounds. Attachments A, B and C show the effect of the 1,000, 300 and 500- foot buffers around the above uses. Reducing these buffer distances where allowed would increase the location options for cannabis businesses. Which, if any, buffers would the Council consider reducing?

Current Licenses

Through the I-502 rulemaking process, the Liquor and Cannabis Board adopted regulations on the number of cannabis retail store licenses for jurisdictions, determining a maximum of two for Tukwila. A third cannabis retail license was granted in Tukwila as part of the [social equity effort](#) per E2SHB 2870 and SB 5080. All cannabis licensing is regulated and enforced by the Washington State Liquor and Cannabis Board. There are currently active licenses for Tukwila's three retail allotments: Mount Baker Retail Partnership, LLC (12539 E Marginal Way S), Dash & Wrigley LLC (13003 Tukwila International Boulevard), and Kahn Holding (5301 Southcenter Blvd, Suite B). None of these are open and operating currently, likely due to difficulty finding appropriate locations. Licensed retailers are required to be open and operational, but licenses can be held without opening if they obtain a title certificate relieving them of the requirement to be open based on a moratorium, ban, or other zoning restriction, or if the business is temporarily discontinued while they move locations.

Sales, B&O and Excise Tax Revenue

Active cannabis retail stores would generate three separate revenue streams: excise tax, sales tax, and B&O tax. The state cannabis excise tax and its distribution has changed over time and can be altered in any future legislative session. The State currently taxes cannabis through a single excise tax of 37% at the time of retail sale, in addition to the regular state and local sales tax, and \$30M of that statewide revenue is shared with cities, towns and counties. There are two components to the distributions: 1) per capita share to all jurisdictions that allow the siting of producers, processors and retailers; 2) retail share to all jurisdictions where licensed retailers are physically located and in proportion to total statewide retail sales. Tukwila does not have any open and operating cannabis businesses and therefore does not receive sales-based revenue. Tukwila's per capita distribution has been:

Year*	Revenues
2024	\$37,276
2023	\$36,302
2022	\$32,334
2021	\$24,013
2020	\$23,479
2019	\$23,123
2018	\$23,364

*State Fiscal Year: July 1 – June 30

Beyond the excise tax, cannabis retail operations would generate sales and B&O tax. For every \$1 million in cannabis sales, the City could expect to receive \$9,000 in annual sales tax revenue (10% tax rate less the fee taken by the state for collection).

Staff looked up average retail sales within 5-miles of a cannabis retailer in the Ikea District of Renton, and for Jan-December 2023, the average per store was \$4.1 million. Hypothetically, if three retailers in Tukwila had combined yearly sales of \$12M, the City could receive \$108,000 of sales tax and \$6,000 in B&O tax in addition to the increased excise revenue described above. Another hypothetical example comes from the City of Covington, which has two cannabis retailers and a residential population similar to Tukwila. In 2023, the two Covington retailers had combined sales of \$12.8 million. Using this as another hypothetical scenario, the City could receive \$173,000 in sales tax and \$9,000 in B&O tax.

It is difficult to estimate what Tukwila would receive for its tax share if the three state-issued licenses were open and operational businesses. The excise tax formula depends not only on population but also on cannabis retail sales as a proportion of total retail sales, as well as the number/total population of cities and counties that prohibit marijuana. MRSC used to offer an estimate calculator but discontinued it due to complexity of the formula. While the revenue potential is difficult to predict, we can look to neighboring jurisdictions for insight, while recognizing that their larger residential populations result in greater shares than Tukwila would receive in similar circumstances. The chart below shows the 2024 cannabis excise revenue for neighboring cities with open retailers:

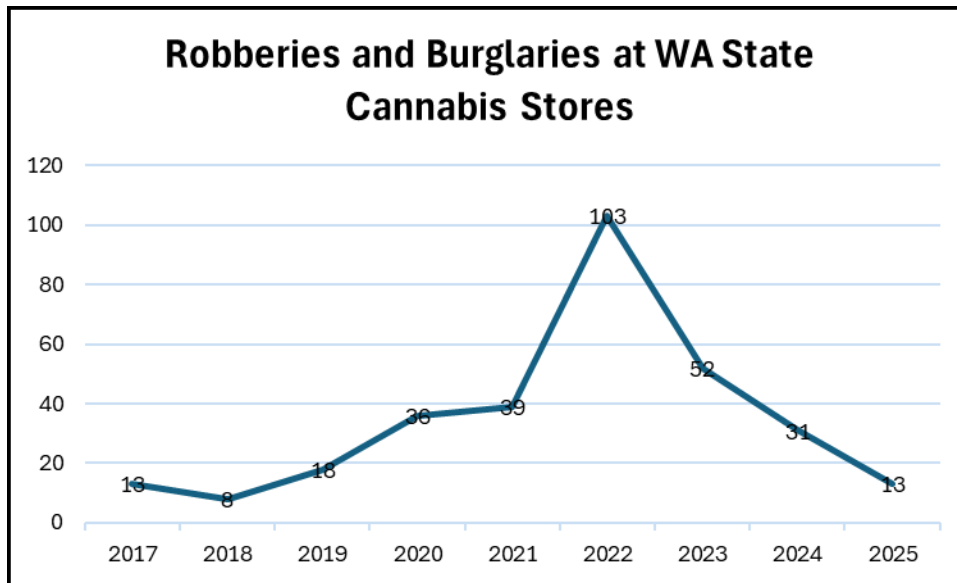
City (number of locations)	Population	2024 Cannabis Excise Revenue*
Burien (2)	50,216	\$164,000
Auburn (4)	83,757	\$238,000
Des Moines (2)	32,177	\$135,000
Renton (4)	102,716	\$300,000
Covington (2)	21,374	\$104,942

*State Fiscal Year: July 1 – June 30

Based on these scenarios, if three retail locations were open and operational, Tukwila could expect to see between \$200,000 and \$275,000 in tax revenue annually.

Crime & Safety around Retail Locations

Cannabis retail stores are frequent targets for theft, typically in the form of armed robberies or smash and grab burglaries. Cannabis retailers have access to state-chartered credit unions and banks for financial services, and there are a number of institutions in Washington that provide service to the industry. The table below demonstrates the incidents of all robberies and burglaries in the state. It is important to note that in 2021, the State changed the police pursuit law, limiting the ability of officers to pursue suspects. In 2023, the law was changed to again allow police to pursue drivers if there is reasonable suspicion that a crime has occurred. This took effect on June 6, 2024.



Source: [Uncle Ike's i502 Robbery Tracker](#)

Alarms and surveillance systems are required at cannabis locations per **WAC 314-55-083**. Through the code update process, the City Council could consider establishing permitting requirements designed to address theft and crime concerns. Some suggestions are bollards to prevent cars from being used to smash open doors, commercial-grade non-residential door locks and/or window locks, and shatter resistant window film.

RECOMMENDATION

The Committee provided direction on the following topics:

- Any additional zones to allow cannabis retail uses: RCM, TUC-CC, and TUC-WP;
- Any changes to buffer distances from sensitive uses: Retain 1,000' buffers around schools, playgrounds and parks and potentially reduce others to 300' or 500'; and
- Any security features above those required by the State: Require bollards, commercial door and window locks, shatter resistant window film and lighting.

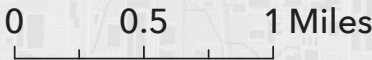
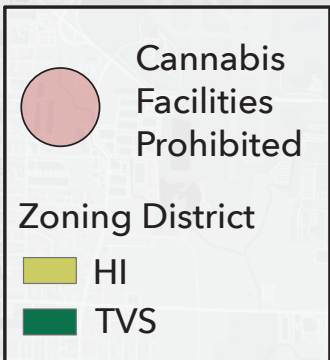
The draft ordinance in Attachment D reflects this guidance. The Council is being asked to hold a public hearing at the Committee of the Whole meeting on August 25th and consider approval of the ordinance at the September 8th, 2025 Special Meeting.

ATTACHMENTS

- A. Map showing current cannabis zoning and buffers in Tukwila
- B. Map showing 300 foot cannabis buffers
- C. Map showing 500 foot cannabis buffers
- D. Draft Ordinance

Restrictions on Cannabis Facilities (1,000 ft)

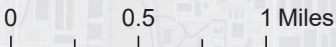
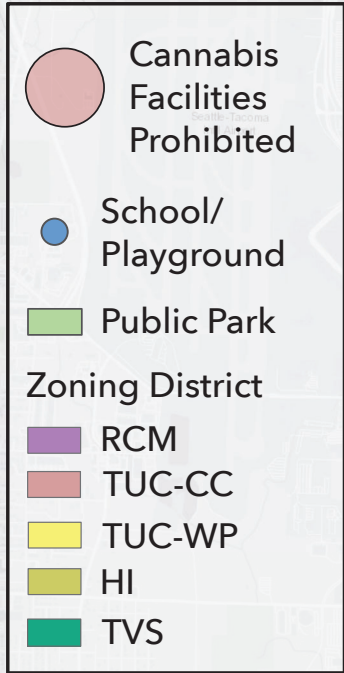
Cannabis facilities are currently
only permitted in the HI and
TVS zoning districts.



Restrictions on Cannabis Facilities (300 ft)

Fewer restrictions could allow cannabis facilities in more commercial and industrial zoning districts, if permitted.

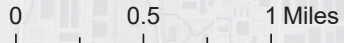
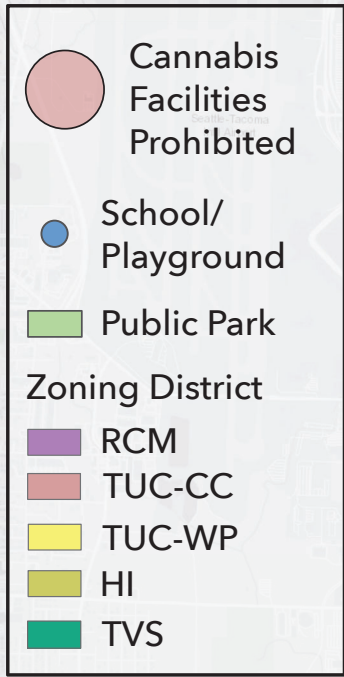
Schools, playgrounds, and public parks maintain a 1,000 ft buffer.



Restrictions on Cannabis Facilities (500 ft)

Fewer restrictions could allow cannabis facilities in more commercial and industrial zoning districts, if permitted.

Schools, playgrounds, and public parks maintain a 1,000 ft buffer.



DRAFT

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, UPDATING CANNABIS USE REGULATIONS; AMENDING ORDINANCE NOS. 2741 §3 (PART) AND 2765 §87; AS CODIFIED AT TUKWILA MUNICIPAL CODE TUKWILA MUNICIPAL CODE (TMC) CHAPTER 18.06, “DEFINITIONS,” AND TMC SECTION 18.50.210; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, on November 6, 2012, Initiative 502 was passed by the voters of the State of Washington, providing a framework under which cannabis producers, processors, and retailers can become licensed by the State of Washington; and

WHEREAS, the Washington State Liquor and Cannabis Board (“LCB”) has issued three licenses for cannabis retailers within the City of Tukwila; and

WHEREAS, cities, towns, and counties in Washington State can choose to prohibit or to designate appropriate zones for state-licensed cannabis businesses because Washington local governments have authority to enact legislation regulating land uses within their jurisdictions; further, cities, towns, and counties may file objections to the granting of a state license at a particular location, and the LCB must give “substantial weight to objections”; however, the LCB has final authority over whether to grant or deny a state license to operate a cannabis business in Washington State per RCW 69.50.331(10); and

WHEREAS, the City Council has studied the land use and other secondary impacts of recreational marijuana use, and intends to update the zoning ordinance controlling these uses; and

WHEREAS, the State Environmental Policy Act (SEPA) Responsible Official issued a threshold decision for this draft ordinance on July 22, 2025, which was not appealed; and

WHEREAS, on August 25, 2025, following adequate public notice, the City Council held a public hearing on the draft zoning ordinance; and

WHEREAS, the City Council after due consideration, believes that certain amendments to the City's zoning code are necessary addressing use districts, buffer distances, and safety features;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY ORDAINS AS FOLLOWS:

Section 1. Ordinance Nos. 2741 §3 (part) and 2765 §87 (part), as codified at various sections of Tukwila Municipal Code (TMC) Chapter 18.06, "Definitions," is hereby amended to read as follows:

18.06.551 MarijuanaCannabis

"MarijuanaCannabis" means all parts of the plant Cannabis, whether growing or not, with a THC concentration greater than 0.3 percent on a dry weight basis; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. The term does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.

18.06.552 MarijuanaCannabis Processor

"MarijuanaCannabis processor" means a person licensed by the state Liquor and Cannabis Board to process marijuanacannabis, whether medical or recreational, into marijuanacannabis concentrates, useable marijuanacannabis and marijuanacannabis-infused products; package and label marijuanacannabis concentrates, useable marijuanacannabis and marijuanacannabis-infused products for sale in retail outlets; and sell marijuanacannabis concentrates, useable marijuanacannabis and marijuanacannabis-infused products at wholesale to marijuanacannabis retailers.

18.06.553 MarijuanaCannabis Producer

"MarijuanaCannabis producer" means a person licensed by the state Liquor and Cannabis Board to produce and sell marijuanacannabis, whether medical or recreational, at wholesale to marijuanacannabis processors and other marijuanacannabis producers.

18.06.554 MarijuanaCannabis Retailer

"MarijuanaCannabis retailer" means a person licensed by the state Liquor and Cannabis Board to sell marijuanacannabis concentrates, useable marijuanacannabis, and marijuanacannabis-infused products in a retail outlet, for either recreational or medical use.

18.06.557 MarijuanaCannabis-infused Products

"MarijuanaCannabis-infused products" means products that contain marijuanacannabis or marijuanacannabis extracts; are intended for human use, whether medical or recreational; and have a THC concentration within the limits set forth in RCW

69.50.101. The term "[marijuana](#)[cannabis](#)-infused products" does not include either useable [marijuana](#)[cannabis](#) or [marijuana](#)[cannabis](#) concentrates.

18.06.558 [Marijuana](#)[Cannabis](#) Concentrates

"[Marijuana](#)[Cannabis](#) concentrates" is as defined under RCW 69.50.101.

18.06.864 Useable [Marijuana](#)[Cannabis](#)

"Useable [marijuana](#)[cannabis](#)" means dried [marijuana](#)[cannabis](#) flowers. The term "useable [marijuana](#)[cannabis](#)" does not include [marijuana](#)[cannabis](#)-infused products.

Section 2. Ordinance Nos. 2741 §3 (part) and 2765 §87 (part), as codified at TMC 18.50.210, "Marijuana Related Uses," is hereby amended to read as follows:

18.50.210 [Marijuana](#)[Cannabis](#) Related Uses

A. Applicable Regulations: The production, processing and retailing of [marijuana](#)[cannabis](#) is and remains illegal under federal law. Nothing herein or as provided elsewhere in the ordinances of the City of Tukwila is an authorization to circumvent federal law or provide permission to any person or entity to violate federal law. Only state-licensed [marijuana](#)[cannabis](#) producers, [marijuana](#)[cannabis](#) processors, and [marijuana](#)[cannabis](#) retailers may locate in the City of Tukwila and then only pursuant to a license issued by the State of Washington. [No cannabis business may be conducted as a home occupation or as part of a dwelling unit.](#) The purposes of these provisions is solely to acknowledge the enactment by the state Liquor and Cannabis Board of a state licensing procedure and to permit, but only to the extent required by state law, [marijuana](#)[cannabis](#) producers, processors, and retailers to operate in designated zones of the City.

B. Prohibited zones: The production, processing, selling, or delivery of [marijuana](#)[cannabis](#), [marijuana](#)[cannabis](#)-infused products, or useable [marijuana](#)[cannabis](#) may not be conducted ~~in association with any business establishment, dwelling unit, or home occupation located~~ in any of the following areas:

- Community Residential
- High Density Residential
- ~~Mixed Use Office~~
- Office
- Residential Commercial Center
- Neighborhood Commercial Center
- Regional Commercial
- Regional Commercial Mixed Use
- ~~Tukwila Urban Center~~
- Commercial/Light Industrial
- Light Industrial
- Manufacturing Industrial Center/Light
- Manufacturing Industrial Center/Heavy

C. [Buffer Distances:](#) [No cannabis business may be established within 1,000 feet of the perimeter of the grounds of any elementary or secondary school, public park, or](#)

playground or 500 feet from the entities listed below. The distance will be measured as the shortest straight-line distance from the property line of the proposed building or business location to the property line of the listed use.

(a) Recreation center or facility;

(b) Child care center;

(c) Public transit center;

(d) Library; or

(e) Any game arcade (where admission is not restricted to persons age 21 or older).

D. Safety Features. All cannabis business locations shall install protective barriers, such as bollards at entrances, and shatter-resistant film on all ground level windows. All door and window locks shall be commercial grade. All cannabis business locations shall provide security lighting per WAC 296-832-30015.

E. Violations.

1. Any violation of this section is declared to be a public nuisance per se, and, in addition to any other remedy provided by law or equity, may be abated by the City under the applicable provisions of this code or state law. Such violations shall be enforced and appealed with the procedures set forth in TMC 8.45. Each day any violation of this section occurs or continues shall constitute a separate offense.

2. Any person violating or failing to comply with the provisions of this section of the Tukwila Municipal Code shall be subject to enforcement as prescribed in TMC 8.45 and the issuance of a Notice of Violation and Order, in accordance with TMC 8.45.070, that shall carry with it a cumulative monetary penalty of \$1,000.00 per day for each violation from the date set for compliance until compliance with the Notice of Violation and Order is achieved.

3. In addition to any penalty that may be imposed by the City, any person violating or failing to comply with this section shall be liable for all damage to public or private property arising from such violation, including the cost of restoring the affected area to its condition prior to the violation.

4. Any penalties imposed under this section may be doubled should the violation(s) occur within 1,000 feet of the perimeter of the grounds of any elementary or secondary school, public park, or playground or within 500 feet of a, recreation center or facility, child care center, ~~public park~~, public transit center, or library, or any game arcade to which admission is not restricted to persons aged 21 years or older, as such terms are defined in WAC 314-55-010 as now enacted or hereafter amended.

FC. Medical ~~marijuana~~cannabis: Growth of medical ~~marijuana~~cannabis for the personal medical use of an individual qualifying patient as defined in RCW 69.51A.010 is subject to strict compliance with all state regulations, procedures and restrictions as set forth or hereafter adopted at RCW 69.51A.

GD. Cooperative prohibited: The establishment, location, operation, licensing, maintenance or continuation of a cooperative, as described in RCW 69.51, or medical

cannabis collective gardens or dispensaries as described in RCW 69.51A.085, is prohibited in all zones of the City. Any person who violates this subsection (TMC 18.50.210.D) shall be guilty of a gross misdemeanor and shall be punished by a fine not to exceed \$5,000.00, or by imprisonment in jail for a term not exceeding one year, or by both such fine and imprisonment.

HE. Additional Relief. The City may seek legal or equitable relief to enjoin any acts or practices and abate any condition which constitutes or will constitute a violation of this section of the TMC. The remedies and penalties provided herein are cumulative and shall be in addition to any other remedy provided by law.

Section 3. Corrections by City Clerk or Code Reviser Authorized. Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering.

Section 4. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance or its application to any person or situation should be held to be invalid or unconstitutional for any reason by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance or its application to any other person or situation.

Section 5. Effective Date. This ordinance or a summary thereof shall be published in the official newspaper of the City, and shall take effect and be in full force five days after passage and publication as provided by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this _____ day of _____, 2025.

ATTEST/AUTHENTICATED:

Andy Youn-Barnett, CMC, City Clerk

Thomas McLeod, Mayor

APPROVED AS TO FORM BY:

Filed with the City Clerk: _____

Passed by the City Council: _____

Published: _____

Effective Date: _____

Ordinance Number: _____

Office of the City Attorney