

Planning Commission Workshop



Community Development • 125 NW Chehalis Avenue, Chehalis, WA 98532 • Phone: (360) 740-1146

STAFF REPORT

CANNABIS RETAIL

Date: April 6, 2026
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Attachments: A – Community Survey Results

SUMMARY

On March 23, the Board of County Commissioners (BOCC) directed Community Development to bring forward a code package for consideration that would allow retail sale of cannabis in unincorporated Lewis County. This direction should not be considered tacit approval of cannabis retail; simply that the BOCC would like to have a complete code package that would result in revenue from cannabis retail for consideration. Cannabis production and processing were not included in the BOCC direction and will not be considered as part of the code package.

Because Lewis County Code, Title 17, Land Use and Development Regulations, will need to be amended to allow cannabis retail, the code package will come before the Planning Commission for a public hearing and recommendation before being transmitted to BOCC. There will be two workshops before the hearing where Planning Commission will review the staff proposal and ask questions.

BACKGROUND

In 2012, voters passed an initiative to allow cannabis retail in Washington State. In response, Lewis County passed an ordinance that required a federal license for cannabis production, processing and retail in unincorporated areas of the county. Because a federal license is unavailable, this ordinance was effectively a prohibition. Many counties and cities initially adopted restrictive ordinances; however, these restrictions have been reduced or eliminated over time. Today, 30 counties in Washington allow cannabis retails. Lewis County is one of six that prohibit cannabis retail. Cities in Lewis County that do not prohibit cannabis retail includes Centralia, Chehalis, Winlock, Toledo and Pe Ell.

In 2026, the BOCC is considering new revenue sources and one of those sources is excise and sales taxes from cannabis retail. Based on population and retail sales, Lewis County could receive a per capita share of state cannabis revenue, based solely on not prohibiting cannabis retail, and a retail share based on actual sales in proportion to statewide sales. (It is not possible to estimate the amount of revenue because it is based partially on actual sales.) Centralia and Chehalis both allow cannabis retail and their local distribution has been \$243,464 and \$252,833 respectively (2019-2025).

STATE REQUIREMENTS

Cannabis retailers must obtain licensing through the Washington State Liquor and Cannabis Board. There are many state regulations related to cannabis retail found in RCW 69.50 and WAC 314-55. The state has security requirements under WAC 314-55-083 and the Liquor and Cannabis Board make inspections to enforce the security requirements. Lewis County will not have a separate license or security requirements.

The state requires 1,000 feet of separation between cannabis retailers and "sensitive uses" which are defined as "elementary or secondary school; playground; recreation center or facility; child care center; public park; public transit center; library; or game arcade (where admission is not restricted to persons age 21 or older)."

There are limitations on signage found in RCW 69.50.369. Signage, business names, and advertising may not include slang or colloquial terms for cannabis (e.g., "marijuana," "weed," "reefer"), imagery or language that could appeal to minors (such as cartoons or toys), or depictions of cannabis plants, products, or paraphernalia. Window decals or similar adhesive signage are permitted if consistent with these standards and zoning allowances. Offsite signage of any kind is prohibited, including flags, balloons, streamers, inflatables, temporary or permanent offsite signs, sandwich boards, and sign spinners.

ISSUES AND RECOMMENDATIONS

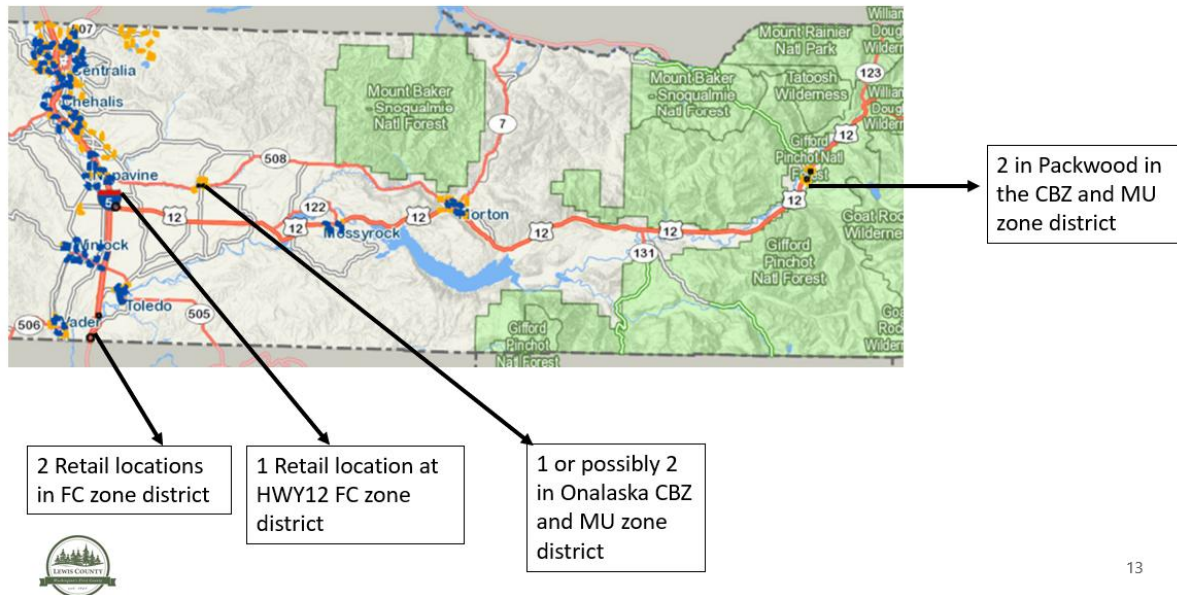
At a presentation to the BOCC on March 2, staff shared a preview of the limitations staff would propose for cannabis retail establishments. Based on BOCC's direction, those limitations will be included in the proposed code amendments. Those limitations will be as follows (this is not an exhaustive list and additional details will be provided before the April 28 meeting):

Location and Number

Staff recommend limiting where cannabis retail may occur to the Mixed Use (MU), Commercial Business District (CBZ) and Freeway Commercial (FC) zones. Packwood and Onalaska are the only locations with MU and CBZ zoning. I5/Highway 12 and I5/Barnes Drive are the only locations with FC zoning.

Within these zones, RCW 69.50.331 requires cannabis retailers to be located at least 1,000 feet from schools, playgrounds, childcare facilities, public parks, libraries, recreation centers or public transit centers. Staff also recommend requiring each cannabis retailer to be located at least 1,000 feet from other cannabis retailers and correctional/detention facility. If the staff-proposed zoning and siting limitations are adopted, then a maximum of seven (7) cannabis retailers could locate in unincorporated Lewis County (see Map 1).

Potential Retail Cannabis Locations



Map 1: Lewis County Cannabis Retail Potential Locations

Signage

The state law requires that cannabis retailers may not display any outdoor signage other than two (2) separate signs identifying the retail outlet by the licensee's business name or trade name; and both signs must be affixed to a building/structure and be limited to approximately 3 ft x 3 ft in size each. Signs may not depict any image of cannabis plants or products. Outdoor commercial mascots are prohibited. While these are state laws, the local jurisdiction enforces signage regulations.

In addition to the state regulations, staff recommend limiting the product terminology that may be used on signs to "cannabis" only and prohibiting any other terms that refer to plants, products or paraphernalia, including prohibiting the use of "marijuana," "weed," "reefer" or other slang terms. Staff also recommend prohibiting any images related to paraphernalia.

Building Design

There are no state regulations related to building design for cannabis retail establishments; however, windows cannot be used to display cannabis or cannabis products and the windows must meet the state security requirements.

Building design is an important factor in Packwood and Onalaska. The Packwood Subarea Plan, adopted by BOCC in January 2024, has design guidelines intended to "create a cohesive look for Packwood that retains the small town charm and character that exists today." Lewis County Code 17.17.140 requires that at least 30% of the ground floor in the MU and CBZ zones be clear glass and mirror glass is prohibited. To meet the state requirements for cannabis retailers, staff recommend allowing the use of "façade glass" rather than clear see-through glass. Staff recommend additional design standards for

cannabis retailers to prohibit the use of green or blue on exterior walls and to prohibit murals that depict any cannabis plant, product, paraphernalia, smoke or similar imagery.

NEXT STEPS

The Planning Commission will hold two workshops on cannabis retail:

- April 14 – Overview and BOCC Direction
- April 28 – Draft Code Amendments

Public Testimony is not taken at workshops. A public hearing is tentatively scheduled for May 26 with the Planning Commission to receive testimony from the public and make a recommendation to the Board of County Commissioners. Notice of the public hearing will be issued 14 days in advance.