



**CITY OF BLAINE**  
**COMMUNITY DEVELOPMENT SERVICES DEPARTMENT**

435 MARTIN STREET • BLAINE, WA • 98230

PHONE: (360) 332-8311 • FAX: (360) 543-9978 • WEBSITE: [www.cityofblaine.com](http://www.cityofblaine.com)

# **STAFF REPORT and RECOMMENDATION TO PLANNING COMMISSION Type II Quasi-Judicial Decision – Conditional Use Permit**

**To:** Planning Commission

**From:** Allison Tompkins, Project Planner

**Date of Report:** August 5, 2021

**Hearing Date:** August 12, 2021

**Files:** Permit #2021054

**Hearing Date and Place:** Thursday, August 12, 2021 at 6pm  
The meeting will be held in the City Council chambers located at 435 Martin Street, Suite 4000, Blaine, WA 98230 and via teleconference.

---

## **I. INTRODUCTION**

**Applicant:** Michael Dykstra

**File No.:** 2021054

**Site Location:** 2672 Peace Portal Drive, Blaine WA

**Application:** Conditional Use Permit

**Review Process:** Quasi-Judicial, Type II-PC decision: Planning Commission shall hold the public hearing and makes a decision.

**II. TABLE OF CONTENTS**

I. Introduction ..... 1

II. Table of Contents..... 2

III. RECOMMENDATIONS..... 3

IV. PROJECT DESCRIPTION AND REQUEST ..... 3

    A. GENERAL INFORMATION ..... 4

V. BACKGROUND..... 4

VI. Analysis ..... 5

    A. Application Process..... 5

    B. Public Notice and Comment ..... 6

    C. Environmental review and Critical Areas Analysis..... 6

    D. Conditional Use Permit Decision Criteria..... 7

    E. Marijuana Control..... 10

    F. Public Utilities and Services ..... 11

    G. Transportation Concurrency and Traffic Impact fees..... 12

    H. Technical Review Committee..... 12

VII. APPEALS ..... 12

VIII. LAPSE OF APPROVAL..... 13

IX. IX. MODIFICATION..... 13

X. ATTACHMENTS..... 13

### III. RECOMMENDATIONS

#### Conditional Use Permit

Based on Findings and Conclusions (**Section VI.D**) and Attachments in this report, the Community Development Services Department (CDS or “the Department”) recommends that the Planning Commission approve the Conditional Use Permit for Skunk Processors, subject to the following eight (8) conditions:

1. This application is subject to the applicable requirements contained in the Blaine Municipal Code, Public Works Design and Engineering Standards and Building and Fire Codes. It is the responsibility of the applicant to ensure compliance with the various provisions contained in these standards and codes. Attachments H, I and J, which are incorporated into this recommendation as conditions of approval, are provided in this report to familiarize the applicant with some of the additional development regulations.
2. A covenant shall be recorded against the property describing the allowance for up to 5,000 sq. ft. of manufacturing space authorized by this Conditional Use Permit. The covenant shall be recorded with the Whatcom County Auditor’s Office prior to issuance of the tenant improvement permit.
3. All tenants locating within the Portal Business Park shall apply for a City of Blaine Business License prior to occupying the unit.
4. Prior to approval of a business license, all tenants shall complete necessary Commercial Building permit or tenant improvement (TI) permit. The TI shall demonstrate compliance with all applicable performance standards pursuant to [BMC 17.14](#).
5. Pursuant to the Washington Administrative Code (WAC) 314-055-097, and Blaine Municipal Code (BMC), 13.08.245-260, the applicant will need to identify substances in their wastewater stream which will be discharged into the wastewater system. The applicant shall submit materials demonstrating compliance with the above-mentioned code as part of their commercial building permit request.
6. Prior to issuance of a TI permit, the applicant shall provide the city with record of all required state licensing.
7. The Fire Department will require access to the facility at all times. A key or other means of access for this unit will need to be placed in the building's KNOX key box prior to final occupancy.
8. The applicant shall be responsible for complying with any other state or local statutes, ordinance, or regulations applicable to this project.

### IV. PROJECT DESCRIPTION AND REQUEST

Conditional Use Permit to authorize up to 5,000 sq. ft. of manufacturing space upon Lot 2 of the Portal Business Park Short Plat (**Attachment A**) consistent with BMC 17.24.040.A.1. The applicant, a

licensed marijuana processor, will occupy approximately 1,160 sq. ft. within an existing 11,182 sq. ft. building. The balance of the 5,000 sq. ft. will be reserved for future manufacturing purposes.

The applicant, Skunk Processors, is a licensed Marijuana Processor<sup>1</sup> in the State of Washington. The applicant will purchase wholesale marijuana products (cannabis oil) from licensed marijuana producers. The product will then be subject to a process called emulsification. The finished product produces a tasteless, odorless, and clear cannabis formulation that can be mixed into water and other liquid. Some of these emulsified products will be approved for food grade consumption. The finished product will then be re-packed and distributed to other licensed marijuana wholesalers and retailers. There will be no cultivating or extracting of raw marijuana plants or flower at the proposed site. There will be 1-4 employees on site at various times during the processing, packaging, and shipping process.

**A. GENERAL INFORMATION**

1. Date of Application: May 28, 2021
2. Determination of Completion: June 23, 2021
3. Applicant: Mike Dykstra
4. Primary Contact: Mike Dykstra
5. Property Owners: Robert Matichuk
6. Property Location: 2672 Peace Portal Drive, Blaine WA
7. Assessor Parcel Number (APN): 400108029377
8. Comprehensive Plan Land Use Designations, Zoning Classifications and Existing Land Uses of the Site and Surrounding Area:

The site is located within the Highway Commercial Subzone A zoning district that is part of Central Blaine. This Zoning District is situated in the southern portion of Central Blaine along Peace Portal Drive and is served by a northbound exit and southbound entrance to Interstate 5. The purpose of the Highway Commercial Subzone A Zoning District is to offer accommodations and services to motorists and to provide for non-pedestrian oriented retail, wholesale, services, and repair activities.

**V. BACKGROUND**

---

<sup>1</sup> Pursuant to RCW 69.50.101, "Marijuana processor" means a person licensed by the board to process marijuana into marijuana concentrates, useable marijuana, and marijuana-infused products, package and label marijuana concentrates, useable marijuana, and marijuana-infused products for sale in retail outlets, and sell marijuana concentrates, useable marijuana, and marijuana-infused products at wholesale to marijuana retailers.

---

The proposed use will be in an existing building within the Portal Business Park. In 2018 the business park received Site Plan approval (#2018008), SEPA Review (#2018009) and a Land Disturbance Permit (#2018026) to construct civil improvements for the development. The property was then short platted (#2019006) in 2021. Building E, or the subject building, was completed in 2021. The total building area is 11,182 sq. ft. and consist of 12 units approximately 1,200 sq. ft. in size. The applicant will be located within Unit #125, which is approximately 1,160 sq. ft. The Business Park, and subject building, has been designed and constructed in conformance with all applicable City standards.

Portal Business Park is zoned entirely within the Highway Commercial Subzone A Zoning District. Outright permitted uses in this zone include retail and wholesale goods, sales and services; offices and related activities; and auto oriented commercial services. Permitted accessory uses include uses customarily incidental to the permitted use. Other authorized tenants of the site include wholesale sales and services and offices supported by ancillary storage, warehousing and light assembly uses.

## VI. ANALYSIS <sup>2</sup>

### A. APPLICATION PROCESS

1. The city received the Conditional Use Permit application and supporting materials on June 11, 2021 (**Attachment B**). The materials included an application, site plan, description of the business activities, and the applicant’s analysis of the proposal for consistency with applicable review criteria.
2. BMC [17.92.040](#) describes what constitutes a complete application for a conditional use permit.
3. The city issued a Notice of Complete Application on June 23, 2021 (**Attachment C**).
4. Per BMC [17.02.050.D.1.a](#) and [17.92.030](#), the Planning Commission has the power and duty to authorize a Conditional Use Permit application. Pursuant to BMC [17.02.050.D.1.a](#) and [17.92.030](#), notice of hearing is required and the Planning Commission is required to hold an open record hearing addressing the Conditional Use Permit request.
5. An open public record hearing is scheduled before the Planning Commission on August 12, 2021.

**CONCLUSION: The application is being processed in accordance with the procedural requirements for Type II-PC applications established in Chapter 17.06 of the BMC.**

---

<sup>2</sup> Project analysis includes CDS findings and conclusions based on a review of current materials applicable to the project.

**B. PUBLIC NOTICE AND COMMENT**

1. Notice of Application and Hearing (Attachment D):
  - a. The applicant published a combined Notice of Application and Public Hearing per BMC 17.06.100 and .110 in the Bellingham Herald; mailed it to property owners within 300 feet of the site; and posted it on the subject property on or before June 30, 2021 (**Attachment D**).
  - b. This site adjoins unincorporated Whatcom County. Pursuant to BMC 17.06.100G.4, a Notice of Application and Public Hearing was sent to the Whatcom County SEPA official.
  - c. An addendum to the notice of Public Hearing was published in the Bellingham Herald; mailed it to property owners within 300 feet of the site; and posted it on the subject property on July 21, 2021 (**Attachment E**) and August 2, 2021 (**Attachment F**). The purpose of the addendum(s) was to update the hearing location.
2. As of the issuance of this staff report, no public comments were received regarding this project.

**CONCLUSION: The application meets the noticing requirements for Type II applications established in BMC Chapter 17.06.**

**C. ENVIRONMENTAL REVIEW AND CRITICAL AREAS ANALYSIS**

1. The city acted as lead agency and analyzed the environmental impact of the proposed use as required by the State Environmental Policy Act (SEPA) Chapter 43.21 RCW.
2. The Portal Business Park was issued a SEPA MDNS in 2018 (#2018009). There are no additional impacts with this proposed use than what was considered under the prior SEPA determination. The proposed use is categorically exempt from SEPA as a land use decision per the WAC 197-11-800(6).
3. Per BMC 17.80.040, a SEPA checklist is not required to process the subject Conditional Use.
4. Prior approval of the Portal Business Park evaluated for critical areas pursuant to BMC 17.82.

**CONCLUSION: The application meets the SEPA standards of the Chapter 17.80 BMC and Chapter 197-11 WAC, and the critical areas standards established in Chapter 17.82 BMC.**

**D. CONDITIONAL USE PERMIT DECISION CRITERIA**

The proposed project site is in the Highway Commercial Subzone A Zoning District, and the standards for development in this zone are established in BMC 17.24. BMC [17.24.040](#) establishes small scale manufacturing operations, not exceeding 5,000 square feet of floor space, as a conditional use. Conditional uses are uses that are only allowed within a zone after review by the Planning Commission to ensure that the use is compatible with other permitted uses in the vicinity and zone and under what conditions.<sup>3</sup>

Pursuant to Initiative 502 under the authority of RCW [69.51A.140](#), the applicant, Skunk Processors, is a licensed Marijuana Processor. Blaine Municipal Code (BMC) 17.150, establishes Marijuana Control standard pursuant to State regulations. Pursuant to [BMC 17.150.040](#) marijuana processing is permitted in those zoning districts wherein manufacturing and industrial processing uses are permitted

BMC [17.92.050](#) establishes the following requirements for approving a Conditional Use Permit application. The applicant has addressed these criteria in Exhibit A of **Attachment B**.

1. Will be harmonious and in accordance with the general and specific objectives of the city of Blaine comprehensive plan and zoning regulations.

**Discussion:** *The project as proposed is consistent with the Comprehensive Plan and the zoning regulations for the Highway Commercial Subzone A Zoning District. The project proposal is consistent with the Comprehensive Plan, Economic Development (ED) Policy 1.6<sup>4</sup> which encourages the development of four niche industries, including food/consumable manufacturing. ED Goal 3<sup>5</sup> and Action 3.1.A<sup>6</sup> encourage these niche industries to be located within the Highway Commercial Zoning District and within the vicinity of I5. These policies are implemented into the city's zoning standards by*

---

<sup>3</sup> Page 113 of ["A Short Course of Local Planning Resource Manual \(2016\)](#)

<sup>4</sup> [excerpt] The City encourages the development and expansion of retail, service, tourism and manufacturing businesses by directing economic development efforts toward four primary industry niches... Food/consumables manufacturing - The existing cluster of food production industries can serve as a catalyst for new producers and processors and captilizes on the City's affordable electric and water service... Therefore, the City supports recruitment effort in these areas.

<sup>5</sup> GOAL 3: To encourage the development of automobile-oriented retail and service businesses malls and office parks in the Highway Commercial and Gateway zoning districts.

<sup>6</sup> The City should actively recruit development with a focus on the four niche markets noted in this chapter.

*conditionally allowing small scale manufacturing operations, not exceeding 5,000 square feet of floor space, within Highway Commercial Subzone A Zoning District. Additionally, the project proposal is consistent with the locational criteria for manufacturing/industrial uses established in Comprehensive Plan, Land Use Policy 2.5<sup>7</sup>, as follows:*

- *The proposed activity, as conditioned, will not contribute to adverse environmental impacts.*
  - *The proposed development is adequately serviced by public utilities.*
  - *The proposed activity is located along a Collector Road (Peace Portal Drive).*
  - *The proposed activity is not immediately adjacent to established residential areas.*
2. Will be designed, constructed, operated, and maintained so as to be harmonious and appropriate in appearance with the existing or intended character of the general vicinity, and that such use will not change the essential character of the same area.

**Discussion:** *The proposed use will be housed in an existing building. The building was approved and constructed in accordance with the City’s development standards. As such, the development is harmonious and appropriate in appearance with the existing character of the area.*

3. Will not be hazardous or disturbing to existing or future neighboring uses.

**Discussion:** *The proposed use, as conditioned, will not be hazardous or disturbing to existing future neighboring uses. Pursuant to BMC 17.150.070, the project is consistent with the marijuana siting criteria for processing uses. Additionally, as a licensed Marijuana Processor, the proposed used will comply with the standards prescribed in [RCW 69.50](#) and [WAC 314-55](#).*

4. Will be serviced adequately by essential public facilities such as highways, streets, police and fire protection, drainage structures, refuse disposal, water and sewers, and schools; or that the persons or agencies responsible for the establishment of the proposed use shall be able to provide adequately any such services.

---

<sup>7</sup> Industrial or Manufacturing uses should be located in areas that: are capable of supporting industrial development without significant adverse environmental impacts; have utility services, including public water, sewer and three-phase electrical power at levels appropriate to serve the area and intensity of industrial use, or where extension of these services can be provided concurrent with development; have direct access to collector or arterial roads capable of supporting truck traffic without travel through residential areas. Lands with access to the harbor or railroad are also desirable; and are not immediately adjacent to established residential areas or can be adequately buffered to avoid adverse impacts from the noise, vibration, light, glare, odors or traffic which could be generated by industrial activities.



**Discussion:** *The proposed use will be located within an existing development and is serviced adequately by existing facilities and utilities.*

5. Will not create excessive additional requirements at public cost for public facilities and services, and will not be detrimental to the economic welfare of the community.

**Discussion:** *The site is located in an area planned to accommodate retail, wholesale, services and repair activities, as well as limited scale industrial uses. As such, the project is not expected to generate any public cost, nor will it have a detrimental impact to the economic welfare of the community.*

6. Will not involve uses, activities, processes, materials, equipment and conditions of operation that will be detrimental to any persons, property, or the general welfare by reasons of excessive production of traffic, noise, smoke, fumes, glare or odors.

**Discussion:** *The proposed use, as conditioned, will not be detrimental to any persons, property, or the general welfare by reasons of excessive production of traffic, noise, smoke, fumes, glare, or odors. In order to ensure no excessive impacts all manufacturing uses shall conform to the applicable performance standards contained in BMC 17.14. Additionally, manufacturing uses within the State of Washington are required to comply with the noise standards pursuant to WAC 173-60-040 and air quality standards regulated by the NWCAA.*

7. Will have vehicular approaches to the property which shall be so designed as not to create an interference with traffic on surrounding public streets.

**Discussion:** *The proposed use will be located within an existing development that was designed and developed consistent with City standards for access. As such, the proposed use will have adequate vehicular approaches to the property that will not create interference with traffic on surrounding public streets.*

8. Will not result in the destruction, loss or damage of any natural, scenic or historic feature of major importance.

**Discussion:** *There is no natural, scenic or historic feature of significance on the property. As a result, the proposed development would not result in destruction, loss or damage to any features of major importance.*

**CONCLUSION: The proposal, as conditioned, is consistent with the criteria for a Conditional Use Permit pursuant to BMC 17.94.100.**

**E. MARIJUANA CONTROL**

The proposed use, marijuana processing, is regulated under BMC 17.150. Staff reviews consistency with these standards as part of the commercial building permit for tenant improvement. The following provides an initial overview of the proposed development for consistency with the standards.

1. Marijuana Processing. Pursuant to 17.150.040, the processing of marijuana is considered to be a manufacturing activity. Processing of marijuana and marijuana products is limited to those zoning districts wherein manufacturing and industrial processing uses are permitted. The project site located within the Highway Commercial Subzone A Zoning District. Small scale manufacturing operations, not to exceed 5,000 square feet of floor space, may be authorized in the Highway Commercial Subzone C Zoning District upon approval of a Conditional Use Permit.
2. Location Criteria. Pursuant to BMC 17.150.070, no recreational marijuana processors may locate within 1,000 feet of any of the following<sup>8</sup> (**Attachment G**):

- A. Elementary School or Secondary School.

**Conclusion:** *There are no Elementary School or Secondary Schools within 1,000 feet of the project location.*

- B. Playground.

**Conclusion:** *Pursuant to the definitions contained in BMC 17.150.030 there are no playgrounds within 1,000 feet of the project site.*

- C. Recreation Center or Facility.

**Discussion:** *Pursuant to the definitions contained in BMC 17.150.030 there are no recreation centers or facilities within 1,000 of the project site.*

- D. Child Care Center.

---

<sup>8</sup> Consistency with Locational Criteria was determined pursuant to the definitions provided in BMC 17.150.070. Staff referenced the following sources [Whatcom County. \(2015\). Existing Parks & Recreation Map 9-1](#); [Washington State Department of Children, Youth & Families. Child Care Check Portal](#); [Whatcom Transit Authority. Integrative Map](#); [Whatcom County Library System and Bellingham Public Library Locations Portal](#).

---

**Conclusion:** Pursuant to the definitions contained in BMC 17.150.030 there are no childcare centers within 1,000 ft of the project site.

E. Public Park.

**Conclusion:** Pursuant to the definitions contained in BMC 17.150.030 there are no public parks within 1,000 feet of the project site.

F. Public Transit Center.

**Conclusion:** Pursuant to the definitions contained in BMC 17.150.030 there are no public transit centers within 1,000 of the project locations.

G. Library.

**Conclusion:** Pursuant to the definitions contained in BMC 17.150.030 there are no public libraries within 1,000 feet of the subject property.

H. Any game arcade where admission is not restricted to persons age 21 or older.

**Conclusion:** Pursuant to the definitions contained in BMC 17.150.030 there are no game arcades within 1,000 feet of the subject property.

**CONCLUSION: The project is consistent with the Marijuana Controls contained in BMC 17.150.**

**F. PUBLIC UTILITIES AND SERVICES**

1. *Stormwater.* Stormwater, pursuant to BMC 13.01.030, has previously been evaluated with the exiting development. No new or altered impervious surfaces are proposed.
2. *Fire Protection.* Fire impact fees have been previously assessed with and paid with the issuance of the building permit for Building E (permit #19224).
3. *Water, Sewer, Garbage, and Electricity.* The site is currently served by existing utilities. Prior to issuance of a commercial building/tenant improvement applicant shall identify their wastewater stream which will be discharged into the wastewater system. The Public Works Department have conditions regarding the alley and stormwater, addressed in Section H below

**CONCLUSION: The proposed development, subject to the conditions of approval, will be fully served by sufficient public utilities and services.**

**G. TRANSPORTATION CONCURRENCY AND TRAFFIC IMPACT FEES**

1. Traffic Concurrency.
  - a. Pursuant to BMC 17.05.020, projects that propose to generate more than 50 trips per peak hour must be reviewed for transportation concurrency.
  - b. According to the trip generation rates typical of business park development of this size, as specified by the Institute of Traffic Engineers (ITE) manual, 10<sup>th</sup> edition, the project is estimated to generate approximately 18 PM peak hour trips. The project, therefore, does not trigger the requirements for concurrency certification.
2. Traffic Impact Fees. Traffic impact fees have been previously assessed and paid in full with the issuance of the building permit for building E of the Business Park (permit #19224).

**H. TECHNICAL REVIEW COMMITTEE**

1. Building Department. The Building Official has reviewed the proposal and has identified specific standards that will need to be met if the Conditional Use is approved at the site (**Attachment H**).
2. Public Works Department. The Public Works Department has reviewed the proposal and has identified the development standards that will need to be met if the Conditional Use is approved at the site (**Attachment I**).
3. North Whatcom Fire and Rescue. The Fire Marshal has reviewed the proposal and has identified the development standards that will need to be met if the Conditional Use is approved at the site (**Attachment J**).
4. North West Clean Air Agency (NWCAA). The NWCAA has reviewed the proposal and determined that no additional permits are required.

**CONCLUSION: CDS has coordinated with other departments and agencies that may have regulatory authority of the application, pursuant to BMC 17.06.130.B.2. If the Conditional Use is approved, the project shall comply with the review standards identified in this section.**

**VII. APPEALS**

Pursuant to BMC 17.06.180, Type II final decisions made by the planning commission shall be final and conclusive unless within 14 days following the mailing of such decision a written statement of appeal is filed with the city council by the applicant, a department of the city, or party of record,

who is also an aggrieved person. The statement shall set forth any alleged errors and/or the basis for appeal and shall be accompanied by a fee pursuant to the unified fee schedule; provided, that such appeal fee shall not be charged to a department of the city or to other than the first appellant. The appeal of a Type II decision shall be a closed record appeal.

**VIII. LAPSE OF APPROVAL**

Conditional Use Permit

Pursuant to BMC 17.92.070, the following timeframes would apply to the Conditional Use permit, if approved:

- A. Conditional use permits shall expire 12 months after issuance unless construction or the establishment of the use has commenced. The director may extend the expiration date by six months upon written request and evidence that the applicant intends to activate the permit within that time limit.
- B. An application for a conditional use permit which has not been approved or has been denied in whole or in part shall not be resubmitted for a period of six months from the date of such denial.

**IX. IX. MODIFICATION**

Pursuant to BMC 17.92.080, modifications of existing conditional uses, or additions to such uses, shall require application for an additional conditional use permit.

**X. ATTACHMENTS**

- A. Portal Business Park Short Plat
- B. Application Packet June 11, 2021
- C. Notice of Complete Application
- D. Notice of Application and Hearing
- E. Addendum to Notice of Public Hearing
- F. Addendum to Notice of Public Hearing
- G. Marijuana Citing Criteria Buffer
- H. Building Comments.
- I. Public Works Comments.
- J. North Whatcom Fire and Rescue Comments

Distributed to the Following Parties:

- Applicant

- Parties of Record