

**GRANDVIEW CITY COUNCIL  
COMMITTEE-OF-THE-WHOLE  
MEETING AGENDA  
TUESDAY, FEBRUARY 23, 2021**



**Governor Proclamation 20-28.15 continues the prohibition on "in-person" meetings. This meeting will be available via teleconference. For meeting information and instructions, please contact City Hall at (509) 882-9200.**

**COMMITTEE-OF-THE-WHOLE MEETING – 6:00 PM**

**PAGE**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PUBLIC COMMENT** – At this time the public may address the Council on any topic whether on the agenda or not, except those scheduled for public hearing.
- 4. NEW BUSINESS**
  - A. Resolution authorizing the Mayor to sign Change Order No. 1 with C & R Tractor and Landscaping, Inc., for the Sanitary Sewer Trunk Main Replacement 1-4
  - B. Resolution authorizing the Mayor to sign an Agreement between the City of Grandview and Natural Selection Farms, Inc., for the beneficial use of biosolids 5-15
  - C. Letter of Intent and Petition for Annexation & Rezone – John & Diana Buettner Parcel No. 230915-23001 Puterbaugh Road, Grandview, WA 16-21
  - D. Resolution renaming the Country Park Amphitheater to the Norm Childress Amphitheater – Councilmember Souders 22
  - E. Washington State Liquor and Cannabis Board – Cannabis Retail Bans/Moratoriums 23-30
- 5. OTHER BUSINESS**
- 6. ADJOURNMENT**

The City of Grandview Committee-of-the-Whole and Regular Council Meetings scheduled for Tuesday, February 23, 2021 at 6:00 pm and 7:00 pm will only be available via teleconference.

Please join the meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/514524677>

You can also dial in using your phone.

(For supported devices, tap a one-touch number below to join instantly.)

United States: +1 (786) 535-3211

- One-touch: <tel:+17865353211,,514524677#>

Access Code: 514-524-677

Audio Pin: 1

New to GoToMeeting? Get the app now and be ready when your first meeting starts:

<https://global.gotomeeting.com/install/514524677>

**CITY OF GRANDVIEW  
AGENDA ITEM HISTORY/COMMENTARY  
COMMITTEE-OF-THE-WHOLE MEETING**

<b>ITEM TITLE</b>  Resolution authorizing the Mayor to sign Change Order No. 1 with C & R Tractor and Landscaping, Inc., for the Sanitary Sewer Trunk Main Replacement	<b>AGENDA NO.:</b> New Business 4 (A)  <b>AGENDA DATE:</b> February 23, 2021
<b>DEPARTMENT</b>  Public Works Department	<b>FUNDING CERTIFICATION</b> (City Treasurer) (If applicable)  N/A

**DEPARTMENT HEAD REVIEW**

Cus Arteaga, City Administrator/Public Works Director

**CITY ADMINISTRATOR**

  
**MAYOR**

  
**ITEM HISTORY** (Previous council reviews, action related to this item, and other pertinent history)

The City has contracted with C & R Tractor and Landscaping, Inc., as the contractor for the Sanitary Sewer Replacement.

**ITEM COMMENTARY** (Background, discussion, key points, recommendations, etc.) Please identify any or all impacts this proposed action would have on the City budget, personnel resources, and/or residents.

The contractor has encountered isolated areas of solid rock while excavating near the Segal hop vineyard along Euclid Road. The rock could not be removed by conventional digging methods and special equipment (a rock hammer) had to be brought in to remove the rock. The contractor is now out of the hop field and additional rock excavation is not expected, as the majority of the new sewer main follows the existing sewer main alignment. Ecology has been notified and they have approved the need for this Change Order. The impact to the schedule to-date is five working days. Additional working days will be added to the contract as necessary should rock excavation cause further delay.

**ACTION PROPOSED**

Move a resolution authorizing the Mayor to sign Change Order No. 1 with C & R Tractor and Landscaping, Inc., for the Sanitary Sewer Trunk Main Replacement to a regular Council meeting for consideration.

**RESOLUTION NO. 2021-\_\_\_\_\_**

**A RESOLUTION OF THE CITY OF GRANDVIEW, WASHINGTON,  
AUTHORIZING THE MAYOR TO SIGN CHANGE ORDER NO. 1 WITH  
C & R TRACTOR AND LANDSCAPING, INC., FOR THE SANITARY SEWER  
TRUNK MAIN REPLACEMENT**

**WHEREAS**, the City of Grandview has contracted with C & R Tractor and Landscaping, Inc., as the contractor for the Sanitary Sewer Trunk Main Replacement; and,

**WHEREAS**, Change Order No. 1 authorizes the rock excavation near the Segal hop vineyard along Euclid Road,

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRANDVIEW, AS FOLLOWS:**

The Mayor is hereby authorized to sign Change Order No. 1 with C & R Tractor and Landscaping, Inc., in the amount of \$54,000.00 in form as is attached hereto and incorporated herein by reference.

**PASSED** by the **CITY COUNCIL** and **APPROVED** by the **MAYOR** at its regular meeting on \_\_\_\_\_, 2021.

**MAYOR**

\_\_\_\_\_  
**ATTEST:**

\_\_\_\_\_  
**CITY CLERK**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**CITY ATTORNEY**

February 17, 2021

**CHANGE ORDER NO. 1**

OWNER: City of Grandview  
PROJECT NAME: SANITARY SEWER TRUNK MAIN REPLACEMENT  
DOE PROJECT NO.: WQC-2019-GRANDVIEW-00092  
CDBG PROJECT NO.: 18-62210-024  
HLA PROJECT NO.: 17165C  
CONTRACTOR: C & R Tractor and Landscaping, Inc.

THE FOLLOWING CHANGES ARE HEREBY MADE TO THE CONTRACT DOCUMENT:

Original Contract Price (Including State Sales Tax):	\$3,327,292.87
Current Contract Price Adjusted by Previous Change Order(s) (Including State Sales Tax):	\$3,327,292.87
Change in Contract Price Due to This Change Order (Including State Sales):	\$54,000.00
Adjusted Contract Price Due to This Change Order (Including State Sales Tax):	\$3,381,292.87

Original Contract Completion Date:	May 10, 2021
Current Contract Completion Date Adjusted by Non-Working Days and/or Previous Change Order:	May 11, 2021
Change in Contract Completion Date Due to This Change Order:	Five (5) Additional Working Days
Revised Contract Completion Date:	May 18, 2021

CONTRACTOR:   
C & R Tractor and Landscaping, Inc.

Date: 2-17-2021

ENGINEER:   
HLA Engineering and Land Surveying, Inc.

Date: 2.18.21

OWNER: \_\_\_\_\_  
City of Grandview

Date: \_\_\_\_\_

February 17, 2021

City of Grandview  
SANITARY SEWER TRUNK MAIN REPLACEMENT  
DOE Project No.: WQC-2019-GRANDVIEW-00092  
CDBG Project No.: 18-62210-024  
HLA Project No.: 17165C

CHANGE ORDER NO. 1

ITEM NO.	DESCRIPTION	UNIT	QTY	UNIT PRICE	AMOUNT
1-1	Rock Excavation	FA	EST.	\$50,000.00	\$50,000.00
CHANGE ORDER NO. 1 SUBTOTAL					\$50,000.00
8.0% STATE SALES TAX					\$4,000.00
CHANGE ORDER NO. 1 TOTAL					\$54,000.00

REASON:

The contractor has encountered isolated areas of solid rock while excavating near the Segal Hop Ranch along Euclid Road. The rock could not be removed by conventional digging methods and special equipment (a rock hammer) had to be brought in to remove the rock. The contractor is now out of the hop field and additional rock excavation is not expected, as the majority of the new sewer main follows the existing sewer main alignment. Ecology has been notified and they have approved the need for this Change Order. The impact to the schedule to-date is five working days. Additional working days will be added to the contract as necessary should rock excavation cause further delay.

**CITY OF GRANDVIEW  
AGENDA ITEM HISTORY/COMMENTARY  
COMMITTEE-OF-THE-WHOLE MEETING**

<b>ITEM TITLE</b>  Resolution authorizing the Mayor to sign an Agreement between the City of Grandview and Natural Selection Farms, Inc., for the beneficial use of biosolids	<b>AGENDA NO.:</b> New Business 4 (B)  <b>AGENDA DATE:</b> February 23, 2021
<b>DEPARTMENT</b>  Public Works Department	<b>FUNDING CERTIFICATION</b> (City Treasurer) (If applicable)  N/A

**DEPARTMENT HEAD REVIEW**

Cus Arteaga, City Administrator/Public Works Director

**CITY ADMINISTRATOR**

**MAYOR**

**ITEM HISTORY** (Previous council reviews, action related to this item, and other pertinent history)

The City's Wastewater Treatment Plant (WWTP) produces approximately 1,200 tons of bio-solids each year. The Department of Ecology recommends that bio-solids be utilized for beneficial use. One beneficial use is as a fertilizer for farming practices. Finding enough farm land to accommodate the amount the WWTP produces has been very challenging and using Natural Selection Farms, Inc., has been the best resource for managing bio-solids.

The City has contracted with Natural Selection Farms for the beneficial use of biosolids since March 2012 and the current agreement expired December 31, 2020.

**ITEM COMMENTARY** (Background, discussion, key points, recommendations, etc.) Please identify any or all impacts this proposed action would have on the City budget, personnel resources, and/or residents.

Attached is a new agreement with Natural Selection Farms. The pricing structure was changed to account for the different services provided including hauling, loading, lowboy and land application.

**ACTION PROPOSED**

Move a resolution authorizing the Mayor to sign an Agreement between the City of Grandview and Natural Selection Farms, Inc., for the beneficial use of biosolids to a regular Council meeting for consideration.

**RESOLUTION NO. 2021-\_\_\_\_**

**A RESOLUTION OF THE CITY OF GRANDVIEW, WASHINGTON,  
AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT BETWEEN THE  
CITY OF GRANDVIEW AND NATURAL SELECTION FARMS, INC.,  
FOR THE BENEFICIAL USE OF BIOSOLIDS**

**WHEREAS**, the City of Grandview produces sewage sludge in the form of biosolids as a by-product of its sanitary sewage treatment process at the Grandview Wastewater Treatment Plant and desires to recycle biosolids from the plant for beneficial use; and

**WHEREAS**, Natural Selection Farms, Inc., has the ability to perform land application of biosolids in an approved manner at appropriate sites; and

**WHEREAS**, the City and Natural Selection Farms now wish for Natural Selection Farms to perform the land application of biosolids tendered by the City to Natural Selection Farms in accordance with the terms more fully set forth in the attached Agreement,

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRANDVIEW, AS FOLLOWS:**

The Mayor is hereby authorized to sign an Agreement between the City of Grandview and Natural Selection Farms, Inc., for the beneficial use of biosolids in the form as is attached hereto and incorporated herein by reference.

**PASSED** by the **CITY COUNCIL** and **APPROVED** by the **MAYOR** at its regular meeting on \_\_\_\_\_, 2021.

**MAYOR**

\_\_\_\_\_  
**ATTEST:**

\_\_\_\_\_  
**CITY CLERK**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**CITY ATTORNEY**

**AN AGREEMENT BETWEEN  
CITY OF GRANDVIEW, WASHINGTON, AND  
NATURAL SELECTION FARMS, INC.,  
FOR THE BENEFICIAL USE OF BIOSOLIDS**

This Contract is made and entered into as of the      day of                     ,  
2021 ~~2020~~, (the "Effective Date") by and between the City of Grandview, Washington, a  
Washington municipal corporation, (the "Generator") and Natural Selection Farms, Inc.,  
("NSF") a Washington corporation.

Whereas, the Generator produces sewage sludge in the form of Class B solid  
biosolids (hereinafter referred to as "biosolids") as a by-product of its sanitary sewage  
treatment process at the Grandview Wastewater Treatment Plant, and desires to recycle  
biosolids from the plant for beneficial use; and

Whereas, NSF has the ability to perform land application of biosolids in an  
approved manner at appropriate sites; and

Whereas, NSF and Generator now wish for NSF to perform the land application  
of biosolids tendered by Generator to NSF in accordance with the terms more fully set  
forth herein;

Now, therefore, in consideration of the mutual promises and covenants herein  
contained and for other good and valuable consideration, it is hereby agreed as follows:

1. **Purpose.** Generator and NSF enter into this Contract to establish terms and  
conditions for NSF to receive Generator's biosolids and perform the land  
application of biosolids produced by Generator and tendered to NSF.
2. **Generator's Obligations.** Generator shall be obligated to perform the following  
with respect to biosolids produced at the Generator's facilities in Grandview,  
Washington, in such quantities as the parties may mutually agree upon:
  - a. coordinate with NSF to facilitate loading of biosolids by NSF onto NSF  
trucks/trailers or trailers arranged for by NSF at a time mutually agreeable  
to Generator and NSF;
  - b. ensure that the tendered biosolids meet federal, state and local standards  
governing land application of biosolids as the same currently exist and as  
they may be modified or altered from time to time, and as set forth herein  
at Section 3;
  - c. test the tendered biosolids in accordance with best available testing  
procedures and applicable federal, state, and local laws and regulations  
and provide NSF all information required by law or that otherwise is  
necessary for NSF to use and manage application of the biosolids in a safe,

consistent, and reliable manner, including providing to NSF test results confirming acceptable compliance with all applicable trace metal and pathogen standards as well as confirming percent solids by weight and nitrogen content as expressed by total Kjeldahl nitrogen (TKN);

- d. pay NSF service fees as provided in Section 6 below;
  - e. pay all costs, whether in the form of fees, levies, or other charges, charged by any local agency related to the importation, management, disposal, or use of biosolids tendered to NSF under this Contract. In the event that any such cost or fee is charged to NSF, Generator agrees to timely pay the same prior to delinquency promptly upon presentation of any invoice therefor submitted to Generator by NSF; and
  - f. pay such amounts as may be reasonably incurred by NSF in order for NSF to efficiently accept Generator's biosolids, provided that the parties presently contemplate that this charge will be mutually agreed upon in advance. The failure to so agree will relieve NSF of any further obligation to accept biosolids pursuant to this Contract but will not otherwise alter the remaining rights and obligations of the parties hereunder.
3. Generator's Covenants and Warranties. The Generator warrants that all biosolids tendered to NSF shall comply with all specified testing standards and results stated herein and all requirements under federal, state and local laws and regulations applicable to the land application of biosolids, as the same currently exist and as they may be modified or altered from time to time.
4. NSF's Obligations. Subject to Section 7 below, NSF shall:
- a. load and receive biosolids loaded by Generator at the Generator's wastewater treatment facility in Grandview, Washington, for application and use thereof on agricultural lands in Eastern Washington as a nutrient based soil amendment, compost ingredient or other permitted beneficial use;
  - b. provide all of the facilities, equipment, and personnel necessary for such work, and perform the application of Generator's biosolids in compliance with all applicable local, state, and federal regulations; and
  - c. obtain and maintain all required permits and approvals for its operations and activities under this Contract in accordance with law.
5. NSF's Covenants and Warranties. NSF warrants and represents that it has the business, professional, and technical expertise to use and manage the application of biosolids and shall at all times do so in a prudent and workmanlike manner. Furthermore, NSF warrants and represents that it has the equipment (subject to

the terms of paragraph 2(f) above), plant and employee resources required to perform this contract. Such equipment shall at all times relevant to the performance of services hereunder be maintained in a good and safe condition fit for use as required.

6. Billing and Payment.

- a. Billing. NSF shall provide to the Generator, by the thirtieth (30th) day after acceptance of the Generator's biosolids, a statement in a format that is mutually agreeable to NSF and the Generator, detailing the number of wet tons of biosolids accepted by NSF. The method of determining tonnage shall be by certified truck scale and shall be at the Generator's expense.
- b. Service Fees. The Generator shall pay NSF's service fees as provided herein. Generator shall pay NSF the sum of \$594.86 per load to load and receive the Generator's biosolids from the Generator's wastewater treatment plant for use at a beneficial use land application facility selected by NSF, in NSF's sole discretion. In addition, a fee of \$25.00 per ton will be charged for land application. These fees are made up of the following components:

	<u>Fuel related component</u>	<u>Non-fuel related component</u>	<u>Subtotal fee</u>
Land application fee	\$4.25	\$20.75	\$25.00
Hauling fee	\$101.13	\$493.73	\$594.86

These minimum service fees will be adjusted from time to time as set forth herein.

- c. Loading. A lowboy fee of \$182.27 will be charged per hauling event, in addition to a loading fee of \$5.00 per ton. NSF will charge a standby fee of \$100.00 per hour (calculated in 15 minute increments), for trucks that are delayed in loading in excess of two (2) hours if said delay is due to the actions or failure to act of Generator. These fees will be charged, as applicable, in addition to the service fee described in paragraph 6(b), above, and will also be subject to adjustment from time to time as set forth herein.
- d. Price Adjustment for Change in Law. NSF may, after notice to Generator, increase the minimum service fee by one hundred percent (100%) of NSF's reasonable actual increased costs of performing its obligations under this Contract due to a change in law. For purposes of this section, a "change in law" includes new laws, regulations, ordinances of general application and modifications of them; new decisions of tribunals, either judicial or administrative, and any

modifications of them; or the imposition of any material conditions on the renewal of any permit, license or approval which makes the transportation, storage, land application or other management of biosolids more burdensome financially than under the requirements in effect at the Effective Date; a “change in law” shall include, without limitation, a determination that performance by NSF of the terms of this Contract requires that NSF pay prevailing wage rates, as may be required by law; it being a basis of the price terms in this Contract that NSF is and shall not be required to pay prevailing wage rates. Whether or not a change in law material to this Contract has occurred shall be determined by NSF, in NSF’s sole discretion. Such increase in service fees may occur only for reasonable costs that are actually incurred, and shall not be allowed for any cost increases that are in any way attributable to activities caused by NSF or its subcontractors, employees, or agents, or are otherwise within NSF’s control. In the event Generator does not approve an increase for a change in law as provided for herein, then NSF, at its option, may terminate this Contract upon written notice and with no further obligation to Generator.

- e. Other Changed Conditions. In the event of any material change in the nature of the biosolids subject to this Contract, including but not limited to any deviation from the test parameters set forth above, or in the event of any other change in circumstances that causes an increase in NSF’s cost or the time and equipment required for performance of any part of the work under this Contract, an equitable adjustment in the service fee, the delivery schedule, or both shall be made and, if the same shall be acceptable to Generator and NSF, the Contract shall be modified in writing accordingly. If no such change may be agreed upon by the parties, then NSF shall be entitled, at its option, to terminate this Contract upon written notice and with no further obligation to Generator.

- 7. Conditions Precedent. The obligations of NSF hereunder are strictly contingent upon NSF obtaining all applicable and necessary permits, licenses and approvals of any federal, state, and local government or governmental authority.
- 8. Term and Extension; Adjustment of Fees. The term of this Contract shall commence on the Effective Date and expire on midnight, December 31, 2024; provided, however, that this term shall be automatically extended for three additional one-year terms, expiring on midnight, December 31, 2027, unless notice of non-renewal is provided by either party to the other party by not later than November 1 of each then-current term.

The non-fuel-related service fee set forth above shall be adjusted annually on the yearly anniversary date of this Contract, beginning one year after the date of

execution. Said adjustment shall be 1% plus an additional factor dictated by, and directly proportional to, the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) for all U.S. cities over the same period of time.

The fuel-related service fee set forth above shall be adjusted semi-annually, beginning six months after the date of execution and continuing every six months thereafter. Said adjustment shall be dictated by, and directly proportional to, the percentage change in the data found in the Bureau of Labor Statistics Producer Price Index-Commodities Data for #2 diesel fuel (Series ID: WPU057303), or its successor index, as found at [www.bls.gov](http://www.bls.gov).

9. Insurance; Waiver of Subrogation. At all times during the term of this Contract, NSF shall maintain an insurance policy that insures all aspects of NSF's operation hereunder, regardless of what insurance the Generator may maintain, and which shall provide limits of liability of not less than \$2,000,000 comprehensive bodily injury and property damage.

The parties hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective insurance contracts, including any extended coverage endorsements thereto, provided, that this paragraph shall be inapplicable to the extent that it would have the effect of invalidating any insurance coverage otherwise available.

10. Termination; Default.

- a. NSF may terminate this Contract if:

- i. the Generator fails to make any payment required hereunder within fifteen (15) days after receiving notice of nonpayment from NSF;
- ii. the Generator breaches any material representation or warranty set forth herein;
- iii. the Generator defaults in the performance of any other obligation of the Generator under this Contract and fails to cure such default within thirty (30) days after receiving written notice thereof from NSF;
- iv. any applicable law or governmental regulations or other circumstances outside NSF's control cause the services required of NSF to be economically unfeasible for NSF, or NSF is otherwise prohibited from providing the services required of it by the Contract; or
- v. as provided in Section 6(d) and 6(e) above.

- b. Generator may terminate this Contract if:

- i. NSF breaches any material representation or warranty set forth herein;
  - ii. NSF defaults in the performance of any other material obligation of the Generator under this Contract and fails to cure such default within thirty (30) days after receiving written notice thereof from the Generator;
  - iii. NSF fails to comply with any federal, state or local laws, rules, orders or ordinances, or regulations that pertain to the transportation or use of biosolids and fails to cure such non-compliance within thirty (30) days after receiving written notice from the appropriate agency or court; or
  - iv. as provided in Section 6(d) and 6(e) above.
11. Non-conforming Biosolids. NSF shall be entitled to inspect and analyze each load of biosolids tendered by the Generator. NSF's right to verify Generator's biosolids testing under this section is entirely discretionary and imposes no duty on NSF. Generator bears sole responsibility under this Contract for tendering only biosolids that conform to the warranty standards set forth in Section 3 above. If NSF tests Generator's biosolids and the biosolids are found to be non-conforming, Generator shall pay NSF's commercially reasonable costs incurred in the testing. If NSF determines that the biosolids do not conform to the warranty standards set forth in Section 3 above, it may reject the biosolids by notifying the Generator in writing, with documented test results. Timely removal (if necessary) and disposal of biosolids rejected according to these warranty standards shall be at the Generator's sole cost and responsibility; provided that if NSF rejects biosolids as non-conforming, NSF reserves the right to transport the biosolids to a disposal site or to return the biosolids to Generator's site, and to collect from Generator any commercially reasonable expenses or damages incurred thereby, including but not limited to transport, storage or disposal costs.
12. Indemnification.
- a. NSF agrees to defend, indemnify and hold Generator harmless from and against: (I) any and all claims, demands, causes of action, damages, liabilities, losses, expenses, penalties and costs of defense relative thereto, including legal fees, ("Losses") caused by or resulting from NSF's breach of this Contract; and (II) any and all Losses caused by or resulting from NSF's intentional or negligent act or omission in the performance of its duties as described in this Contract.
  - b. Generator agrees to defend, indemnify and hold NSF harmless from and against: (I) any and all Losses caused by or resulting from Generator's breach of this Contract (specifically including any breach of Generator's obligation to tender only biosolids that conform to the warranty standards set forth above); and (II) any and all Losses caused by or resulting from

Generator's intentional or negligent act or omission in the performance of its duties as described in this Contract.

Notwithstanding any other provision herein, the obligations created by this section shall survive any termination of this Contract.

13. Safety Standards and Instruction. NSF shall provide adequate training of its personnel involved in management of biosolids. NSF shall inform its personnel that sewage treatment plants process sanitary and industrial waste, that any workers involved in biosolids management may be exposed to pathogens, and that such workers should follow proper hygiene and workplace safety practices.
14. Compliance with Laws. The Generator and NSF shall each fully comply with all applicable laws, ordinances, decisions, orders, rules or regulations of any government or governmental agency pertaining to its handling, storage, transportation, treatment, use or management of the biosolids.
15. Disputes, Governing Law, Venue. This Contract shall be governed by and construed in accordance with the laws of the State of Washington. If litigation arises concerning the interpretation of any of the terms of this Contract, venue for such litigation shall be in the Superior Court of the State of Washington in Yakima County. The prevailing party in any legal action brought to enforce this Contract shall be entitled to reasonable attorney's fees incurred therein.
16. Savings. If any part of this Contract is declared to be invalid or unenforceable, the rest of the Contract shall remain binding, unless such invalidity or unenforceability destroys the purpose and intent of this Contract.
17. Independent Contractor, No Partnership. Each party hereto is and shall perform this Contract as an independent contractor, and as such, shall have and maintain complete control over all of its employees, agents, and operations. Neither party nor anyone employed by it shall be, represent, act, purport to act or be deemed to be the agent, representative, employee, partner or servant of the other party.
18. Force Majeure. Should either party be prevented wholly or in part from performing its respective obligations under this Contract by a cause reasonably outside of and beyond the control of the party affected thereby, including but not limited to war, government regulation, strike, lockout, accidents, storms, earthquake, fire, acts of God or public enemy or any similar cause beyond the control of the parties, then such party shall be excused hereunder during the time and to the extent that the performance of such obligations are so prevented, and such party shall have no liability whatsoever for any damages, consequential or otherwise, resulting therefrom.
19. Non-Waiver. Either party's failure to strictly enforce its rights under any provision of this Contract shall not be construed to be a waiver of that provision.

No waiver of any breach of this Contract shall be held to be a waiver of any other breach.

20. Assignment. This Contract shall not be assignable by either party without the written consent of the other, which shall not be unreasonably withheld.
21. Notices. All notices required under this Contract shall be personally delivered or mailed by certified or registered mail, postage prepaid as follows:

If to the Generator, addressed to:

City of Grandview  
Wastewater Superintendent  
207 W. 2<sup>nd</sup> St.  
Grandview, WA 98930

If to NSF, addressed to:

Natural Selection Farms, Inc.  
P.O. Box 419  
Sunnyside, WA 98944

With a copy addressed to:

Kenneth W. Harper  
Menke Jackson Beyer, LLP  
807 N. 39<sup>th</sup> Ave.  
Yakima, WA 98908

or to such other address as any party shall specify by written notice so given.  
Notices shall be deemed to have been given and received as of the date so delivered or three (3) business days after being deposited in the U.S. Mail.

22. Equal Employment Opportunity Requirements. NSF will not discriminate against any employee or applicant for employment because of creed, color, race, sex, age, national origin, or the presence of any sensory, mental or physical handicap, unless based on a bona fide occupational qualification.
23. No Third Party Beneficiary. This Contract is entered into solely for the benefit of the parties hereto. This Contract shall confer no benefits, direct or indirect, on any third persons, including employees of the parties. No person or entity other than the parties themselves may rely upon or enforce any provision of this Contract.

24. Parties and Successors. Subject to the limitations on assignment provided in this Contract, this Contract shall inure to the benefit of, and be binding upon the parties, their successors and assigns.
25. Counterparts/Electronic Execution. This Contract may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. Electronic transmission of any signed original document, and re-transmission of any signed electronic transmission, shall be the same as delivery of an original.
26. Entire Contract. Amendment. This Contract constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes any and all other communications, representations, proposals, understandings or agreements, either written or oral, between the parties with respect to such subject matter. This Contract may not be modified or amended, in whole or in part, except by a writing signed by both parties.

IN WITNESS WHEREOF, the parties have executed this Contract as of the date first above written.

NATURAL SELECTION FARMS, INC.,  
A Washington corporation

CITY OF GRANDVIEW,  
a Washington municipal corporation

By: \_\_\_\_\_  
Ted Durfey,  
President

By: \_\_\_\_\_  
Name: Gloria Mendoza  
Title: Mayor

**CITY OF GRANDVIEW  
AGENDA ITEM HISTORY/COMMENTARY  
COMMITTEE-OF-THE-WHOLE MEETING**

**ITEM TITLE:**

Letter of Intent and Petition for Annexation & Rezone –  
John & Diana Buettner – Parcel No. 230915-23001  
Puterbaugh Road, Grandview, WA

**AGENDA NO.** New Business 4 (C)

**AGENDA DATE:** February 23, 2021

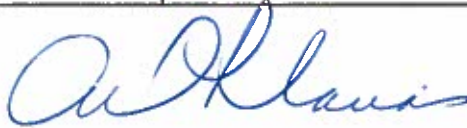
**DEPARTMENT**

Planning

**FUNDING CERTIFICATION** (City Treasurer)  
(If applicable)

**DEPARTMENT DIRECTOR REVIEW**

Anita Palacios, City Clerk (Planning)



**CITY ADMINISTRATOR**



**MAYOR**



**ITEM HISTORY** (Previous council reviews, action related to this item, and other pertinent history)

N/A

**ITEM COMMENTARY** (Background, discussion, key points, recommendations, etc.) Please identify any or all impacts this proposed action would have on the City budget, personnel resources, and/or residents.

The City received a Letter of Intent and Petition for Annexation and Rezone signed by John and Diana Buettner to annex Parcel No. 230915-23001 located on Puterbaugh Road, Grandview, Washington, to the City of Grandview. Parcel No. 230915-32001 is currently zoned agriculture. The petitioners have elected to request annexation under the 60% petition method of annexation. The 60% petition method requires signatures by owners of not less than 60% of the assessed value of the total property proposed for annexation. The petition does contain sufficient signatures of the assessed value.

The petitioners requested the parcel be annexed with an M-1 Light Industrial zoning designation as identified on the City's Future Land Use map. The parcel is included in the City's designated Urban Growth Area.

State law requires the City Council to determine: (1) if the City will accept, modify or reject the proposed annexation, (2) whether the City will require the simultaneous adoption of a proposed zoning regulation for the subject property, and (3) whether the City will require the assumption of all or any portion of existing City indebtedness by the area to be annexed.

Upon acceptance of the Letter of Intent, the Petition will be presented to the Hearing Examiner to conduct a public hearing.

**ACTION PROPOSED**

Move acceptance of the proposed annexation submitted by John and Diana Buettner, require the simultaneous adoption of zoning regulations consistent with the Urban Growth Area Future Land Use Designations: M-1 Light Industrial, and require the assumption of all existing City indebtedness by the properties proposed to be annexed the same as all other property within the City in accordance with past practice to a regular Council meeting for consideration.

**LETTER OF INTENTION (60% PETITION METHOD) TO COMMENCE ANNEXATION  
PROCEEDINGS TO THE CITY OF GRANDVIEW, WASHINGTON**

TO: The City Council  
City of Grandview  
Grandview, Washington

We, the undersigned, owners of property representing not less than 10% of the assessed value of the property for which annexation is sought, described herein below, lying contiguous to the City of Grandview, Washington do hereby notify the City Council of the City of Grandview of our intention to seek annexation to and be made a part of the City of Grandview under the provisions of R.C.W. 35A.14.120, et seq., and any amendments thereto, of the State of Washington.

The territory proposed to be annexed is within Yakima County, Washington, and is legally described as follows: (Attach map outlining the boundaries of the property sought to be annexed).

We are requesting City Council consideration of our request and are asking that the above property as Industrial zone. <sup>UPON</sup> ANNEXATION

OWNER'S SIGNATURE: John Buettner DATE: 11/1/15

OWNER'S SIGNATURE: Diana Buettner DATE: 11/1/15

PRINTED NAME: John Buettner Diana Buettner

MAILING ADDRESS: 1566 Bently Circle Bel Air MD 21015

TELEPHONE NO.: 443 504 5438


PARCEL NO.: 230915-23001

PROPERTY LEGAL DESCRIPTION:

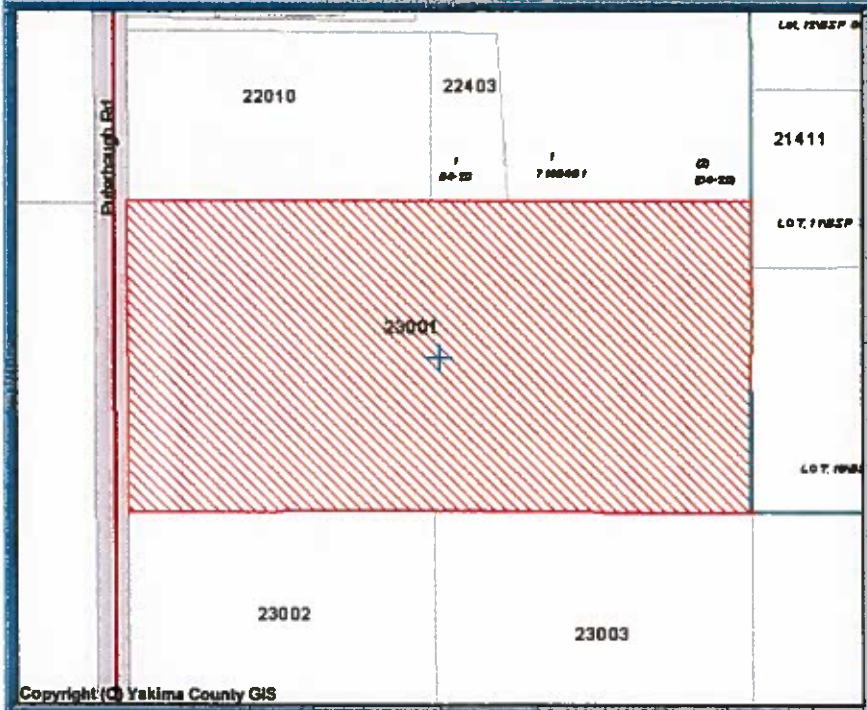
PUTERBAUH RD S-STO

**Yakima County GIS - Washington**  
**Land Information Portal**

Yakima County Assessor  
 Yakima County GIS  
 Yakima County

  
**First American Title**  
 www.firstam.com  
 509.248.7550

Assessor | Planning | Real Estate |
FAQ | Help | Legend | Search | Tools | Overview



Copyright © Yakima County GIS

**Search By:** Parcel Number  

Parcel #:

Enter a complete or partial PARCEL NUMBER. Parcel Numbers must be at least 8 characters. Click the Search button to continue.

**Search**

**MapScale:** 1 inch = 300 ft.

**Overlays:** Aerial Photography:  


☐ FEMA ☐ Critical Areas

☐ Contours ☐ Utilities

**MapSize:** Small (800x600)  

**Maps brought to you by:**

**Valley Title Guarantee**

 Title Insurance & Escrow Service


www.vtgco.com  
(509) 248-4442

**Map** **Report**

Easting (ft) : Northing (ft) One Inch = 300 Feet

Longitude (W) : Latitude (N) Feet 200 400

Click Map to: **Get Information**

PROPERTY PHOTOS		PROPERTY INFORMATION AS OF 2/1/2021 11:07:13 PM						PRINTING			
		Parcel Address:		PUTERBAUGH RD S-TO, WA				Printer-Friendly Page			
		Parcel Owner(s):		JOHN & DIANA BUETTNER							
		Parcel Number:		23091523001	Parcel Size:		19.34 Acre(s)		Detailed Report		
		Property Use:		81 Agricultural Not Current Use							
		TAX AND ASSESSMENT INFORMATION						Print Detailed MAP			
Tax Code Area (TCA):		441	Tax Year:		2020						
Improvement Value:		\$51000	Land Value:		\$87000						
Current Use Value:		\$0	Current Use Improvement:		\$0						
New Construction:		\$0	Total Assessed Value:		\$138000						
RESIDENTIAL INFORMATION										SECTION MAPS	
Quality	Year Built	Stories	Main SqFt	Upper SqFt	Basmt SqFt	Bedrooms	Bathrooms (full/3/4, 1/2)	Garage (basmt/att/bttn)	Carport	Section Map 1in=400ft	
No Residence Information Found.											
SALE INFORMATION										Qtr SECTION MAPS	
Excise	Sale Date	Sale Price	Grantor				Portion		NW-Qtr 1"=200ft NE-Qtr 1"=200ft SW-Qtr 1"=200ft SE-Qtr 1"=200ft		
396127	8/24/2007	\$127000	GORZEMAN & OVERGAAUW & STRUIKMANS & FAGU				N				
DISCLAIMER											
While the information is intended to be accurate, any manifest errors are unintentional and subject to correction. Please let us know about any errors you discover and we will correct them. To contact us call either (509) 574-1100 or (800) 572-7354, or email us.											

OVERLAY INFORMATION			
Zoning:	M-1	Jurisdiction:	County
Urban Growth Area:	Grandview	Future Landuse Designation:	Urban Industrial (Yakima County Plan 2015)
FEMA 100 Year:	FEMA Map	FIRM Panel Number:	83077C1925D <a href="#">Download Map</a>
LOCATION INFORMATION			
+ Latitude: 46° 16' 06.304"		+ Longitude: -119° 58' 02.168"	
Range: 23		Township: 09	
Section: 15			
Narrative Description: N1/2 SW1/4 NW1/4 EX W 25 FT TO CO. FOR R-W			
DISCLAIMER			
MAP AND PARCEL DATA ARE BELIEVED TO BE ACCURATE, BUT ACCURACY IS NOT GUARANTEED; THIS IS NOT A LEGAL DOCUMENT AND SHOULD NOT BE SUBSTITUTED FOR A TITLE SEARCH, APPRAISAL, SURVEY, FLOODPLAIN OR ZONING VERIFICATION			

**60% PETITION METHOD FOR ANNEXATION  
TO THE CITY OF GRANDVIEW, WASHINGTON**

TO: The City Council  
City of Grandview  
Grandview, Washington

We, the undersigned, being owners of not less than 60% of the assessed value of the property for which annexation is petitioned lying contiguous to the City of Grandview, Washington do hereby petition that such territory be annexed to and made a part of the City of Grandview under the provisions of RCW 35A.14.120 and any amendments thereto, of the State of Washington.

The territory proposed to be annexed is within Yakima County, Washington, and is legally described as follows: (Attach map outlining the boundaries of the property sought to be annexed).

WHEREFORE, the undersigned respectively petition the Honorable City Council and ask:

A. That appropriate action be taken to entertain this petition, fixing a date for public hearing, causing notice to be published and posted, specifying the time and place of such hearing and inviting all persons interested to appear and voice approval or disapproval of such annexation; and

B. That following such hearing, and subsequent to approval of the Yakima County Boundary Review Board if such is convened, the City Council determine by Ordinance that such annexation shall be effective; and that property to be annexed shall become part of the City of Grandview, Washington, subject to its laws and ordinances then and after in force.

The Petitioners subscribing hereto agree ". . . that all property within the territory hereby sought to be annexed shall be assessed and taxed at the same rate and on the same basis as property within the City of Grandview for any now outstanding

indebtedness of said City, including assessments or taxes in payment of any bonds issued or debts contracted, prior to or existing at the date of annexation, and that simultaneous adoption of proposed zoning regulations be required" in accordance with the requirements of the City Council of said City, and as quoted herein from the minute entry of the records of said City Council meeting. It is further understood that the zoning of said area proposed for annexation as shown in the Comprehensive Plan as adopted is Industrial upon Annexation

This petition is accompanied and has attached hereto as Exhibit "A", a diagram which outlines the boundaries of the property sought to be annexed.

**PRAYER OF PETITION:**

1. Annexation of area described herein and on Exhibit "A";
2. Assumption of indebtedness of the City of Grandview; and
3. Zoning of M-1 consistent with the City of Grandview Comprehensive Plan. Light Industrial

**WARNING:** Every person who signs this petition with any other than his/her true name, or who knowingly signs a petition when he/she is otherwise not qualified to sign, or who makes any false statements, shall be guilty of a misdemeanor.

OWNER'S SIGNATURE: John Buettner DATE: 4/21/15

OWNER'S SIGNATURE: Diana Buettner DATE: 4/21/15

PRINTED NAME: John Buettner Diana Buettner

MAILING ADDRESS: 1566 Bently Circle Bel Air MD 21015

TELEPHONE NO.: 443-504 5438


PARCEL NO.: 230915-23001

PROPERTY LEGAL DESCRIPTION:

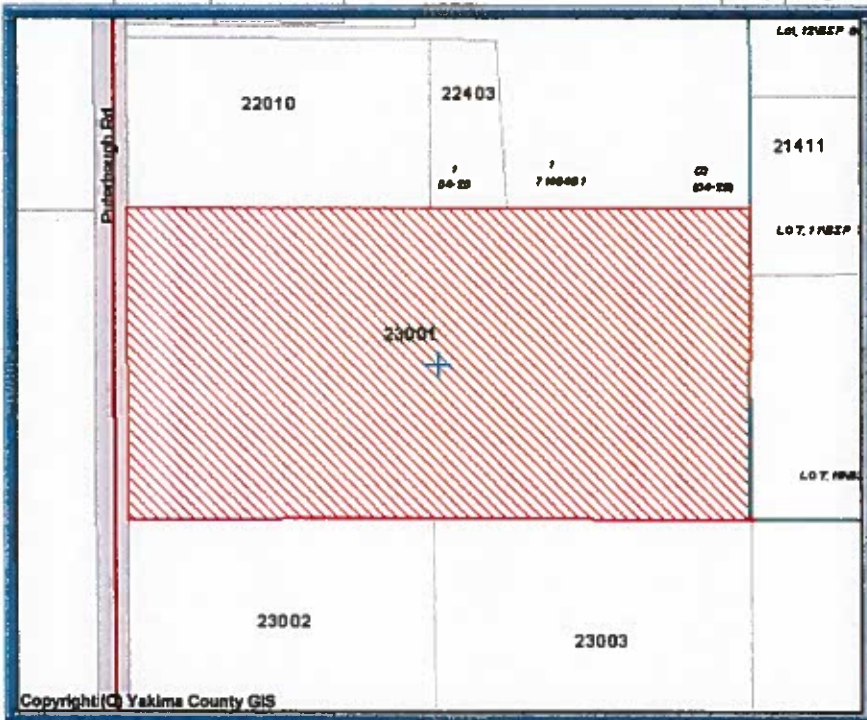
PUTERBAUH RD 3-STO

**Yakima County GIS - Washington**  
**Land Information Portal**

Yakima County Assessor  
 Yakima County GIS  
 Yakima County


**First American Title**  
 www.firstam.com  
 509.248.7550

Assessor | Planning | Real Estate
FAQ | Help | Legend | Search | Tools | Overview



**Search By:** Parcel Number Parcel #

Enter a complete or partial PARCEL NUMBER. Parcel Numbers must be at least 8 characters. Click the Search button to continue.

**Search**

**MapScale:** 1 inch = 300 ft.

**Overlays:** Aerial Photography: v

☐ FEMA ☐ Critical Areas  
☐ Contours ☐ Utilities

**MapSize:** Small (800x800) v

**Maps brought to you by:**


**Valley Title Guarantee**  
 Title Insurance & Escrow Service  
 www.vtgc.com  
 (509) 248-4442

**Map** ? **Report**

Easting(R) | Northing(R)  
 Longitude(E) | Latitude(N)

Click Map to: **Get Information**

One Inch = 300 Feet  
 Feet 200 400

PROPERTY PHOTOS		PROPERTY INFORMATION AS OF 2/1/2021 11:07:13 PM						PRINTING			
		Parcel Address:		PUTERBAUGH RD S-STD, ,WA				Printer-Friendly Page			
		Parcel Owner(s):		JOHN & DIANA BUETTNER							
		Parcel Number:		23091523001		Parcel Size:		19.34 Acre(s)			
		Property Use:		81 Agricultural Not Current Use				Detailed Report			
		TAX AND ASSESSMENT INFORMATION									
Tax Code Area (TCA):		441		Tax Year:		2020		Print Detailed MAP			
Improvement Value:		\$51000		Land Value:		\$87000					
Current Use Value:		\$0		Current Use Improvement:		\$0					
New Construction:		\$0		Total Assessed Value:		\$138000					
RESIDENTIAL INFORMATION										SECTION MAPS	
Quality	Year Built	Stories	Main SqFt	Upper SqFt	Bsmt SqFt	Bedrooms	Bathrooms (full/3/4, 1/2)	Garage (bsmt/att/bilin)	Carport	Section Map 1in=400ft	
No Residence Information Found.											
SALE INFORMATION										Qtr SECTION MAPS	
Excise	Sale Date	Sale Price	Grantor				Portion				
396127	8/24/2007	\$127000	GORZEMAN & OVERGAAUW & STRUIKMANS & FAGU				N		NW-Qtr 1"=200ft NE-Qtr 1"=200ft SW-Qtr 1"=200ft SE-Qtr 1"=200ft		
DISCLAIMER											
While the information is intended to be accurate, any manifest errors are unintentional and subject to correction. Please let us know about any errors you discover and we will correct them. To contact us call either (509) 574-1100 or (800) 572-7354, or email us.											

OVERLAY INFORMATION			
Zoning:	M-1	Jurisdiction:	County
Urban Growth Area:	Grandview	Future Landuse Designation:	Urban Industrial (Yakima County Plan 2015)
FEMA 100 Year:	FEMA Map	FIRM Panel Number:	53077C1925D <a href="#">Download Map</a>
LOCATION INFORMATION			
+ Latitude: 46° 16' 06.304"		+ Longitude: -119° 58' 02.188"	
Range: 23		Township: 09 Section: 15	
Narrative Description: N1/2 SW1/4 NW1/4 EX W 25 FT TO CO.FOR R-W			
DISCLAIMER			
MAP AND PARCEL DATA ARE BELIEVED TO BE ACCURATE, BUT ACCURACY IS NOT GUARANTEED; THIS IS NOT A LEGAL DOCUMENT AND SHOULD NOT BE SUBSTITUTED FOR A TITLE SEARCH, APPRAISAL, SURVEY, FLOODPLAIN OR ZONING VERIFICATION			

**RESOLUTION NO. 2021-\_\_\_\_**

**A RESOLUTION OF THE CITY OF GRANDVIEW, WASHINGTON,  
RENAMING THE COUNTRY PARK AMPHITHEATER TO THE  
NORM CHILDRESS AMPHITHEATER**

**WHEREAS**, Norman (Norm) W. Childress, a long time Grandview resident and former Councilmember and Mayor of the City of Grandview passed away on September 15, 2020; and

**WHEREAS**, the Mayor and City Council wish for the City of Grandview to honor and memorialize Norm's spirit by formally renaming the Country Park Amphitheater as the "Norm Childress Amphitheater,"

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRANDVIEW, AS FOLLOWS:**

The Country Park Amphitheater is hereby renamed the Norm Childress Amphitheater.

**PASSED** by the **CITY COUNCIL** and **APPROVED** by the **MAYOR** at its regular meeting on \_\_\_\_\_, 2021.

**MAYOR**

\_\_\_\_\_

**ATTEST:**

\_\_\_\_\_

**CITY CLERK**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**CITY ATTORNEY**

## Cus Arteaga

---

**From:** Milovac, Kevin (LCB) <kevin.milovac@lcb.wa.gov>  
**Sent:** Friday, February 5, 2021 10:46 AM  
**To:** Cus Arteaga  
**Cc:** Milovac, Kevin (LCB)  
**Subject:** Washington State Liquor and Cannabis Board Local Authority Check-in  
**Attachments:** LA Outreach Letter City of Grandview.docx; 2870-S2.E HBR FBR 20.pdf

**CAUTION:** External Email

The Washington State Liquor and Cannabis Board (WSLCB) is reaching out to local authorities with cannabis retail bans or moratoriums in their jurisdiction that in addition have unissued licenses that will be issued through the social equity program.

You are receiving this letter and information because we attempted to contact you and were unsuccessful in our efforts. |

If you have any questions, comments, or concerns, please feel free to reach out to me via email or by phone.

Thank you,

Kevin Milovac  
Cannabis Manager  
Office 360-664-1629  
Cell 360-338-2881





## Washington State Liquor and Cannabis Board

---

February 5, 2021

[carteaga@grandview.wa.us](mailto:carteaga@grandview.wa.us)

Re: Washington State Liquor and Cannabis Board Local Authority Check-in  
City of Grandview

Dear Mr. Cus Artega:

The Washington State Liquor and Cannabis Board (WSLCB) is reaching out to local authorities with cannabis retail bans or moratoriums in their jurisdiction that in addition have unissued licenses that will be issued through the social equity program.

You are receiving this letter and information because we attempted to contact you and were unsuccessful in our efforts.

The legislature recently passed the Cannabis Social Equity (HB 2870). This bill permits the WSLCB to issue retail licenses to social equity applicants for retail cannabis stores subject to forfeiture, revocation, or cancellation by the WSLCB, or retail licenses that were not previously issued. Currently there are 35 open retail allotments in Washington State designated for the social equity program.

### **Challenge/Opportunity**

Cannabis has been legalized since 2012 in Washington, and there remains a challenge for retail licensees to find locations that are compliant with local regulations. Furthermore, when cannabis businesses cannot operate, there is reduced access for qualifying medical patients and designated providers. The WSLCB is reaching out to jurisdictions with bans or moratoriums to provide information on cannabis retail data within the state of Washington. Our goal is to be a resource for local jurisdictions who may be considering or are willing to reconsider lifting their local ban or moratorium.

### **Background**

In 2012, Initiative 502 tasked the WSLCB with licensing cannabis retailers throughout Washington State. The WSLCB determined a total of 334 retail stores would be allocated throughout the State. The number of retail locations was determined by a city's population. Cities not specifically allocated retail allotments were assigned to the county at large, which had its own number of allotments that had been allocated.



In 2015, Senate Bill 5052 required the WSLCB to merge the unregulated medical cannabis market into the existing regulated recreational market. To accommodate the needs of medical cannabis patients, the WSLCB increased the number of retail stores throughout the State, allocating an additional 222 retail store allotments.

In April 2018, the WSLCB approved a Board Interim Policy allowing retailers who held a license in a jurisdiction that prohibited cannabis to apply for a retail title certificate. A retail title certificate eliminated the requirements to maintain a location, security requirements, traceability, insurance, and the annual license fees.

There are currently 44 title certificates that have been issued to retailers located in a ban or moratorium and nearly 30% of title certificate holders are owned by people of color. In addition to title certificates, there are eight retailers in a prohibited jurisdiction that are eligible for a title certificate, but have not applied.

### **Next Steps**

The WSLCB would like to work with local authorities in re-opening areas where cannabis has been banned or restricted. If your jurisdiction is interested in additional resources or information on retail cannabis licenses or the licensing process, please let us know. The WSLCB hopes to collaborate with local jurisdictions to make the Social Equity Program be as successful as possible.

If you have any questions, comments, or concerns, please feel free to reach out to me via email or by phone. I have included my contact information below and am looking forward to continuing conversations with you.

Sincerely,

Kevin Milovac  
Kevin.milovac@lcb.wa.gov  
360-338-2881

# FINAL BILL REPORT

## E2SHB 2870

---

C 236 L 20  
Synopsis as Enacted

**Brief Description:** Allowing the issuance and reissuance of marijuana retail licenses under the social equity program.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Pettigrew and Ryu; by request of Liquor and Cannabis Board).

**House Committee on Commerce & Gaming**  
**House Committee on Appropriations**  
**Senate Committee on Labor & Commerce**

### **Background:**

#### Marijuana Retail Licenses.

The Liquor and Cannabis Board (LCB) is authorized to issue licenses to marijuana retailers to sell marijuana products and paraphernalia at retail to persons at least 21 years of age.

The LCB, in consultation with the Office of Financial Management (OFM), must adopt rules to determine the maximum number of marijuana retail outlets that may be licensed in each county. In determining the maximum number of licenses, the LCB and the OFM must take into consideration:

- population distribution;
- security and safety issues;
- the provision of adequate access to licensed sources of marijuana and marijuana products to discourage purchases from the illegal market;
- the number of retail outlets holding medical marijuana endorsements necessary to meet the medical needs of qualifying patients; and
- information contained in the medical marijuana authorization database.

#### Dedicated Marijuana Account.

The Dedicated Marijuana Account is an appropriated account. All moneys received by the LCB from marijuana-related activities must be deposited in this account. These moneys include marijuana excise taxes collected from sales of marijuana and marijuana products, license fees, penalties, and forfeitures from marijuana producers, processors, researchers, and retailers. Moneys from the account are distributed to agencies, local governments, and to the

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Basic Health Plan Trust Account. At the end of each fiscal year, unappropriated amounts in the Dedicated Marijuana Account are transferred to the State General Fund.

**Summary:**

**Marijuana Social Equity Program.**

The Marijuana Social Equity Program (Program) is established under the Liquor and Cannabis Board (LCB). From December 1, 2020, through July 1, 2028, marijuana retailer licenses that have been subject to forfeiture, revocation, or cancellation by the LCB may be issued or reissued to a social equity applicant who meets the requirements for the marijuana retailer license. In addition, marijuana retailer licenses that were not previously issued by the LCB, but could have been issued without exceeding the statewide limit established before January 1, 2020, may be issued under the Program.

A social equity applicant is an applicant with majority ownership and control by at least one individual who: (1) has resided in a disproportionately impacted area for at least five of the preceding 10 years; or (2) has been convicted of a misdemeanor marijuana offense or is a family member of such an individual.

A "disproportionately impacted area" is a census tract or comparable geographic area with a high rate of: (1) poverty and unemployment; (2) participation in income-based or state programs; and (3) arrest, conviction, or incarceration related to the sale, possession, use, cultivation, manufacture or transport of cannabis. The LCB may further define criteria for what is considered a "disproportionately impacted area" after consultation with the Washington State Commission on African American Affairs (Commission) and other stakeholders.

*Application Materials.* To be considered for a retail license, an applicant must submit a Social Equity Plan (Plan) and application materials required for the marijuana retailer license to the LCB. A person holding an existing marijuana retailer license or title certificate for a marijuana retailer business in a local jurisdiction subject to a ban or moratorium on marijuana retail businesses may apply for a license under the Program.

A Social Equity Plan is a plan submitted by an applicant of the Program that addresses some of the following elements:

- a statement that the applicant qualifies as a social equity applicant and intends to own at least 51 percent of the proposed marijuana retail business;
- a description of how issuing a marijuana retail license to the social equity applicant will meet social equity goals;
- the social equity applicant's personal or family history with the criminal justice system, including any offenses involving marijuana;
- the composition of the workforce the social equity applicant intends to hire;
- neighborhood characteristics of the location where the social equity applicant intends to operate, focusing especially on disproportionately impacted areas; and
- business plans involving partnerships or assistance to organizations or residents with connection to populations with a history of high rates of marijuana prohibition enforcement.

If an application includes a proposed business ownership structure of more than one person, at least 51 percent of the proposed ownership structure must qualify as a social equity applicant.

The LCB may add additional plan components or requirements following consultation with marijuana social equity stakeholders, including the Commission.

***Prioritization Factors for License Issuance.*** In determining the issuance of a license among eligible applicants, the LCB may give priority to a social equity applicant based on the extent to which the application addresses the components of the Plan. The LCB may deny applications that do not meet the social equity goals or Plan requirements, or applicants that do not otherwise meet licensing requirements.

Social equity goals include: (1) increasing the number of marijuana retailer licenses held by social equity applicants from disproportionately impacted areas; and (2) reducing accumulated harm suffered by individuals, families, and local communities subject to the severe impacts from marijuana prohibition enforcement.

***Rulemaking.*** The LCB may adopt rules related to the issuance or reissuance of marijuana retail licenses under the Program. The rules may include strategies for the LCB to receive Program advice from the individuals the Program is intended to benefit. The rules may also require that licenses awarded be transferred or sold only to individuals or groups of individuals who comply with initial licensure requirements under the Program.

***Licensure Fee.*** The annual fee for the issuance, reissuance, or renewal for any marijuana retailer license under the Program must be equal to the license fee for marijuana retail licensees.

#### **Technical Assistance Program.**

A Marijuana Social Equity Technical Assistance Competitive Grant Program (Competitive Grant Program) is established under the Department of Commerce (Department).

The Competitive Grant Program requires the Department to award grants on a competitive basis to marijuana retail license applicants who are social equity applicants submitting a Plan under the Program. The Department must award grants primarily based on the strength of the Plan submitted by applicants, but they may also consider additional criteria as deemed necessary or appropriate. Eligible technical assistance activities under the Competitive Grant Program include:

- assistance navigating the marijuana retailer licensure process;
- marijuana-business specific education and business plan development;
- regulatory compliance training;
- financial management training and assistance in seeking financing; and
- connecting social equity applicants with established industry members, tribal marijuana enterprises, programs for mentoring, and other forms of support approved by the LCB.

The Competitive Grant Program is funded with a \$1.1 million annual appropriation from the Dedicated Marijuana Account. The Department may solicit, receive, and expend private contributions to support the Competitive Grant Program.

The Department may adopt rules to implement the Competitive Grant Program.

**Marijuana Social Equity Task Force.**

The Marijuana Social Equity Task Force (Task Force) is established. The purpose of the Task Force is to make recommendations to the LCB on, among other topics, establishing a program for the issuance and reissuance of existing marijuana retail licenses. The Task Force must also advise the Governor and the Legislature on policies that will facilitate the development of Program.

***Task Force Members.*** The Task Force is composed of both legislative and non-legislative members. The President of the Senate and the Speaker of the House of Representatives jointly appoint the following members of the Task Force:

- a member of the Commission;
- a member of the Washington State Commission on Hispanic Affairs;
- a member of the Governor's Office of Indian Affairs;
- a member from an organization representing the African American community;
- a member from an organization representing the Latinx community;
- a labor organization involved in the marijuana industry;
- a member from the LCB;
- a member from the Department;
- a member from the Office of the Attorney General;
- a member of the Association of Washington Cities;
- two members that hold a marijuana retail license; and
- two members that hold a producer or processor license, or both.

The Chair of the Task Force may also invite additional individuals representing other sectors to the task force to participate in an advisory capacity in meetings, in consultation with the appointed members of the Task Force.

***Reporting and Recommendations.*** The Task Force must submit a report, or multiple reports, on recommended policies that will facilitate the development of the Program in Washington. The Task Force is encouraged to submit individual recommendations as soon as possible to facilitate the LCB's early work to implement the recommendations. The final recommendations must be submitted to the Governor, the LCB, and the Legislature by December 1, 2020.

The recommendations from the Task Force must include:

- factors the LCB must consider in distributing available marijuana retailer licenses that have been subject to forfeiture, revocation, or cancellation by the LCB, or marijuana retailer licenses that were not previously issued by the LCB but could have been issued without exceeding the limit on the statewide number of marijuana retailer licenses; and
- whether any additional marijuana licenses should be issued beyond the existing total amount of marijuana licenses.

**Rulemaking.** The LCB may adopt rules to implement the recommendations of the Task Force. However, a Task Force recommendation to increase the number of retail outlets above the statewide limit must be approved by the Legislature

**Additional Provisions.** The Task Force is required to hold its first meeting by July 1, 2020. The Task Force is required to elect a Chair from among its legislative members at the first meeting. Staff support for the Task Force must be provided by the Health Equity Council of the Governor's Interagency Council on Health Disparities. If legislation is enacted creating an Office of Equity by June 30, 2020, then responsibility for providing staff support for the Task Force must be provided by the Office of Equity upon the request of the Office.

A public comment period must be provided at every Task Force meeting.

The Task Force expires June 30, 2022.

**Votes on Final Passage:**

House	55	41	
Senate	28	20	(Senate amended)
House	57	40	(House concurred)

**Effective:** June 11, 2020