



Proposed Revisions to the Medical Marijuana Regulations

Planning Commission
Study Session



Mayor & Council Direction

April 8, 2014 – Council initiates amendments to the regulations as follows:

1. Lift the size limitation of offsite cultivation site for I-1 and I-2 zone parcels only.
2. Allow infusion kitchen to be permitted within the dispensaries and offsite cultivation sites.
3. Include a sunset clause of two years from final adoption.
4. Study the impact of the proposal on potential sites in the industrial zones.



Background

November 2, 2010 – Proposition 203 – legalization of medical marijuana approved by voters

November 23, 2010 – City adopts medical marijuana regulations

April 8, 2014 – Council initiates amendments to the regulations

May 14, 2014 – Stakeholder meeting to discuss draft proposal



State Legislation

on Dispensary and Cultivation Site Relation

- There can only be (1) Dispensary per Community Health Analysis Area (CHAA)
- An individual Dispensary can have only one Cultivation Site, either at the Dispensary or Offsite
- The Dispensary's Cultivation Site may be located anywhere in the state where a Cultivation Site is allowed by local jurisdiction
- A CHAA may have more than one Cultivation Site



City Regulation Dispensary

- Permitted Zones – C-2 & C-3
- Floor area – 2,500 SF maximum
- Hours of Operation – 9:00 am to 7:00 pm
- Setback requirements -
 - 1,000 feet: school, childcare, church, library or public park
 - 2,000 feet: other dispensary or offsite cultivation sites or substance abuse diagnostic and treatment facility or other licensed drug or alcohol rehabilitation facility



City Regulation

Offsite Cultivation Site

- Permitted Zones – C-2, C-3, I-1 & I-2
- Floor area – **3,000 SF maximum**
- Setback requirements –
 - 1,000 feet: school, childcare, church, library or public park
 - 2,000 feet: other dispensary or offsite cultivation sites or substance abuse diagnostic and treatment facility or other licensed drug or alcohol rehabilitation facility



Item Under Consideration #1

- 1. Lift the size limitation of offsite cultivation site for I-1 and I-2 zone parcels only.**



Statewide Comparison of Offsite Cultivation Site

	Permitted Zones	Approval Process	Max Floor Area Permitted (Square Feet)	Number of Offsite Cultivation Site
A.R.S.	•NA	Approval to Operate	NA	25
Flagstaff	•Highway and Urban Commercial •Light and Heavy Industrial	Administrative	No space size limit (previously 5,000)	1
Glendale	•Light and Heavy Industrial	Administrative	25,000	2
Marana	•Residential, Commercial, Industrial, and Quasi-public Lot •Designated Flood Plain •Transportation Corridor	Conditional Use	Offsite Cultivation Prohibited	0
Mesa	•Limited and General Industrial	Administrative	25,000	3
Oro Valley	•Medium- and High-Intensity Commercial	Administrative	2,000	0
Peoria	•Business Park Industrial •Planned Light Industrial •Light and Heavy Industrial	Conditional Use	No space size limit	1
Phoenix	•Suburban Ranch •Light Industrial	Administrative	No space size limit	7
Pima County	•CB-2	Conditional Use	2,000	0
Sahuarita	•Transitional Zone •General Business Zone	Administrative	2,000	0
Scottsdale	•Special Campus •Industrial Park	Conditional Use	No space size limit	0 (1 underway)
Tempe	•General and Heavy Industrial	Administrative	Limited SF with one exit	1 (4,864 SF)
Tucson	•General and Intensive Commercial •Light and Heavy Industrial	Administrative	3,000	3



Proposed Revisions

To amend Sec. 4.9.9.2.a to:

- A. Indicate that the maximum area of 3,000 SF applies to the C-2 & C-3 zones only;
- B. Remove the maximum floor area restriction in the I-1 & I-2 zones



Item Under Consideration #2

2. Allow infusion kitchens to be permitted within the dispensaries and offsite cultivation sites.

Proposed Revision

To amend Sec. 4.9.9.1.I and add Sec. 4.9.9.2.H to allow infusion kitchens within dispensaries and offsite cultivation sites.



Item Under Consideration #3

3. Include a sunset clause of two years from final adoption.

Proposed Revisions

Establish as a separate ordinance not included as part of the UDC a sunset provision of January 31, 2017, unless extended by Council. If not extended, Sec. 4.9.9.E will revert back to the medical marijuana regulations adopted by Council on November 23, 2010.

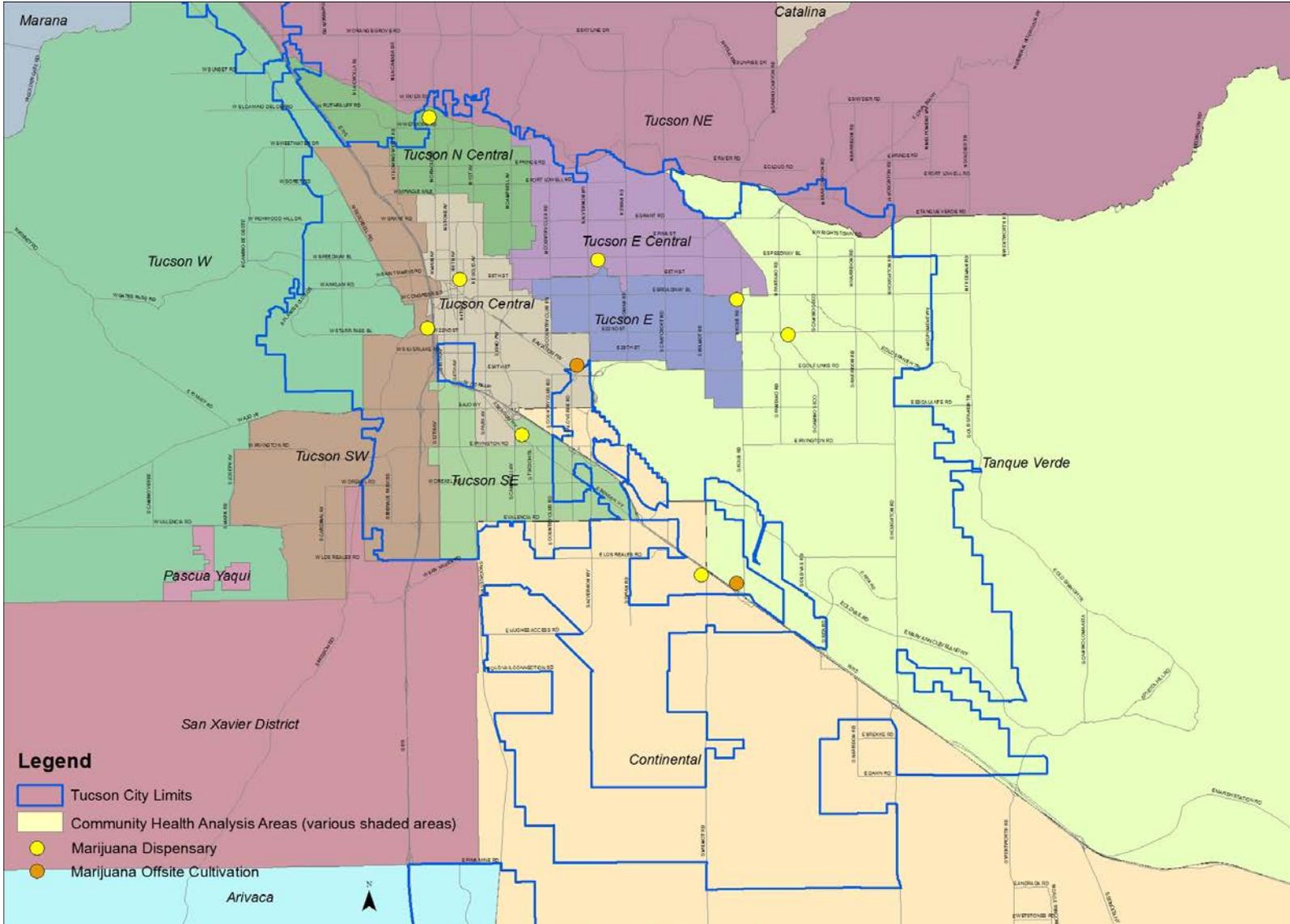


Item Under Consideration #4

Study the impact of the proposal on potential sites in the industrial zones.



Dispensary and Offsite Cultivation Sites



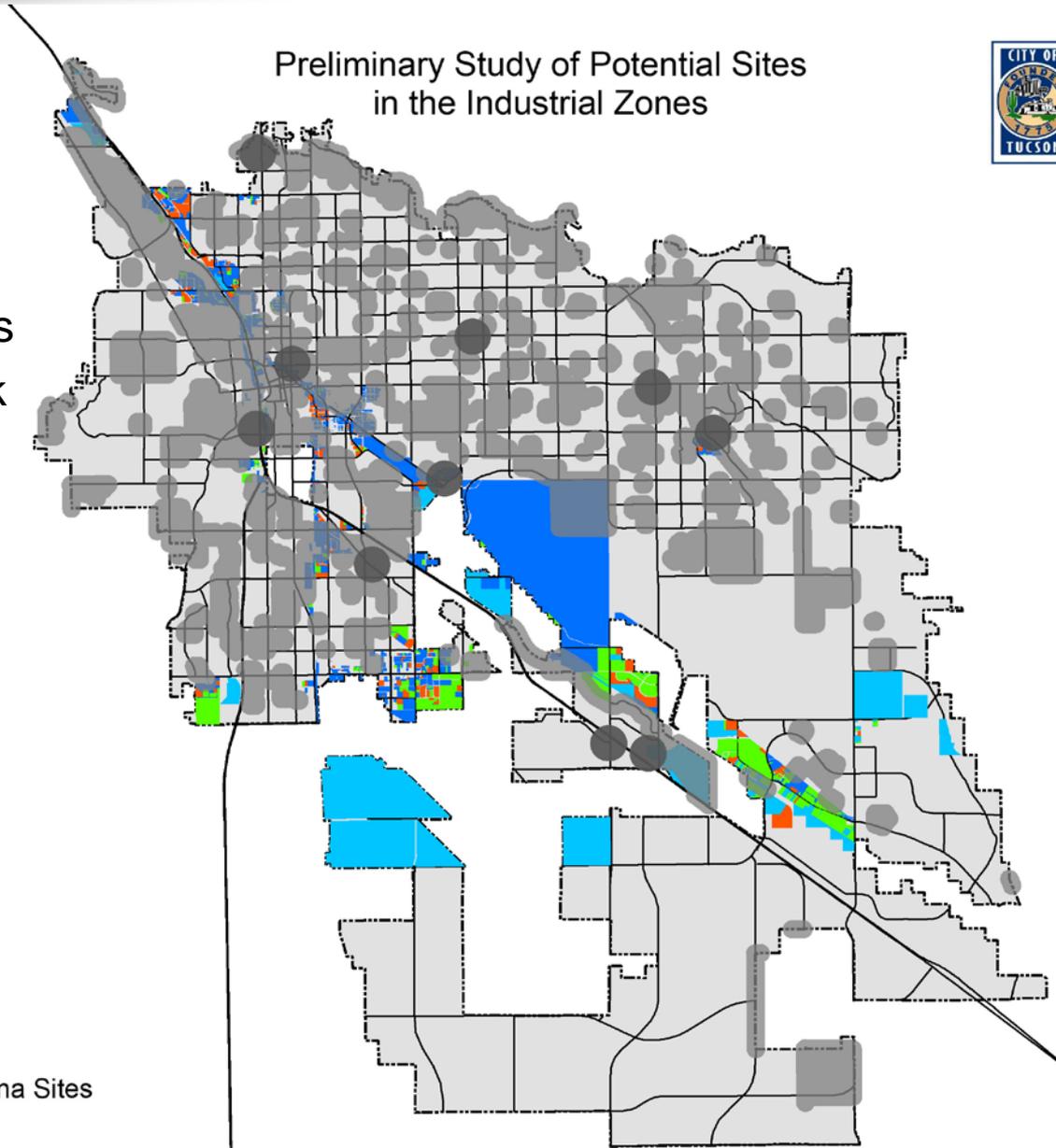


Preliminary Study of Potential Sites in the Industrial Zones



Impact of potential sites in industrial zones:

- Setback from sensitive uses
- Applying 2,000 foot setback on vacant, industrial areas reduces locations
- Vacant and developed industrial land not all on the market



- Light Industrial (I-1)
- Heavy Industrial (I-2)
- Vacant Industrial Parcel
- Industrial Warehouse
- 2,000' Setback Buffer around Medical Marijuana Sites
- 1,000' Setback Buffer around Sensitive Uses



Evaluation Outcome

- Approximately twelve I-1 or I-2 zoned sites meet all the setback requirements
- Setback requirement is the most limiting factor



Statewide Comparison of Offsite Cultivation Setback

	School	Childcare	Church	Library	Park	Substance Abuse	Other Medical Marijuana Site	Residential Zones
A.R.S.	500	NA	NA	NA	NA	NA	NA	NA
Flagstaff	750	750	750	750	750	750	2,000	NA
Glendale	1,320	NA	NA	NA	NA	NA	5,280	1,320
Marana	1,000	1,000	1,000	1,000	1,000	2,000	2,000	NA
Mesa	1,200	NA	1,200	1,200	1,200	NA	2,400	NA
Oro Valley	1,000	1,000	NA	NA	NA	NA	2,000	NA
Peoria	1,000	1,000	NA	NA	NA	NA	2,640	500
Pima County	1,000	1,000	1,000	1,000	1,000	1,000	2,000	NA
Phoenix*	1,320	1,320	500	NA	1,320	NA	5,280	1,000
Sahuarita	1,000	1,000	1,000	1,000	1,000	1,000	2,000	NA
Scottsdale	500	NA	NA	NA	NA	NA	1,320	500
Tempe	1,320	1,320	1,320	1,320	1,320	NA	1,320	NA
Tucson	1,000	1,000	1,000	1,000	1,000	2,000	2,000	NA

*shall be setback 1,000 feet from all property lines



Setback Reduction

- Planning Commission may consider amendments to setback requirements affecting offsite cultivation sites in I-1 and I-2 zones.



Stakeholder Meeting

May 14, 2014 – Stakeholders made the following comments:

1. The 2,000 foot setback is the most limiting standard preventing offsite cultivation sites in the industrial zones.
2. The increasing of the offsite cultivation site's size does not appear to substantially affect the proliferation of sites City-wide.
3. Include a sunset clause of **four** years from final adoption for establishing businesses.



Staff Recommendation

- Set this item for a public hearing on July 16, 2014.