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CITY COUNCIL REPORT

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TO: Mario Paniagua
Deputy City Manager

FROM: Alan Stephenson
Planning & Development Director

SUBJECT: UPDATE ON MEDICAL MARIJUANA REGULATIONS

This report provides an update to the Neighborhoods, Housing and Development (NHD) Subcommittee and requests direction for Text Amendment to the Zoning Ordinance to strengthen medical marijuana regulation for dispensaries, cultivation and infusion facilities for medical marijuana.

THE ISSUE

The voters of the State of Arizona passed the Arizona Medical Marijuana Act (AMMA), Proposition 203, on November 2, 2010. In an effort to ensure patient access, Arizona Department of Health Services (ADHS) limited the number of registered dispensaries according to geographic regions referred to as Community Health Assessment Areas (CHAA). CHAAs were initially developed by ADHS using census data to divide the population by location and density. Because of this, more densely populated areas have more CHAAs. ADHS allowed one (1) dispensary registration certificate to be issued per CHAA. Qualifying patients who register with the ADHS will be able to obtain medical marijuana from nonprofit dispensaries licensed by ADHS. The law limits the number of facilities based on licensed pharmacies within the State of Arizona. The City of Phoenix established medical marijuana regulations in 2010, prior to the final rules adopted by the state.

The State of Arizona rules allow for a dispensary to move locations within their CHAA at any time and outside of their CHAA, to anywhere in the state, after three years of operation (R9-17-306.B.1.a). Because the majority of dispensaries operating in Arizona were issued certificates in 2012, most are now eligible to relocate. August 2015 was the first time when dispensary certificate holders could move outside of the assigned areas. In order to relocate, a medical marijuana dispensary must do the following:

- complete an application with ADHS
- submit copies of use/occupancy permits issued by local jurisdictions
- submit an attestation that the location meets local zoning requirements
- submit a detailed site/ floor plan, and
- pay a \$2,500 fee

The time frame for ADHS to process a location change is 90 days from the day all required materials are submitted.

OTHER INFORMATION

The City of Phoenix requires all medical marijuana facilities to obtain a use permit through a public hearing. Medical marijuana dispensaries are allowed in C-2

(Intermediate Commercial), C-3 (General Commercial), A-1 (Light Industrial), and A-2 (Industrial). Medical marijuana cultivation and infusion sites are allowed in S-1 (Ranch or Farm – Residence), S-2 (Ranch or Farm – Commercial), A-1, and A-2.

There are spacing requirements from other medical marijuana facilities, whether dispensaries, cultivation or infusion sites, from residential zoned properties, from schools, parks, playgrounds, and from places of worship. Attachment A includes a table that shows the requirements in comparison with other large jurisdictions in Arizona, and Attachment B indicates the total number of each existing type in the Phoenix area.

RECOMMENDATION

Staff requests direction from the NHD Subcommittee on a Text Amendment to the Zoning Ordinance to strengthen medical marijuana regulations for dispensaries, cultivation and infusion facilities.

Attachments:

- A: Summary Medical Marijuana Regulations- Arizona Jurisdictions
- B: Types of Medical Marijuana Facilities in Phoenix

**Attachment A
Summary of Existing Medical Marijuana Local Regulations- Arizona Jurisdictions**

Jurisdiction	Hours of Operation	Distance between Medical Marijuana facilities	Size	Distance from Day Care Facility	Distance from Church/Worship	Distance from School	Distance from Public Library or Park	Distance from Residential Districts
Phoenix	8 am - 7 pm	5280 ft.	2000 sq. ft. net area for Dispensary only and does not have a size limitation on other MMJ types.	NONE	500 ft.	1320 ft.	1320 ft.	250 ft. from Dispensary/1000 ft. from Cultivation and Infusion
Flagstaff	8 am - 7 pm	2000 ft.	250 sq. ft. max (caregiver cultivation)	500 ft.	NONE	500 ft.	500 ft.	NONE
Peoria	8 am - 7 pm	2640 ft.	NONE	1000 ft.	NONE	1000 ft.	NONE	500 ft.
Surprise	NONE	3000 ft.	2500 sq. ft. gross max	1500 ft.	500 ft.	1500 ft.	1500 ft.	500 ft.
Tucson	9 am - 7 pm	2000 ft.	2500 sq. ft. dispensary 3000 sq. ft. cultivation 250 sq. ft. caregiver	1000 ft.	1000 ft.	1000 ft.	1000 ft.	NONE
Tempe	8 am - 6 pm	1320 ft.	NONE	1320 ft.	1320 ft.	1320 ft.	1320 ft.	500 ft.
Scottsdale	6 am - 7 pm	1320 ft.	NONE	NONE	NONE	500 ft.	NONE	500 ft.
Maricopa County	NONE	1500 ft.	NONE	1500 ft.	1500 ft.	1500 ft.	1500 ft.	NONE
Pima County	9 am - 5 pm	2000 ft.	2000 sf dispensary 2000 cultivation 250 sq. ft. caregiver	1000 ft.	1000 ft.	1000 ft.	1000 ft.	NONE

Attachment B

Types of Medical Marijuana Facilities located in Phoenix

Type of Facility	Number of facilities
Dispensaries	10
Cultivation (only)	8
Infusion (only)	0
Combination (dispensary and cultivation)	4
Combination (dispensary, cultivation, and infusion)	4
Combination (cultivation and infusion)	8