



MEMO

TO: Planning and Zoning Commission

FROM: Sheila DeSchaaf, AICP
Zoning Administrator

DATE: October 8, 2012

SUBJECT: Unified Development Code Amendment-Medical Marijuana Uses **P12-005**

Background:

Proposition 203, Arizona Medical Marijuana Act, was passed by the voters in 2010. Arizona Revised Statutes (A.R.S.) 36-2806.01 as adopted by Section 3 of Proposition 203 holds that cities and towns may enact reasonable zoning regulations that limit the use of land for registered nonprofit medical marijuana dispensaries to specified areas. The Town of Payson subsequently created and adopted Unified Development Code (UDC) Section 15-15, Medical Marijuana Uses. In April 2011, the Arizona Department of Health Services (“DHS”) approved Regulations to implement Proposition 203. Finally, in August of 2012, DHS conducted a lottery to allocate the first group of medical marijuana dispensaries.

Analysis:

Now that the Arizona Department of Health Services has finalized their guidelines and procedures, and awarded over 100 dispensary certificates, it may be necessary to amend existing Town of Payson zoning provisions.

Currently, although we restrict the number of dispensaries, we do not similarly restrict the number of offsite cultivation locations or mandate that an offsite cultivation location must be associated with a dispensary operating within the Town of Payson. Therefore, so long as an offsite cultivation location met existing separation requirements a permit for operation could be obtained regardless of where the dispensary associated with that cultivation facility is located.

The proposed amendments to the Unified Development Code (UDC) Section 15-15, Medical Marijuana Uses shown below would restrict the number of possible dispensaries and offsite cultivation locations allowed within the Town of Payson to one each, and it would only allow the offsite cultivation facility if the cultivation facility was supplying the dispensary licensed to service the Community Health Analysis Area (CHAA) in which Payson is located:

15-15-006 Medical Marijuana Dispensary Offsite Cultivation Locations

~~A medical~~ Medical marijuana dispensary offsite cultivation locations not associated with a medical marijuana dispensary located in Payson are is prohibited. ~~and only~~ Only one medical marijuana dispensary offsite cultivation location shall be permitted for any the single-medical marijuana dispensary located in Payson with which it is associated.

15-15-007 Number of Medical Marijuana Dispensaries

The number of medical marijuana dispensaries permitted within the limits of the Town of Payson shall be limited to one ~~two~~. The number of permitted medical marijuana dispensaries shall be increased by one for each population increase of 50,000 over and above the official 2010 census for Payson.

Staff Recommendation:

There has been some interest from licensed dispensaries to locate their offsite cultivation facilities in Payson to supply their dispensaries, which are located in other CHAAs. Payson's climate is also reported to be particularly conducive to the growing and propagation of marijuana. The effects of having a proportionately large number of cultivation facilities within a rather small geographic area have not yet been demonstrated. Therefore, staff recommends the Planning and Zoning Commission should recommend to the Town Council approval of the amendments as drafted.

Suggested Motion to recommend APPROVAL:

If the Commission agrees with the proposed amendments, a possible motion could be:

“I move the Planning and Zoning Commission recommend to the Town Council approval of P12-005, an amendment to Medical Marijuana Uses, Section 15-15 of the Unified Development Code, to restrict the number of dispensaries and offsite cultivation locations as drafted by staff.”