



## City of Phoenix

PLANNING AND DEVELOPMENT SERVICES

### Staff Report Zoning Ordinance Text Amendment TA-4-20 (Medical Marijuana Dispensary Size) July 1, 2020

**Application Z-TA-4-20:** Amend Chapter 6, Sections 623 (Commercial C-2 District – Intermediate Commercial) and 627 (Industrial A-1 District – Light Industrial District) of the Phoenix Zoning Ordinance to increase the maximum net floor area for nonprofit medical marijuana dispensaries.

**Staff recommendation:** Staff recommends approval of Z-TA-4-20 as shown in the recommended text in Exhibit A.

#### **PURPOSE/BACKGROUND**

The intent of this text amendment is to reassess the current zoning regulations for the size of non-profit medical marijuana dispensaries within Phoenix and update as necessary.

The voters of the State of Arizona passed the Arizona Medical Marijuana Act (AMMA), Proposition 203, on November 2, 2010. Jurisdictions adopted the local zoning regulations before the State rules were adopted. Phoenix established a dispensary size limitation to be no larger than 2,000 square feet which includes all storage areas, retail and office space, patient lobby and check-in area, bathrooms, mechanical room, hallways, etc. This limits the retail space to between 700 and 900 square feet which is less than half of the allowable square footage. An increase in dispensary size will allow dispensaries to respond to a sustained increase in demand for medicine, improved patient privacy, and align the City's size limitation for dispensaries with other jurisdictions and previous variance approvals. Two dispensaries were granted variances to increase the dispensary size from 2,000 to 5,000 square feet since 2019. Exhibit B provides a summary of other jurisdictions' regulations for nonprofit medical marijuana dispensary sizes. Phoenix is currently at the lower end of the size restrictions while several cities do not limit dispensary sizes at all.

The Arizona Department of Health Services has reported yearly increases in the number of registered patients and the amount of medical marijuana purchased since the passage of Proposition 203. Based on the numerous reviews of existing non-profit medical marijuana dispensaries, there are not significant public safety issues or detrimental effects from these establishments. The proposed amendment will not change the number of licensed non-profit medical marijuana dispensaries within Phoenix

The Phoenix General Plan established Five Core Values for the city. One of the Core Values is Connecting People and Places. One of the goals this Core Value promotes the activation of underutilized property. The goal states, “vacant and underdeveloped land in the older parts of the city should be developed or redeveloped in a manner that is compatible with viable existing development and the long-term character and goals of the area.” Many of the non-profit medical marijuana dispensaries have located in existing vacant buildings in older parts of the city.

Staff recommends an increase of the maximum net floor area for nonprofit medical marijuana dispensaries from 2,000 square feet to 5,000 square feet.

### **Conclusion**

Staff recommends approval of Z-TA-4-20 as shown in the recommended text in Exhibit A.

### **Writer**

T. Gomes

7/1/20

### **Exhibits**

- A. Proposed Language
- B. Summary of other jurisdictions regulations

**EXHIBIT A**

**Text Amendment Z-TA-4-20: Medical Marijuana Dispensary Size**

**Proposed Language:**

**Amend Section 623.D.124.d (Commercial C-2 District – Intermediate Commercial) to read as follows:**

\* \* \*

124. Nonprofit medical marijuana dispensary facility, subject to the following conditions and limitations; failure to comply with the below regulations and requirements is subject to revocation per Section 307.

\* \* \*

d. Shall not exceed ~~2,000~~ 5,000 square feet of net floor area dedicated exclusively to the nonprofit medical marijuana dispensary; this shall include all storage areas, retail space and offices for the nonprofit medical marijuana dispensary.

\* \* \*

**Amend Section 627.D.92.c (Industrial A-1 District – Light Industrial District) to read as follows:**

\* \* \*

92. Medical marijuana dispensary facility, subject to the following conditions and limitations; failure to comply with the below regulations and requirements is subject to revocation per Section 307:

\* \* \*

c. Shall not exceed ~~2,000~~ 5,000 square feet of net floor area; this shall include all storage areas, retail space and offices.

\* \* \*

**EXHIBIT B**  
**Summary of other jurisdictions regulations**

<b>SUMMARY OF MEDICAL MARIJUANA DISPENSARY SIZES</b>	
<b>Jurisdiction</b>	<b>Dispensary Size</b>
Phoenix	2,000 square feet
Chandler	2,500 square feet
Flagstaff	No maximum size limit
Gilbert	3,000 square feet
Glendale	6,000 square feet
Mesa	2,500 square feet
Peoria	No maximum size limit
Scottsdale	No maximum size limit
Surprise	No maximum size limit
Tempe	5,000 square feet
Tucson	4,000 square feet
Maricopa County	No maximum size limit
Pima County	2,000 square feet