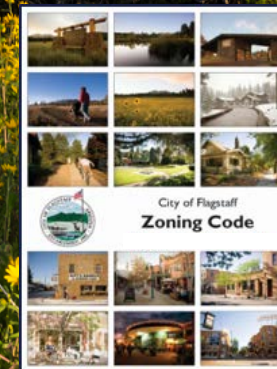


Adult Use Marijuana Retail Sales

City Council Work Session

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Adult Use Marijuana Retail Sales

Smart and Safe Arizona Act – Proposition 207

- **The Act decriminalizes the use and possession of up to one ounce of recreational marijuana by a person who is at least 21 years of age.**
- **In June 2021, the Flagstaff City Council adopted Ordinance 2021-13, which enacted regulations for the sale of recreational marijuana including:**
 - **Modified the Medical Marijuana Dispensary definition to be inclusive of the medical and a dual (medical and recreational) state certified location that is authorized to sell marijuana and marijuana products to consumers and have accessory uses (cultivation, manufacturing, processing, packaging, or storage of marijuana products).**



Adult Use Marijuana Retail Sales

Background

- Prior to the Smart and Safe Act there was a total of 130 existing medical marijuana dispensaries in Arizona.
- After the adoption, the existing 130 medical marijuana dispensaries were allowed to become dual licensed facilities by adding adult use retail sales.
- The total number of medical dispensaries (which can be dual licensed facilities) is dependent upon the number of pharmacies in the State. It has been several years since the license numbers have been adjusted, so there is a potential for additional licenses in the future.



Adult Use Marijuana Retail Sales

Smart and Safe Provisions

- 13 adult use licenses (recreational only) in rural counties. These licenses were awarded in April 2021. Of these 13 licenses approximately 6 retail facilities have opened. The remaining licenses were set to expire October 2022.
- 26 adult use licenses for social equity applicants. These licenses were awarded in April 2022 and are set to expire in October 2023. To date none of these licenses have opened a retail facility.
- The Act allows municipalities to prohibit adult use retail facilities. If a municipality chooses to allow adult use retail sales, a municipality must treat all retail facilities the same. Several municipalities have not updated their zoning code requirements in response to the Smart and Safe Act.



Adult Use Marijuana Retail Sales

Gilbert, AZ

- Had one existing dispensary prior to the Smart and Safe Act which became a dual facility.
- Both Chandler and Mesa have several dispensaries near the city limits of Gilbert.
- The City opted not to allow recreational only sales.
- The only complaint in regard to the existing dispensary was in relation to parking.



Adult Use Marijuana Retail Sales

Tucson, AZ

- Working on text amendments to allow adult use recreational sales establishments with a Mayor & Council Special Exception land use procedure, which requires a neighborhood meeting, Zoning Examiner Public Hearing, and Mayor & Council review (similar to our Conditional Use Permit). Pima County has already adopted similar provisions.
- Tucson has already reduced separation requirements because of unintended consequences.



Adult Use Marijuana Retail Sales



Noble Herb Tour

- Staff recently participated in a tour of a local dual licensed facility.
- Not all retail establishments include the same level of manufacturing and production of products such as Noble Herb.
- The manufacturing portion of the retail sales adds additional complexity to this issue.



Adult Use Marijuana Retail Sales

Staff Direction

- **Should the proposed zoning code text amendment to allow adult use only marijuana retail establishments be delayed until more cities have adopted similar provisions?**
- **Should the request for the text amendment come from the industry representatives directly?**
- **Should staff rewrite the proposed text amendment to include provisions to require a conditional use permit for all marijuana retail establishments?**



Marijuana Operations

Questions, Comments, and Suggestions

