

Subject: FW: [EXTERNAL] Planning Commission Study Session Request to Speak and Submittal of Comments/Questions

Date: Tuesday, November 1, 2022 at 3:06:53 PM Mountain Standard Time

From: PlanningCommission

To: Daniel Bursuck, Koren Manning

From: Dan Gauthier <dan.gauthier@zonedproperties.com>

Sent: Tuesday, November 1, 2022 3:06:45 PM (UTC-07:00) Arizona

To: PlanningCommission <PlanningCommission@tucsonaz.gov>

Cc: Patrick Moroney <patrick.moroney@zonedproperties.com>

Subject: [EXTERNAL] Planning Commission Study Session Request to Speak and Submittal of Comments/Questions

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Good afternoon,

I would like to submit a request to speak at the 11/2/2022 Planning Commission Study Session for item 3 (C8-22-05 Medical and Adult-Use Marijuana Special Exception UDC Text Amendment). I am also submitting the questions below for Commission discussion during the public hearing.

Speakers: Dan Gauthier and Patrick Moroney

Phone number: 480-747-1268 and 602-684-6271

Item 3, C8-22-05 Medical and Adult-Use Marijuana Special Exception UDC Text Amendment

Questions for the hearing:

1. Will the City of Tucson require that existing dispensaries with dual use licenses that are operating today and/or have received City use authorization to operate go through the Special Exception process to confirm they are in good standing or comply with the new City process, in order to provide adult use marijuana to consumers?
2. Given that social equity license holders must open for business by October 2023, and further that the Special Exception process is estimated to take 4-6 months, will the City allow potential applicants to start the Special Exception process prior to council adoption (e.g. pre-app meeting, application submittal, etc.)?
3. Will the Special Exception Process for medical and adult-use marijuana mirror the existing Special Exception process contained in sections 3.4.3 and 3.4.4 of the UDC?

Thank you,



Dan Gauthier

Chief Legal Officer at Zoned Properties, Inc.

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Tucson Planning & Development Services
201 N. Stone Ave.
Tucson, Arizona, 85701

Via email: PlanningCommission@tucsonaz.gov

November 1, 2022

Commissioners,

I am writing this evening as a representative of Trulieve Cannabis Corp., currently operating dual medical and adult use dispensaries in Tucson under both our former brand, Harvest, as well as our current brand, Trulieve.

I write tonight to respectfully request that the Planning Commission accommodate developments that have relied on the existing UDC regulations for dispensaries, prior to public introduction of this current ordinance. Some dual-licensed operators have invested significant efforts to create economic expansion opportunities in the Tucson market, based on the current regulations, as by-right uses.

Due to the zoning restrictions and sensitive use requirements for our industry, alongside the difficulty in finding landlords willing and able to lease to cannabis businesses, the property search for a new dispensary requires considerable time and resources. Most recently, our team has spent a months-long search to vet dozens of sites and has chosen a site in compliance with all existing UDC regulations, resulting in executing a long-term lease with the property owner, based on reliance of the existing UDC regulations.

We are hopeful that the Planning Commission considers existing projects that were started in reliance on the current UDC and allow for those projects to continue to proceed under the UDC in place at the time in which they first submitted to the city. We otherwise support the changes to the UDC for dispensary projects going forward.

In addition to the above, we are supportive, while the ordinance is open, of removing the requirement that 25% of the dispensary be a waiting room area for patients. Whereas that 25% threshold was originally contemplated for the medical program, now that the vast majority of dispensaries will be either dual-use or recreational only, the waiting room requirement has become obsolete. By removing that requirement, dispensaries will be able to otherwise utilize the space to accommodate an increased patient & customer base.

Thank you for your consideration,

A handwritten signature in black ink, appearing to read "Lauren Niehaus".

Lauren Niehaus
Executive Director of Government Relations
Lauren.Niehaus@Trulieve.com
303.827.9039

CC: Daniel Bursuck, Manager of Code Development - Daniel.Bursuck@tucsonaz.gov

Trulieve Cannabis Corp.
1155 W. Rio Salado Pkwy. Ste 201
Tempe, AZ 85281

Information for the November 2, 2022, Planning Commission Public Hearing Cannabis Social Equity In the City of Tucson

October 31, 2022,

**From: Jim Mazzocco, zoning consultant
for Green Med Dispensary, 6464 E. Tanque Verde Road, Tucson.**

Update for November 2, 2022, Planning Commission Public Hearing: Most of the information below was provided in June of this year to the City. It now has some updated information and language.

We understand that the staff has recommended using the Mayor and Council Special Exception process for any new dispensaries that came into existence because of the 2020 Proposition 207 and the implementation of a social equity lottery by the Arizona Department of Health Services (DHS) that allocated the 26 new dispensaries.

The staff recommendation will require a new dispensary applicant to be reviewed and recommended by the Zoning Examiner and then approved by the Mayor and Council. The special exception standards are about zoning concerns. The main question: does it meet the existing dimensions and standards of zoning code? A special exception process also includes broad performance and development standards focused on nuisance control.

The proposal we describe below envisions a City cannabis social equity program that for about a year can create internships and scholarships based on remediation fees required of or donated by new dispensaries. It has more steps and issues thus is a more complicated process. Also there is no guarantee a dispensary would want to locate in the City because of this approach. However, it has zoning incentives for locating dispensaries in distressed areas defined by DHS. The information below talks about how a job training program could focus on the cannabis and hemp industries but could include urban agriculture and general business entrepreneurship.

There is no doubt that the simpler response to the Mayor and Council's direction is to bring forth a Mayor and Council Special Exception Process and focus on the known area of zoning review. If the Mayor and Council wants to discuss more than zoning issues with future dispensary applicants maybe looking at the draft cannabis social equity ordinance can offer them some ideas outside of zoning.

MATERIALS PREVIOUSLY SUBMITTED IN JUNE 2022- The information below contains the following areas:

- **Background on cannabis social equity with a draft definition,**
- **Some information on how the DHS lottery was done,**
- **A brief overview of marijuana zoning laws in the City,**
- **Information on a potential City cannabis social equity program,**
- **A zoning amendment with a less complicated special exception process and includes incentives when locating in DHS defined distressed areas,**
- **General Plan policies supportive of cannabis social equity job and business training program,**
- **The summarized direction by Mayor and Council with comments,**
- **A Cannabis Social Equity Ordinance to be in the City Code's Chapter 7- Businesses Regulated.**

What Is Cannabis Social Equity?

Social equity is a principle of fairness that involves many disciplines in society from education, health, zoning, transportation planning, housing and more. Social equity normally has two parts: first a recognition of a problem and second a redressing of that problem in some fashion that is considered fair. In this case, Proposition 207 created a social equity program for cannabis at the State level. Below is an example of how this principle would be defined in a standard implementing a cannabis social equity program at the municipal level of government.

Cannabis Social Equity is a recognition of unfair and unjust laws and practices that disproportionately impacted a certain part of the community through previous marijuana laws and that through providing business and workforce opportunities to that community the injustices of the past can be redressed.

Did the Department of Health Services Social Equity Program Promote a Redress of the Impacts of Previous Marijuana Laws through a lottery?

1. DHS's Qualified Applicant had to have at least three of the four criteria; 1) a marijuana conviction, 2) in a poverty level of income, 3) was a relative of someone affected, 4) lived within a DHS defined area of disproportionate impact of previous marijuana laws;
2. Paid an application fee, \$4,000;
3. Went through online training program dealing with legal and business issues;
4. Held a lottery for licenses among qualified applicants– 1,300 were eligible;
5. Winners of the 26 licenses - Phoenix New Times (4-8-22) reported: "...18 applications tied to investors — leaving eight that are independent, at least based on what can be gleaned from public records."
6. DHS stated to a Phoenix New Times reporter it was not against the rules for cannabis investors to sponsor the submittal hundreds of applications.
7. The 26 licenses had certain same name but individually numbered LLCs winning multiple licenses. One example is a group called MCSE which had individually numbered 248 LLCs and some of their LLCs had multiple applications for a total of 390 applications entered into the lottery. Note each application costs \$4,000 thus the total fee for MCSE was \$1.56 million and they won 5 licenses. Another LLC called MCD-SE had 90 applications at the cost of \$360,000 and won 2 licenses. Another LLC called Your Better Horizon had 124 applications at a cost of \$496,000 and won 3 licenses.

Has the City of Tucson Been Fair in Regulating the Cannabis Industry from the Medical Marijuana Period to the Current Recreational Marijuana Period?

In reviewing the actions taken by Mayor and Council since 2010, the majority of changes have been to make the standards less restrictive and more flexible for dispensaries and cultivation sites.

The Mayor and Council has been fair to the local cannabis industry in helping it adjust to problems caused by overregulating that occurred in the past. At the same time, the Mayor and Council has made it clear that the introduction of social equity with future dispensaries in the City is an issue that they want to take seriously. The actions cited below show great accommodation to the industry and focused awareness of the importance of social equity to the City and its voters.

In November 2010, Mayor and Council first adopted a medical marijuana zoning regulation. The regulation allowed for small sizes of 3,000 sq. ft dispensaries and cultivation locations. Spacing requirements were intended to space dispensaries so no informal district of dispensaries could occur, and sensitive uses would not be near dispensaries.

In September 2014, the regulations were made more flexible with modest increases to dispensary size and in the name of supporting local businesses competing with Phoenix and other jurisdictions the Mayor and Council removed size standards from cultivation sites and only retained the State standard for school setbacks for them. It also permitted longer hours, delivery services and infusion kitchens as part of a medical marijuana business.

In February 2016, commercial zone cultivation sites were moderately increased and there were some further reductions in spacing requirements.

In January 2019, the sunset date was removed from the medical marijuana regulation with minor adjustments to odor and lobby size standards.

In April 2021, changes were made affecting dual license dispensaries and a hold was placed on Proposition 207 social equity program dispensaries.

A Proposed Cannabis Social Equity Program in Tucson

Create a Cannabis Social Equity Ordinance (CSEO) is influenced by portions of DHS' program and the City's General Plan policies on Business Climate and Job Workforce Development supporting minority businesses and promoting training and entrepreneurship. The ordinance would establish a Cannabis Social Equity Job and Business Training Program for affected Tucson citizens.

Basic Elements of a CSEO:

1. Purpose statement aligned with General Plan policies;
2. Submit an application showing a business plan summary and form of ownership focused on operation;
3. Have a remediation plan established by Mayor and Council for dispensaries proposing to locate in the City and set criteria for applicants;
4. Have a review by an appointed Cannabis Social Equity Program facilitator;
5. Consider a requirement when in a DHS Defined Area to allow as additional permitted zones C-1, I-1, PI and I-2 zoning, and spacing standards loosened as well as a localized cap on dispensaries;
6. Have Mayor and Council set standards for a remediation fund based on General Plan and ownership and operation criteria. The standards prioritize local businesses as does the General Plan;
7. Have Mayor and Council set standards for qualified applicants of the job and business training program;
8. Request all social equity dispensaries derived from the State lottery to either meet current City zoning standards for a dispensary or request zoning flexibility in the DHS Defined Areas of federal zip codes that would require a donation to the remediation plan's fund. Dispensaries not requesting zoning flexibility are requested to donate an amount determined by their ownership and operation status;
9. The remediation fund run by the facilitator coordinates with dispensaries as needed and helps set up qualified applicants with participating academic programs;
10. Consider a two-year sunset date to evaluate the effectiveness of the program.

Create a Zoning Amendment Supportive of Cannabis Social Equity

Below is a discussion of a potential zoning text amendment. Note: information in grey is draft or summarized ordinance language and *italics* is commentary.

4.9.9. RETAIL TRADE USE GROUP

A. Food and Beverage Sales

...

E. Marijuana Facility

1. **Marijuana Dispensary** . As provided in Section [11.3.9.F.2](#), a marijuana dispensary does not include a Marijuana Establishment. To the fullest extent allowable by law, the operation of a Marijuana Establishment is prohibited in the City of Tucson except where authorized for a dual licensee who:

i) Operates both a nonprofit medical marijuana dispensary and marijuana establishment cooperatively in a shared location; and

ii) Has not forfeited or terminated the nonprofit medical marijuana dispensary registration from the Department.

.....

m. A social equity dispensary reviewed and approved under the Cannabis Social Equity Ordinance (CSEO) (City Code Chapter 7 Business Regulated Article XXVII Cannabis Social Equity) shall meet all the above requirements.

Comment: *The provision above allows a dispensary to obtain zoning approval per the 2019 marijuana facility use specific standards.*

There are already 14 dispensaries in Tucson, and most are owned by local business people. A fair question is how many dispensaries should there be in Tucson? Under current 2019 standards there are undeveloped sites that can support a dispensary today, but it is not clear how many could locate in the City.

The City is now having to deal with an explosive growth of smoke shops. In 2014 when I was part of City staff and worked on the marijuana facility text amendment there were questions from councilmembers about how many dispensaries should there be. That question is still a valid question. Considering at least 18 of the 26 licenses were won by qualified applicants that involved large companies as partners with millions of dollars in resources.

Their size and financial clout puts them at a greater advantage than the local businesses that first came under the 2010 medical marijuana standards that limited them to 3,000 square foot cultivation sites while Phoenix area cultivation sites were unlimited in size.

It is worth the City to consider a cap in 2022 on future dispensaries for the time being to see what effect adding to the already 14 dispensaries has. There could be a temporary cap for, say, ten months at which time

the Mayor and Council can consider an extension or ending it. In addition, Pima County has multiple applications in unincorporated areas currently under review under their version of a Mayor and Council Special Exception called a Type 3 Conditional Use.




1)A social equity dispensary under the CSEO with an approved remediation plan in the Department of Health Services (DHS) Defined Areas described in that CSEO is additionally permitted in the C-1, I-1, PI, I-2 zones subject to compliance with the PSDS Director Special Exception (Sec. 3.4.2) and may obtain the following spacing reductions: up to a 25% spacing reduction for public park, library, licensed residential substance abuse facility or drug abuse or alcohol diagnostic treatment facility and a 1,000-foot spacing from other dispensaries. No more than two dispensaries may be permitted per each DHS Defined Area.

Comment: The provision above focuses on zoning flexibility in the three federal zip codes of 85705, 85713 and 85746. These areas were specifically called out in the DHS standards as a qualification condition for social equity applicants and are characterized as disproportionately impacted by previous marijuana laws.

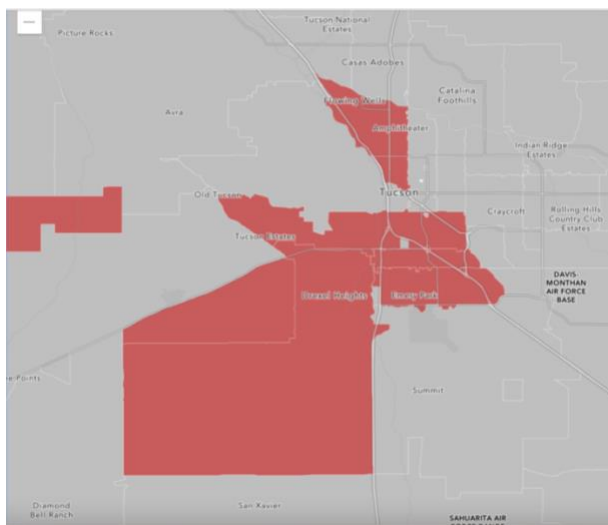
These areas are underserved by dispensaries and allowing some flexibility in permitted zones and spacing in them helps redress the practices that characterized them as areas of criminal incidents. There should be a fairer distribution of dispensaries to include them with caps in the three zip code areas. Allowing a few dispensaries would be in the direction of the principle of cannabis social equity.

Below is an example of a cannabis program that could be part of a job and scholarship program. This example would cost a student about \$10,000.

University of Arizona Credited Cannabis Program

 <p>6 Months • \$2,950</p> <h3>Cannabis Healthcare and Medicine Certificate</h3> <p>From Cannabis 101 to in-depth Integrated Clinical Practice, this is the healthcare knowledge you need to take your career to the next level.</p> <p>Designed For:</p> <ul style="list-style-type: none">• Healthcare providers• Allied health professionals• Retail professionals and manufacturers <p>Learn More About Healthcare and Medicine</p>	 <p>6 Months • \$2,950</p> <h3>Cannabis Law and Policy Certificate</h3> <p>The information and insights you need to participate in the ever-changing legal landscape surrounding the cannabis industry.</p> <p>Designed For:</p> <ul style="list-style-type: none">• Legal professionals• Law enforcement professionals• Those interested in compliance <p>Learn More About Law and Policy</p>	 <p>6 Months • \$2,950</p> <h3>The Business of Cannabis Certificate</h3> <p>Understand the challenges and opportunities presented by the cannabis business as you progress from seed to sale.</p> <p>Designed For:</p> <ul style="list-style-type: none">• Entrepreneurs• Business professionals• Operators and manufacturers <p>Learn More About The Business of Cannabis</p>
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DHS Defined Areas (Zip Codes 85705, 85713, 85746)



Cannabis Social Equity Relevant Policies from City of Tucson General Plan Policies on Business Climate and Job Workforce Development

- JW4 Support and expand entrepreneurship through partnerships, technical assistance, and incentives.
- JW5 Expand opportunities to fulfill local needs with locally produced goods and services to help Tucson capture a greater market share and advance a sustainable economy.
- BC3 Promote and support local, minority-owned, independent, and small businesses involved in the sale and purchase of locally produced goods and services.
- BC4 Provide assistance and incentives to encourage entrepreneurial efforts and technological innovations that lead to local business development and expansion.

Mayor and Council Direction - How a Cannabis Social Equity Ordinance and relevant Zoning Amendments Meet the Criteria

- *“Promote the ownership and operation of marijuana establishments and marijuana testing facilities”*; Comment - The CSEO allows M/C to establish a review of a social equity dispensary and initiate a social equity related job and business training program. Limiting zoning flexibility protects local business from incentivized outside competition.
- *“Provide an additional layer of oversight on any license holder wishing to do business in the City of Tucson”*; Comment - The M/C can adopt a CSEO that requires all new social equity dispensaries to either required or donated funds to support a job and business training program for qualified City applicants for a future working in or starting cannabis, industrial hemp or urban agriculture businesses.
- *“Give the community the opportunity to participate in this process”*; Comment - PDSO has had a stakeholder meeting discussing the next steps on social equity and lottery winning social equity license holders. The community may participate in the public process on adoption of a cannabis social equity ordinance and zoning amendments and any dispensary seeking zoning flexibility through the special exception process. The recommended special exception process includes potential special conditions and an appeal to the Board of Adjustment. It is our recommendation that the City consider a citywide temporary cap on the number of dispensaries until there is a better understanding on their impact on local businesses and the overall business climate of the City.
- *“Avoid adverse impacts on neighborhoods”*; Comment - Social equity dispensaries following the current 2019 marijuana facility zoning standards are treated the same as current dual license facilities in compliance with State laws limiting the restrictiveness of zoning. For social equity dispensaries requesting zoning flexibility, the PDSO Director Special Exception process allows the public and staff to review the site plan, add special conditions, and allows an appeal to the Board of Adjustment. At a minimum it is known that parking, buffering and odors could be issues with dispensaries and a PDSO policy can address these issues in a more focused review.
- *“Establish a Special Exception Procedure”*; Comment - In addressing the 2006 Prop 207 that created an issue of market value compensation to property owners for stricter zoning, the social equity dispensaries that meet the same standards as dual license dispensaries should not require a special exception. However, a social equity dispensary that has paid into the CSEO remediation fund for a job and business training program may apply for a special exception in the DHS Defined Areas. This process is established in the Unified Development Code’s proposed new addition to Sec. 4.9.9.E.1. This section creates a process by reference to Sec. 3.4.2 of the Unified Development Code’s PDSO Director Special Exception Procedure.
- *“Take proactive measures to ensure these licenses are living up to the principle of social equity voters were promised in Proposition”*. Comment - The recommendation is to create a Cannabis Social Equity Ordinance that creates a program with a remediation fund where new social equity dispensaries are either requested to donate funds or are required to donate funds for use of flexible zoning review under the PDSO Director’s Special Exception process. The result is a remediation fund that meets General Plan policies on business climate and job workforce development by creating a job and business training

program funded by partnering with new social equity dispensaries and creating opportunities for qualified City applicants who have been disproportionately impacted by previous marijuana laws.

A PROPOSED NEW SECTION OF THE CITY CODE –

Chapter 7 Businesses Regulated Article XXVII CANNABIS SOCIAL EQUITY

[Alternative name - Marijuana Facility Social Equity Program]

7-514 Purpose:

(a) The purpose of this ordinance is to establish a City of Tucson cannabis social equity program that extends to the municipality level the State program established in ARS §36-2854 which attempted to address the disproportionate negative impacts on certain citizens because of previous marijuana laws.

(b) A key element is the implementation of General Plan policies through building a community partnership with social equity license holders derived from the State social equity lottery. The partnership continues the redressing of lost opportunities of affected citizens by providing an incentive towards a job and business training program.

(c) The ordinance's objectives intend to do the following:

(1) **[FAIR PROCESS CREATED]** Continue the momentum of the ARS §36-2854 social equity program by establishing a City of Tucson social equity program to review **all new** social equity dispensaries applying to locate in the City and addressing a remediation plan as part of the application process.

(2) **[GENERAL PLAN POLICIES USED]** Address ARS §36-2854 Social Equity Program concerns regarding citizens who were disproportionately impacted by previous marijuana laws and to advance General Plan policies regarding Business Climate and Job and Workforce Development that among other goals encourages partnerships and technical assistance in the development of jobs and business opportunities that are directed at underserved communities.

(3) **[OPPORTUNITY FOR DHS DEFINED AREAS]** Create opportunities to locate social equity dispensaries as is practicable in the DHS Defined Areas where there was a disproportionate negative impact from previous marijuana laws and allow in these areas greater zoning flexibility;

(4) **[REMEDIATION FUND]** Create a remediation plan that includes a fund for a job and business training program that if zoning flexibility is requested by a license holder, there is a required fund donation and if zoning flexibility is not requested, a donation is requested by the City to assist the job and business training opportunities for affected City residents;

(5) **[INFORMATION PROGRAM]** Create a Cannabis Social Equity Program Information Base on the City’s website to provide citizens with basic information about the program as well as application information about zoning, remediation fund status and information on internships and scholarships.

7-515 Definitions:

(a) **Cannabis Social Equity**- refers to a recognition of unfair and unjust laws and practices that disproportionately impacted a certain part of the community through previous marijuana laws and that through providing business and workforce opportunities to that community the injustices of the past can be redressed.

(b) **Cannabis Social Equity Facilitator (the Facilitator)** – refers to the person appointed by the City Manager to oversee the remediation plan review for marijuana facilities in the City. In addition, the facilitator may oversee the application review, the training program and the implementation of any remediation conditions attached to an approved facility.

(c) **DHS Defined Areas** - refers to the areas that Arizona Department of Health Services (DHS) identified as being disproportionately impacted by previous marijuana laws. They include federal zip code areas of 85705, 85713 and 85746.

(e) **Multi-Facility Business Entity** – refers to a business owning and operating multiple marijuana facilities that are operated in multiple jurisdictions under the same or similar facility name or the facilities’ parent company has the same name.

(f) **Remediation Plan** – refers to a fund that implements a review process and a strategy of funding a job and business training program that provides job and business opportunities to City of Tucson citizens disproportionately affected by previous marijuana laws. The remediation plan may be required of social equity dispensary applicants proposing to be in the City.

7-516 Establishing a Remediation Fund: The Mayor and Council shall establish a Cannabis Social Equity Program remediation fund for a job and business training program. The requested amount from a dispensary owner applicant may be based on the criteria of this ordinance emphasizing the size, extent and local business status of the applicant. The Mayor and Council may also require a program administration fund be part of the remediation plan. The Mayor and Council shall also establish the criteria for qualified program applicants for entry into the job and business training program.

7-517 General Plan and Ownership/Operation Coordination:

The City of Tucson General Plan policies on Business Climate (BC) and Job Workforce Development (JW) provide decision guidance for this ordinance.

(a) The Facilitator uses the criteria below from the City’s General Plan and determines the type of remediation plan that will be requested of an applicant.

(1) JW4 Support and expand entrepreneurship through partnerships, technical assistance, and incentives.

(2) JW5 Expand opportunities to fulfill local needs with locally produced goods and services to help Tucson capture a greater market share and advance a sustainable economy.

(3) BC3 Promote and support local, minority-owned, independent, and small businesses involved in the sale and purchase of locally produced goods and services.

(4) BC4 Provide assistance and incentives to encourage entrepreneurial efforts and technological innovations that lead to local business development and expansion.

(b) License Holder Ownership and Operation Status. The Facilitator determines the applicant’s owner and operation status.

(1) Level 1 License Holder Ownership. Section 7-157 (a)(3) prioritizes a local and independent business and with a primary owner of a facility in charge of in-house operations, takes part in profits, and indicates intentions to be in charge of operations for at least two years. The name of the facility will have a unique singular name and is not associated with a multi-facility business entity operating in multiple jurisdictions with the same brand name.

(2) Level 2 License Holder Ownership refers to a lottery winning DHS qualified applicant that is sponsored by a multi-facility business entity. Everyday operation is predominantly controlled by the business entity’s staff.

(3) Level 3 The license Holder Ownership refers to a license holder that is a multi-facility business entity.

7-158 Application and Remediation Plan Review: Prior to submitting an application to the Planning and Development Services Department for zoning and development review, a social equity dispensary owner shall submit an application to the Facilitator who shall review for completeness and the remediation plan. The applicant is encouraged to have a pre-application conference with the Facilitator to ensure a sufficient formal review.

(a) The application will be reviewed for Ownership and Operation and General Plan criteria in determining the remediation plan;

(b) An application that is determined to meet Section 7-157 (a)(3) may have a smaller remediation plan than a multifacility business entity;

(c) An applicant requesting a flexible zoning option is required to submit a remediation plan in compliance with Mayor and Council funding requirements;

(d) An applicant not requesting a flexible zoning option is requested to donate the suggested remediation plan amount. An alternative donation or not funding a remediation plan may be allowed;

(e) The dispensary owners’ remediation plans or alternatives will be displayed on the Cannabis Social Equity Program website.

7-518 Determination on Remediation Plan:

(a) The Facilitator shall approve the remediation plan.

(b) Exception. If an applicant requesting a flexible zoning option requests an alternative or not funding a remediation plan, the Facilitator shall make a recommendation to the City Manager for their decision. The City Manager may base their decision on a unique or unforeseen circumstance that the applicant has encountered.

7-519 Remediation Plan Implementation:

The City Manager shall direct the Facilitator to establish a program to coordinate with all participants on funding matters that include participating dispensaries on internships and coordination with participating academic programs and scholarship applicants. Scholarships may include entrepreneurship as well as cannabis, industrial hemp, and urban agriculture areas of study. The City Manager may require a program administration fund as part of the remediation fund.

7-520 Cannabis Social Equity Program Information: The City Manager shall direct the creation on the City of Tucson's website of the Cannabis Social Equity Program. The site will have the Cannabis Social Equity Ordinance, dispensary remediation plan applications, program participant scholarship and internship applications, basic contact information, scholarship and internship availability, selection process information and other useful information on the Cannabis Social Equity Program. The site will also have remediation plan funds by dispensary showing their funding and participation.

November 1, 2022

Our position is that the waiting area requirement as being 25% of the sales floor is unnecessary given that the breakdown of customers by dual licensees are mostly recreational or adult use. The number of medical patients in Arizona has reduced significantly in recent years, notably 315,000 patients in early 2021 to less than 150,000 today.

The social equity marijuana establishments do not require a waiting area as they are not medical. However, if the city's intent for dual licensees and marijuana establishments is keeping patrons from standing in line outside in the extreme weather of summer and winter, we suggest all dual licensees and marijuana establishments require customers to wait outside only if they have reached their maximum fire occupancy limit.

We agree with implementing a special exception process for all new dual licensees or marijuana establishments in the City of Tucson. Letters issued by the City of Tucson for any affected locations prior to December 31, 2022 should not expire until one year after the day of issuance as per the current process.

We do not believe that it is the intent of the City of Tucson to prevent the expansion of current dual licensees or marijuana establishments at their current locations. We ask that the language in the proposed ordinance be indicative of that.

Sincerely,

Moe Asnani