



CITY COUNCIL AGENDA REPORT

September 15, 2020

TO: Mayor and Councilmembers

FROM: Lourdes Aguirre, Finance Director

SUBJECT: Proposed Rate and Fee Schedule for Marijuana Dispensary and Grow Location

AFFECTED DEPARTMENTS: City Wide

ITEM REQUEST: Discussion & Direction

TITLE OF AGENDA ITEM:

DISCUSSION AND DIRECTION REGARDING 2020 AMENDMENTS TO CITY CODE CHAPTER 11 – OCCUPATIONAL LICENSE FEES – MARIJUANA DISPENSARY AND GROW LOCATION RELATED TO ORDINANCE 19-15

EXECUTIVE SUMMARY:

In December of 2019, Mayor & Council approved Ordinance 19-15 which contained City Code Chapter 24 (Zoning) amendments related to the definition and designated use of medical marijuana dispensaries and cultivation locations, capping the maximum square footage allowed for cultivation at 10,000 square feet. The attached fee schedule has been designed to capture at least four size/fee points within the 10,000 square foot maximum and is being proposed to:

- 1.) Ensure the applicant maintains compliance and certification with special zoning provisions regarding square footage of uses and compliance with setbacks and other regulations.
- 2.) Help offset an increase in service calls to the location for nuisance, theft, and disturbing the peace among other potential service calls.

Should Mayor & Council **direct staff to proceed with a notice of intention to establish the proposed fees**, staff will proceed to post the notice on the City's website for 60 days as required by A.R.S. § 9-499.15.

RECOMMENDATION(S): Provide direction to proceed.

Attachment(s): Summary of Proposed New or Modified Fees

City Manager Concurrence: _____

COPY

City/Town of South Tucson
Summary of Proposed New or Modified Fees
 General Fund

City Code and Fee Schedule Reference	Current Fee Description	Customer Impacted	Existing Fee	Proposed Fee	Justification/Cost Basis	Comparisons
Department/Division: Development Services						
11-38 (Lic Fees)	Marijuana dispensary and grow location, annually:					Other City Fee Ranges:
	1-2500 square feet of grow area		\$0.00	\$2,500.00	Fees will ensure the applicant maintains compliance and certification with special zoning provisions regarding square footage of uses, and compliance with setbacks and other regulations. Fees will help offset an increase in service calls to the location for nuisance, theft, and disturbing the peace among other potential service calls.	Annual Fees for Rural Area Operations:
	2501-5000 square feet of grow area		\$0.00	\$5,000.00		Greenhouse Grow 1-10, \$10,000/acre
	5001-7500 square feet of grow area		\$0.00	\$7,500.00		Greenhouse Grow 11-30, \$20,000/acre
	7501-10000 square feet of grow area		\$0.00	\$10,000.00		Greenhouse Grow 31-39, \$30,000/acre
	zoning compliance fee		\$0.00	\$400.00		Greenhouse Grow 40+, \$20,000/acre Outdoor Grow, \$3,000/acre
						Indoor Grow (non greenhouse), \$9,000/acre