

## Commercial Cannabis Regulations in the San Marcos Community District

### Staff Analysis

28 June 2023

This analysis focuses on the uses that are currently allowed. Except for the following, all other Cannabis uses are currently prohibited in the San Marcos Community District (“SMCD”):

- **Store or Shop without drive-through facility**
  - o Permitted in Commercial Neighborhood (CN)
- **Research and development**
  - o Permitted in Commercial Neighborhood (CN)
- **Commercial Greenhouse**
  - o Conditional use in Commercial Neighborhood (CN)
  - o Permitted use in Rural Fringe (RUR-F)
- **Outdoor Cannabis production**
  - o Permitted use in Rural (RUR)
  - o Conditional use in Rural Fringe (RUR-F) and Rural Residential (RUR-R)

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### Commercial Cannabis Outdoor Growth Facilities (“Outdoor Cannabis Production”)

For Outdoor Cannabis Production in Residential areas, 26.7% of respondents stated that commercial cannabis outdoor growth facilities should be allowed or should be allowed with limitations, while 73.3% said they should not be allowed. For Agricultural areas, 62.7% of respondents stated that commercial cannabis outdoor growth facilities should be allowed (36.3%) or should be allowed with limitations (26.4%). While some Respondents said it is “already established. Equal opportunities!” many had concerns about water usage, smell, potential crime, and light pollution.

#### *Overlay implementation:*

- What is the distinction between “residential” vs. “agricultural” areas in San Marcos?
- Why should outdoor cannabis production be treated differently than other agricultural uses?
- What limitations (if any) should be imposed on outdoor cannabis production?
  - o No well water? Metered well to ensure compliance? Commercial grows have to have commercial water rights.
  - o Buffer from adjacent properties?

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### Commercial Cannabis Indoor Growth Facilities (“Greenhouses”)

For Greenhouses in Commercial/retail areas, 66.1% of respondents stated that commercial cannabis indoor growth facilities (greenhouses) should be allowed (36.1%) or should be allowed with limitations (30.0%). For Greenhouses in Agricultural areas, 68.3% of respondents stated that commercial cannabis indoor growth facilities (greenhouses) should be allowed (36.1%) or should be allowed with limitations (32.3%). A majority of respondents support greenhouses in commercial areas, while some had concerns about water usage, crime, and lighting.

***Overlay implementation:***

- Are “Commercial Greenhouses” an appropriate use in San Marcos?
- Why should cannabis be treated differently than other agricultural uses in commercial greenhouses?
- What limitations (if any) should be imposed on cannabis greenhouses?
  - No well water? Metered well to ensure compliance?
  - Buffer from adjacent properties?

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**Cannabis Retailers/Dispensaries**

In the 2023 Santa Fe County San Marcos CDO Commercial Survey Results Report (“Report”), 67.7% of Survey respondents stated that cannabis retailers/dispensaries (“Store or shop without drive-through facility” in the SMCD Use Table) should be allowed (40.3%) or should be allowed with limitations (32.3%) in Commercial/retail areas. As pointed out by several respondents, cannabis is a legal substance and similar to alcohol in regulation. Furthermore, respondents mentioned how there are already dispensaries in nearby Bisbee Court or Madrid. On the other hand, some respondents had concerns about the drug situation, how San Marcos is a very rural community, and how the number should be limited in some way.

***Overlay implementation:***

- Why should a cannabis dispensary be treated differently than a brewery or store that sells alcohol?

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**Cannabis Testing Facilities**

For Cannabis Testing Facilities in Commercial/retail areas, 67.2% of respondents said it should be allowed (46.1%) or should be allowed with limitations (21.1%). Some respondents mentioned that businesses should be allowed as that is the intention of commercial areas. Nonetheless, other respondents said such a use is not appropriate for the rural area due to potential traffic, security, and chemical concerns.

The “Research and development” use is a permitted use in the Commercial Neighborhood

***Overlay implementation:***

- Why should a Cannabis testing facility be treated differently than other “Research and development” uses?

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