

REPORT TO THE CITY COUNCIL



DATE: February 5, 2019

TITLE: Retail Facility Allowance for Select Specific Plans

Prepared by: Luke Rainey, Deputy City Manager

Reviewed by: Jennifer Mizrahi, City Attorney

RECOMMENDATION

Adopt a Resolution of the City Council allowing one (1) marijuana storefront retail facility (aka “dispensary”) in specific plans greater than fifty (50) acres in size, where such marijuana storefront retail facility is allowed in such specific plan.

BACKGROUND

The City of Desert Hot Springs requires a Conditional Use Permit (CUP) and regulatory permit to operate a cannabis dispensary/storefront retail business. In 2014, the City Council approved nineteen (19) specifically named persons (and their respective site locations) as eligible to apply for a marijuana dispensary CUP. Of those nineteen (19) persons, three (3) persons withdrew their applications. Sixteen (16) applicants remain, and this number is the maximum allowed per City Council resolution.

Currently, the City Council and Planning Commission have approved three Specific Plans that each include an allowance for one (1) dispensary/storefront. However, none of the Specific Plan developers are deemed eligible to open a dispensary, since they are not one of the 16 dispensary/store front applicants. Additionally, each Specific Plan developer, while making reasonable efforts, has not been successful in forming partnerships with any of the 16 currently approved dispensary/storefront applicants. This leaves developers who desire a dispensary within their Specific Plan unable to move forward with their intended business activities, due to the limitation on approved dispensary/storefront applicants.

DISCUSSION

Staff is asking for the City Council to consider action that will harmonize the intent of those approved Specific Plans to operate a dispensary/storefront. This can be accomplished with a single approved action allowing one (1) dispensary/storefront retail permit for any current Specific Plan that (a) is greater than 50 acres in size, and (b) has referenced the allowance of a dispensary/storefront retail establishment.

FISCAL IMPACT

City revenues will increase by an unknown amount (at this time), from the new dispensary/storefront retail sales that will be subjected to the City’s 10% tax on cannabis sales.

EXHIBIT(S)

1) Resolution Allowing One (1) Marijuana Storefront Retail Facility in Select Specific Plans