

REPORT TO THE CITY COUNCIL



DATE: June 30, 2020

TITLE: Proposed Ordinance of the City of Desert Hot Springs Adding Chapter 17.230, "Cannabis Hotels" of Title 17 "Zoning" of the Desert Hot Springs Municipal Code Regarding Regulation of Cannabis Use at Hospitality Businesses.

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RECOMMENDATION

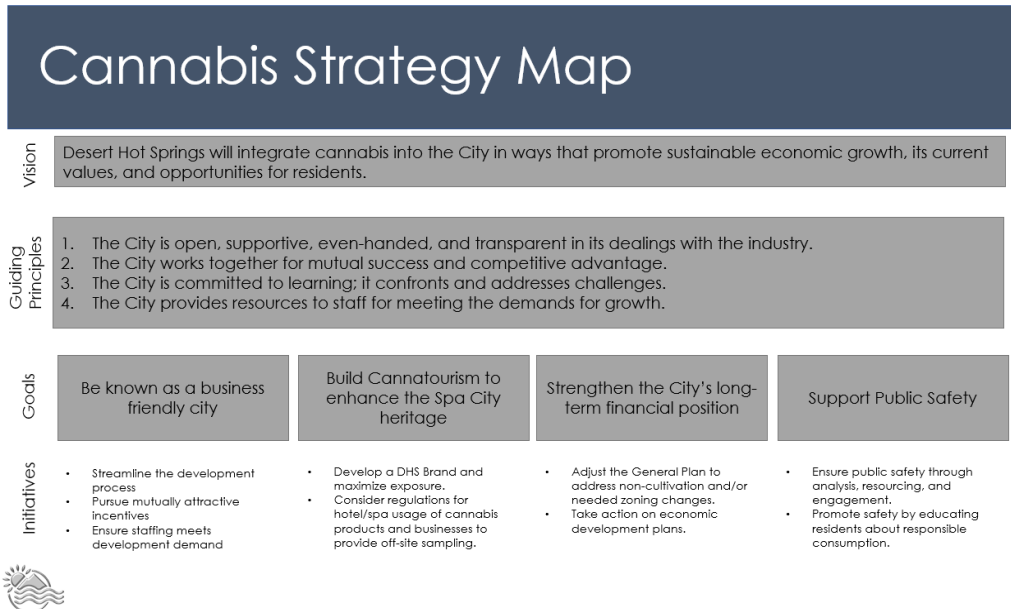
Discuss and provide staff direction on proposed Ordinance adding Chapter 17.230 "Cannabis Hotels" of Title 17 "Zoning" of the Desert Hot Springs Municipal Code Regarding Regulations of Cannabis Use at Hospitality Businesses.

DISCUSSION

During the June 5, 2018 City Council Study Session on Cannabis, Staff was directed to work with a moderator to facilitate the development of a unified City Council vision regarding cannabis. As part of the data gathering process, Staff was also directed to form a Cannabis Task Force comprised of cannabis industry experts to create proposals for City Council consideration. The proposals were reviewed, along with City Council's ideas, during a Cannabis Strategic Planning Session held on October 24, 2018. The Cannabis Strategic Planning Session resulted in action items that formulate proposed initiatives for strategies to support the City Council's intended vision.

During the March 19, 2019 City Council Study Session on the Cannabis Strategic Plan, City Council unanimously agreed to approve the Cannabis Strategic Plan with the understanding that certain items would return in the future requiring City Council approval.

The Cannabis Strategic Plan produced a Strategy Map outlining the City's Vision, Guiding Principles, Goals and Initiatives for growing and developing the Cannabis Industry in the City of Desert Hot Springs.



One of the Goals of the City Council's Cannabis Strategic Plan is to "Build Cannatourism to enhance the Spa City heritage", with an underlining initiative to "Consider regulations for hotel/spa usage of cannabis products and businesses to provide off-site sampling."

The proposed Ordinance adding Chapter 17.230 "Cannabis Hotels" of Title 17 "Zoning" of the Desert Hot Springs Municipal Code regarding regulations of cannabis use at hospitality businesses is being brought before the City Council in line with the Cannabis Strategic Plan for discussion.

The purpose of Chapter 17.230 is to regulate all hotels in which cannabis may be sold and consumed on the premises. This chapter is intended to protect the public health, safety, and welfare, and additionally, to mitigate the cost and burden on the City stemming from local control, oversight, and regulation of hotels that provide cannabis.

"Marijuana Hotel Facility" means a hotel, motel, or other transient lodging facility as defined by Chapter 3.20 of this Code that possesses a permit issued pursuant to this chapter. "Patron" means a registered guest of a hotel or motel. Patrons shall not include any visitors or customers who do not register as guests.

The proposed Ordinance would allow Marijuana Hotel Facilities the ability to operate in the following fashion;

1. Permitted Locations.

Marijuana Hotel Facilities shall only be located in any Commercial District, Mixed-Use Corridor District, or Visitor-Serving Mixed-Use District in the City.

2. Marijuana Hotel Facilities shall not:

- a. Store more than \$ [REDACTED] in marijuana product on-site at any given time.
- b. Allow any on-duty employee to consume any marijuana or marijuana products on the premises.
- c. Admit entry into the premises, including both indoors and outdoors, any person who is under twenty-one years of age.
- d. Sell, serve, or permit the sale or serving of marijuana or marijuana products to persons other than patrons.
- e. Distribute any free samples of marijuana or marijuana products on the premises.
- f. Sell, serve, or permit the sale or serving of marijuana or marijuana products to patrons who are visibly intoxicated.
- g. Permit any public nuisances, including any noise violations or other offenses to the public peace and safety.
- h. Allow smoking or vaping of any product outside of designated and marked smoking areas.
- i. Display any marijuana product the hotel is selling, and instead shall only provide a menu of marijuana products to patrons.

3. Marijuana Hotel Facilities shall:

- a. Create and maintain an active account within the state's track and trace system required by Business and Professions Code Section 26067 prior to commencing any commercial marijuana activity.
- b. Ensure that the consumption of marijuana or marijuana products is not visible from the outside of the business.
- c. Comply with any other conditions specified in their Marijuana Hotel Facilities Conditional Use Permit and Regulatory Permit.

- d. Ensure that marijuana consumption areas shall have adequate security and lighting for the safety of patrons and to protect the premises from theft at all times.
 - e. Comply with all state alcohol requirements
 - f. Notify patrons verbally and through posting of a sign in a conspicuous location that entry into the premises by persons under the age of twenty-one is prohibited.
 - g. Provide marijuana or marijuana products to a patron in an amount reasonable for on-site consumption and consistent with personal possession and use limits allowed by the state.
 - h. Employ a person to be on the premises to supervise employees and patrons at all times during business hours.
 - i. Install an odor absorbing ventilation and exhaust system so that odor generated inside the premises is not detected outside the premises.
 - j. All designated smoking area shall be 50 feet from any property line (or residential use).
 - k. Train its employees about the various marijuana or marijuana products it sells, including potency of the products, absorption time, and effects of the products. Employees shall educate all customers as to these products in an effort to ensure responsible consumption.
 - l. Place and properly maintain solid waste receptacles and recycling bins, in sufficient numbers and locations to service the needs of the proposed use at peak business periods.
 - m. Allow patrons to take cannabis or cannabis products that are partially consumed offsite.
- 4. Conditional Use Permit/Regulatory Permit Required.**
- a. No hotel/motel or other transient lodging facility as defined in Chapter 3.20 may sell, offer to sell, prepare for sale, or otherwise provide marijuana or marijuana products to patrons, nor allow the onsite consumption of marijuana or marijuana products by patrons, without first obtaining both a City-issued conditional use permit and regulatory permit. The number of Conditional Use Permits issued for Marijuana Hotel Facilities shall be above and beyond the limited number of conditional use permits allowed for Storefront Retail Facilities.
- 5. State and Local Laws**
- a. Marijuana Hotel Facilities must comply with all local and State law as it pertains to any and all uses at all times.
- 6. Local Taxes**
- a. Marijuana Hotel Facilities shall be subject to all applicable local taxes, including but not limited to those in Chapter 3.34, which shall be in addition to any Transient Occupancy Taxes.

FISCAL IMPACT

Unknown at this time.

EXHIBIT(S)

1. Proposed Ordinance
2. Cannabis Strategic Plan Strategy Map