

## REPORT TO THE CITY COUNCIL

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**DATE:** June 30, 2020

**TITLE:** Proposed Ordinance of the City of Desert Hot Springs Amending Certain Sections of Chapter 17.180 Allowing and Setting Parameters for Marijuana Entertainment Facilities.

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### RECOMMENDATION

**Discuss and provide staff direction on amending certain sections of Chapter 17.180 allowing and setting parameters for Marijuana Entertainment Facilities.**

### DISCUSSION

The City of Desert Hot Springs ("City") is a charter city organized pursuant to Article XI of the California Constitution. Chapter 5.50 "Medical Marijuana Facilities Regulatory Permit," of the Desert Hot Springs Municipal Code ("DHSMC") establishes standards for granting permits to Marijuana Facilities within the City. Chapter 17.180, of the DHSMC establishes zoning regulations and development standards for Marijuana Facilities, as that term is defined, within the City. Currently, the DHSMC only allows cannabis retail sales within the Commercial Districts of the City and refers to such establishments as "Storefront Retail Facilities. Per the DHSMC, Storefront Retail Facilities are allowed in Commercial Zones with a Conditional Use Permit and a Regulatory Permit.

The City has been contacted by several cannabis developers who wish to build cannabis-friendly entertainment facilities. Currently the DHSMC does not allow for Cannabis entertainment facilities and City Council discussion and direction is needed to move forward with the proposed Ordinance to amend certain sections of Chapter 17.180 to allow and set parameters for Marijuana Entertainment Facilities.

A Marijuana Entertainment Facility means any facility or location, the primary function of which is an entertainment use (such as a movie theater, bowling alley, concert venue, etc.), and at least one other of the following uses: a) Marijuana Store Front Retail Facility, and/or, b) on-site marijuana consumption venue.

The proposed Ordinance to amend certain sections of Chapter 17.180 for Marijuana Entertainment Facilities includes the following;

**1. Permitted Locations.**

Marijuana Entertainment Facilities shall only be located in any Commercial District (except the Commercial Downtown District), Industrial District or Mixed-Use Corridor District in the City.

**2. Marijuana Entertainment Facilities**

Marijuana Entertainment Facilities primary function shall be an entertainment use and must contain an entertainment use (such as a movie theater, bowling alley, concert venue), and at least one other of the following uses:

- a. Storefront Retail Facility, which facility complies with all terms and conditions in this Chapter, including all State and local laws. The Storefront Retail Facility shall enjoy all uses as provided in Section 17.180.045.
- b. On-site marijuana consumption facility, which shall comply with all of the following:

- a. On-site marijuana consumption facility shall not be attached to any Storefront Retail Facility and must be located on a separate premise, and otherwise comply with all State and local laws.
  - b. Marijuana Entertainment Facilities shall only sell marijuana products for on-site consumption only from within the facility.
  - c. Marijuana Entertainment Facilities shall not sell marijuana products for any Off-site sales from within the facility
3. **Conditional Use Permit/Regulatory Permit Required.**  
Entertainment Facilities shall obtain both a City-issued conditional use permit and regulatory permit. The number of Conditional Use Permits issued for Entertainment Facilities shall be above and beyond the limited number of conditional use permits allowed for Storefront Retail Facilities.
4. **State and Local Laws**  
Marijuana Entertainment Facilities must comply with all local and State law as it pertains to any and all uses at all times.
5. **Local Taxes**  
The Storefront Retail Facility and/or the on-site marijuana consumption facility, or any other marijuana component of the Entertainment Permit shall be subject to all applicable local taxes, including but not limited to those in Chapter 3.34.

**FISCAL IMPACT**

Unknown at this time.

**EXHIBIT(S)**

1. Proposed Ordinance