



STAFF REPORT
5/27/2020

TO: Honorable Mayor and City Council Members

FROM: Luis Lopez, Development Services Director

SUBJECT: Non-Storefront Retail Cannabis Business Code Amendments

SPECIFICS:

- a) Ordinance No. 1161 amending various sections of Title 17 (Zoning) of the Coachella Municipal Code to update and clarify provisions regarding retail cannabis businesses, specifically with regards to non-storefront retailers, non-storefront retail microbusinesses, storefront retail microbusinesses, and non-retail microbusinesses. (*Second Reading*)
- b) Ordinance No. 1162 amending Coachella Municipal Code Chapters 5.68 and 5.69 regarding cannabis cultivation, manufacturing, testing, distribution, and retail regulatory permits, specifically with regards to non-storefront retailers, non-storefront retail microbusinesses, storefront retail microbusinesses, and non-retail microbusinesses. (*Second Reading*)

STAFF RECOMMENDATION:

Staff recommends that the City Council adopt the following Ordinances:

ORDINANCE NO. 1161 - An Ordinance of the City Council of the City of Coachella, California, Amending Coachella Municipal Code Title 17 Zoning, Chapters 17.26 C-G General Commercial Zone, 17.30 M-S Manufacturing Service Zone, 17.32 M-H Heavy Industrial Zone, 17.34 M-W Wrecking Yard Zone, 17.46 IP Industrial Park Overlay Zone, 17.47 RC Retail Cannabis Overlay Zone, 17.84 Retail Cannabis Businesses and 17.85 Commercial Cannabis Activity to Update Cannabis Business Zoning Regulations, including Regulations Specific to Non-Storefront Retail Cannabis Businesses and Microbusinesses.

ORDINANCE NO. 1162 - An Ordinance of the City Council of the City of Coachella, California, Amending Coachella Municipal Code Title 5 Business Licenses and Regulations, Chapters 5.68 Commercial Cannabis Activity Regulatory Permit and 5.69 Cannabis Retailer and Retail Microbusiness Regulatory Permit to Update Cannabis Business Regulatory Permit Regulations, Including Regulations Specific to Non-Storefront Retail Cannabis Businesses and Microbusinesses.

BACKGROUND:

On May 13, 2020 the City Council conducted a public hearing and introduced Ordinance No.'s 1161 and 1162 for first reading, by title only, to establish zoning regulations for Non-Storefront Retail Cannabis Businesses and Microbusinesses, and to modify the City's Cannabis Regulatory Permit regulations to update terminology and to include Non-Storefront Retail Cannabis as an additional type of regulated business.

DISCUSSION/ANALYSIS:

The adoption of Ordinance No. 1161 will amend various sections of the City's Zoning Code (Title 17 of the Coachella Municipal Code) to conditionally allow Non-Storefront Retail Cannabis Businesses and Microbusinesses in the City's commercial and industrial zoning districts. New development standards applicable to this business type have been included in the amendments.

The adoption of Ordinance No. 1162 will make conforming amendments to the City's Business Licenses and Regulations (Title 5 of the Coachella Municipal Code) to update the City's Cannabis Regulatory Permit regulations to now include Non-Storefront Retail Business types.

The Ordinances attached to this staff report will be codified into the City's Municipal Code, that is published on-line and is available on the City's website.

Planning Commission Recommendation:

After reading the Planning Commission's meeting minutes of April 15, 2020, there were specific recommendations given to City Council that were not discussed in the May 13, 2020 City Council staff report. Accordingly, the 10th "whereas" in Ordinance No. 1161 was modified slightly to read as follows (changes shown in highlight/underline):

WHEREAS, after said public hearing, the Planning Commission recommended that the City Council approve this Ordinance, adding that the City should consider local ownership business opportunities, and distances to existing parks, schools, and community centers in allowing Non-Storefront Retail Cannabis Businesses and Microbusinesses; and,

The above-recommended Planning Commission policies could be considered as part of the normal "case by case" review of conditional use permits for Non-Storefront Retail Business applications. However, this could lead to inadequate notice to applicants of what is the proper standard for locating this business type in the City, and it could lead to a "vague standard" argument by applicants.

If the City Council is inclined to incorporate the Planning Commission's recommendations, then the proper action would be to remand the Ordinance back to the Planning Commission and to add these standards into Ordinance No. 1161. This would include revised zoning regulations to have a specific distance requirement from city parks, schools, and community centers. Additionally, the City's adopted Cannabis Social Equity policies already promote local ownership policies and there would be no need to codify this policy.

ALTERNATIVES:

1. Adopt Ordinance No.'s 1161 and 1162.
2. Adopt Ordinance No.'s 1161 and 1162 with minor clarifications.
3. Continue this item and provide staff with direction.

FISCAL IMPACT:

None.

RECOMMENDED ALTERNATIVE(S):

Staff recommends Alternative #1 or Alternative #2 above.

Attachments: Ordinance No. 1161 Zoning Ordinance Amendment (2nd Reading)
 Ordinance No. 1162 Regulatory Permit Ordinance (2nd Reading)